MacArthur Foundation

Our Approach to Due Diligence

April 2026

As a private foundation and steward of charitable funds, we are responsible for making sure our grants are used for charitable purposes and in line with the law. That means we need to carry out due diligence before and during a grant.

We also recognize that funder–recipient relationships can involve power imbalances. We aim to approach this process with respect, transparency, and a genuine commitment to building a candid, trusting relationship with you.

This memo explains how our due diligence process works, the principles behind it, and what you can expect. We welcome your questions and feedback at any point.

A Shared Process: Managing Risk and Strengthening Work

Due diligence is not just about protecting the Foundation—it should also benefit you.

Done well, it can:

- Help identify areas where your organization may want additional support
- Surface risks early so they can be addressed
- Open the door to resources such as legal, financial, or operational support

We see this as a shared process. Your input helps us improve how we do this work and reduce unnecessary burden over time.

Our Core Principles

Shared Responsibility
We are accountable for stewarding funds, and we approach that responsibility in collaboration with you.

Trust and Transparency
We aim for open, direct communication on both sides.

Proportionality
Not every grant requires the same level of review. We tailor our approach based on the facts and risks involved.

Minimizing Burden
We try to gather information efficiently and avoid asking for what we can find elsewhere.

Continuous Learning
We use what we learn—from you and from each grant—to improve our process.

Careful Use of Technology
We may use AI tools to gather publicly available information, but we review and verify what we find.

Ongoing Engagement
Due diligence is not a one-time step; it continues throughout the life of the grant.

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What the Process Looks Like

- We begin gathering information early, often before a grant decision is made.
- We may use a mix of:
  - Public information (including AI-assisted research)
  - Conversations with you
  - Written questions designed to be quick to answer with a simple yes/no
- We will:
  - Be clear about what we are asking and why
  - Make ourselves available to talk through questions or responses
  - Share concerns as they arise and work with you to address them
- In some cases, we may:
  - Ask follow-up questions
  - Request a call with relevant members of your team and ours

This is meant to be an interactive process, not a one-sided review.

How We Handle Issues

Our goal is not to find reasons *not* to make a grant. It is to find responsible ways to make it.

No single issue automatically disqualifies a grant. Instead, we look for ways to address risks, which may include:

- Adding reporting or check-in requirements
- Including conditions on the grant or payments
- Delaying funding while specific issues are addressed
- Adjusting how the grant is structured
- Providing resources to help strengthen your organization

We will explain any concerns clearly and work with you to find practical solutions.

Communication

If you have questions or concerns at any point, please contact your program officer. They will connect you with the right people at the Foundation.

We are committed to making this a collaborative, respectful, and useful process. We appreciate your partnership and look forward to working together.