

I. General Information

- A. These policies are a supplement to the Articles of Incorporation and Bylaws of the Grand Rapids Area Community Foundation. If these operating policies are in conflict in any way with the Articles and Bylaws, the Articles and Bylaws will take precedence.
- B. The mission of the Grand Rapids Area Community Foundation is *to inspire individuals and organizations to invest in community to improve the quality of life.*
- C. This manual is approved by the Grand Rapids Area Community Foundation Board of Directors for the purpose of establishing sound administrative policies and providing operational guidelines for Board Members and staff. These policies provide a general framework from which the Community Foundation will operate.

II. Standards of Conduct

- A. **Proper conduct** of Board Members, staff, and volunteers is paramount to the long-term success of the Community Foundation. All individuals associated with the Community Foundation are stewards of a public trust for public purposes and thereby have a responsibility to carry out their stewardship in an ethical, open and forthright manner.
- B. **Donor-Driven Standards:**
 - 1. The interests of donors or prospective donors to the Community Foundation shall always come before the interest of the Foundation or community.
 - 2. No gift agreement or any other type of donor commitment shall be urged upon a donor at the expense of the donor's personal best interest.
- C. **Confidentiality:** All information concerning donors or prospective donors personal affairs, names of beneficiaries, size of estate, etc. shall be held in strict confidence by the Board Members, community volunteers and staff of the Community Foundation.
 - 1. Announcements of gifts will be made only with permission from the donor and in an appropriate way through the public media.
 - a. All donations valued at \$5,000 or greater will be brought to the attention of the Board Members, including donor names and amounts, unless anonymity is requested by the donor, whereby only the amount will be provided.
 - b. Board Members may have access to all donation records through the Executive Director.
 - c. See Policy Attachment 4: Confidentiality Statement
- D. **Transparency and Disclosure:** Board Members of the Grand Rapids Area Community Foundation will have, by their various nature of being active in the community, conflicts of interest that will, from time to time, prevent their participation in certain decisions.

1. Conflict of Interest:

- a. Board Members shall disclose in writing, to the Board of Directors, any person to whom they are closely related or organization with which they are affiliated who or which presently transacts business with the Foundation or might reasonably be expected to do so in the future.
- b. An affiliation with an organization will be considered to exist when a Board Member or member of his/her immediate family or close relative is an officer, director trustee, partner, employee or agent of the organization, or owns five percent of the voting stock or controlling interest in the organization, or has any other substantial interest or dealings with the organization.
- c. Each disclosure shall be updated and resubmitted on a yearly basis.
- d. It is the responsibility of each Board Member and staff person to disclose, at any meeting, involvement with a decision that is pending at the current or a forthcoming meeting.
- e. The Board Member will abstain from voting on that particular grant, organization, fund or subject. The Board Member's abstention will be recorded with all votes.
- f. See Policy Attachment 5: Conflict of Interest Statement

E. Receipt of Gifts, Fees, Honors and Appointments: Board Members and staff and their immediate families may not accept gifts, fees, honorary degrees or appointments by a recent or prospective grantee within a time span of five years, unless he or she has the written consent of the Board Chair.

F. Special Circumstances: Situations may confront Foundation personnel that are not covered in this policy. If there is any doubt as to proper course of action, the matter should be discussed by the Governance Committee and, if the issue has some complexity, then with legal counsel.

G. Use of Legal, Tax and Other Counsel: Deferred giving agreements and other arrangements with donors will only be entered into with the advice of legal counsel. In addition, all potential donors will be encouraged to seek the advice of their personal legal advisors when making deferred gifts or considering matters relating to estate and tax planning.

H. Seeking Gifts Appropriately: The volunteers and staff of the Community Foundation shall exercise prudent judgment when approaching prospective donors to prevent the use of inappropriate persuasion or influence on such donor. Foundation volunteers and staff will inform, serve, guide and assist prospective donors by using patience and thorough understanding to fulfill each donor's needs and intent.

- I. **Records Retention:** Maintenance of all records necessary for legal, financial and operational purposes will be retained while minimizing office file and storage space requirements. To achieve these objectives, the Records Retention Schedule (See Attachment 7) has been adopted with the following guidelines:
1. Retention period begins with the last day of the year in which the record is dated.
 2. Records may be discarded or destroyed at any time following the retention period. The manner of discard or destruction will be determined with respect to individual privacy and corporate integrity.
 3. Notwithstanding the scheduled retention years, documents may be retained for longer periods at the discretion of the Executive Director.
 4. In the event the Foundation receives notice of pending or actual litigation or government investigation or if it appears reasonably foreseeable that such litigation or investigation may occur, the related records will be retained indefinitely.
 5. Files of daily operations on the Foundation's computer network will be backed-up, on site, on a daily basis (workdays).
 6. See Policy Attachment 7: Record Retention Schedule
- J. **Availability of Annual Audit, Form 990 (and Form 990-T, if applicable) and Annual Report:**
1. The Foundation will make the following tax documents from the previous three years available for public inspection: IRS Forms 990, 990-T, if applicable, and Determination Letter, as well as the annual audit performed by an outside CPA firm.
 2. The Foundation's Annual Report will be published and available to the public each year. If the report is published before the annual audit for the same year is concluded, it must contain the following language: *'This financial data has not yet been audited. The most current annual audit and Form 990 (Form 990-T, if applicable) are available by calling the Community Foundation or available for viewing on the Foundation's website at www.gracf.org.'*

III. Types of Funds: Listed below are the types of funds commonly found within the framework of a Community Foundation. The Grand Rapids Area Community Foundation will follow the general guidelines and terminology used as to the types of funds which are encouraged and limitations placed on these funds as defined by law.

- A. **Unrestricted:** The Foundation Board Members will determine current needs in the community and make distributions either through recommendations from the Community Impact Committee or from the board as a whole.
- B. **Designated:** Distributions are designated for a specific agency(s). The fund designated to the Community Foundation for operating support is named The Foundation Fund.

Prior to 2007, this fund was called the Administrative Endowment. Any income left in planned gifts or other financial instruments to the Administrative Endowment will be used for the Foundation Fund.

- C. **Field of Interest:** A donor can establish or add to a fund for a special charitable field of interest.
1. The field of interest funds established before December 1, 2004 (Fund for the Arts, Fund for the Environment, Fund for Women and Fund for the Community), will not be charged a management fee until they reach an asset level of \$25,000.
 2. All new fields of interest funds established after December 1, 2004 must be established with a minimum of \$10,000. They will be charged the standard fees from inception.
- D. **Donor Advised:** A donor(s) and/or advisors make regular recommendations to the Board of Directors as to specific grants to organizations,
1. Donations may be recommended for nonprofit charities, private schools and universities and religious institutions. Grants may not be made to private foundations or individuals.
 2. Pre-existing, legally binding pledges or formal capital campaign pledges may not be made from Donor Advised funds.
 3. Membership dues or the costs of attending a fundraising event may not be paid through a Donor Advised fund.
 4. Grants will go out no more than one month following receipt of the written request. Donors may request anonymity and restrictions on the donation. Contact with the grantee will address those restrictions.
 5. Donor advisors may not select the majority of an advisory committee when making recommendations for scholarships (considered grants to individuals).
 6. Donors may recommend succession planning through a maximum of three generations. Following that, granting recommendations shall be made through the Foundation Community Impact Committee.
 7. The Foundation will scrutinize recommendations from donor advisors to prevent any prohibited grants, per the Pension Protection Act of 2006. Procedures for distributions for Donor Advised Funds will be followed to insure that due diligence is performed on all grant recipients before grants are made.
 8. Private business holdings:
 - a. Holdings of a Donor-Advised Fund in a business enterprise, together with the holdings of persons who are disqualified persons with respect to that fund, may not exceed any of the following:
 - 1). Twenty percent of the voting stock of an incorporated business

- 2). Twenty percent of the profits interest of a partnership or joint venture or the beneficial interest of a trust or similar entity.
- 3). Ownership of unincorporated businesses that are not substantially related to fund's purposes is also prohibited.
- b. The Foundation will follow the rules of the Pension Protection Act 2006 for receiving and divesting of excess business holdings in Donor Advised Funds.
9. See Policy Attachment 6.8; Donor Advised Fund Policy

E. **Scholarships:** These funds are designated for specific high school(s) or post-secondary schools, geographic areas, for educational purposes or special population. Donors have choices in naming the criteria and assisting with selection of recipients. All scholarship recipients are selected from a pool of qualified applicants.

1. Endowed Scholarships:
 - a. Establishment and distribution from endowed scholarships shall be based on the current Spending Policy.
 - b. If a donor wishes to immediately start giving awards while growing an endowed fund, or in the case where distributions are insufficient to cover scholarship amounts, Foundation staff will determine an appropriate solution with each individual donor, to allow scholarships for that year.
2. Nonendowed Scholarships (or other short term funds)
 - a. A scholarship or fund grant must be for at least \$500.
 - b. If the amount left in the fund is less than \$500, and the donor is:
 - 1). living, the donor will be approached to determine the future of the Fund
 - 2). no longer living (with no advisors), the balance will be transferred into the Community Foundation Scholarship.
 - c. The assets of the fund will be managed in a short-term investment account.
 - d. The fee for managing this fund will be consistent with the current Foundation Management Fee Schedule for nonendowed funds.
3. See Policy Attachment 6.4: Scholarship Policy

F. **Re-Granting Programs:** These funds are used to support re-granting from private or other foundations to local nonprofit needs or organizations. An example of a re-granting program is the Itasca County Sharing Fund.

G. **Special Project Funds:** Often referred to as Fiscal sponsorships, these funds support organizations planning, coordinating, and executing special charitable projects within the Greater Itasca Area. These funds typically are limited in duration, will normally support an organization that does not intend to become a 501(c)3, and the activity serves a charitable need in our local area and therefore furthers the charitable purposes of the Community Foundation.

IV. Guidelines for Accepting Gifts:

1. There are many ways in which individuals may contribute to the Foundation and it is important that the Community Foundation helps the donor meet his or her needs through the use of one or more gift opportunities.
2. If a gift is given to the Foundation, it must fall within the guidelines established for the purposes of setting up a fund.
3. Except for field of interest funds, for most purposes, a named fund or a donor designated endowed fund will require an investment of \$10,000, either one time or in progressive payments in order for the fund to have impact, with a first-time gift of a minimum of \$1,000. A pledge to grow the fund will be included in the legal agreement with the donor.
4. Below the \$10,000 level, donations should become part of the discretionary fund for easier management and less complexity. This does not mean that smaller gifts won't be considered.
5. In accepting all gifts, the Community Foundation will assess as to whether the gift is legal, meets the mission of the Foundation and whether the donor intent is charitable.
6. Before accepting a gift, the Foundation will determine whether or not the gift will enhance or damage the image of the Community Foundation. The donor should be made aware of the Community Foundation's guidelines on gift acceptance.
7. All unrestricted gifts to the Foundation shall be designated to the Operating Fund.
8. See Policy Attachment 6.7: Gift Acceptance Policy

V. Management Fees: The Community Foundation will be compensated for managing all funds. An agreement with each individual, organization or business that establishes a fund will describe the type of fund and the agreed upon management fee structure. The Board of Directors has final authorization in negotiating these fees. The guidelines for these agreements will be as follows:

A. Endowed Funds:

1. 1% annual management fee, assessed quarterly
2. \$100 minimum per fund per year
3. Per check charge of \$20 for distribution of over four checks per year

B. Nonendowed Funds:

1. 2% annual management on first \$50,000 in assets; 1% management fee on balance of assets over \$50,000, assessed quarterly
2. The Foundation retains interest earned
3. \$100 minimum per fund per year
4. Per check charge of \$20 for distribution of over four checks per year

C. Scholarships:

1. Scholarships are assessed the same fees as other funds, according to whether the fund is endowed or nonendowed

2. Scholarship funds are not assessed a per check charge
- D. Re-granting programs (example: The Itasca County Sharing Fund)
 1. Negotiated annual or one-time fee which may or may not include a charge of \$20 per check disbursed
 2. The Foundation retains all interest accrued from the investment of assets in a fixed income account.
 3. If additional administrative time is needed for the management of a fund, fees may be negotiated with the Foundation, with final approval by the Board of Directors
- E. Special Project Funds and Fiscal Sponsorships.
 1. Negotiated annual or one-time fee which may or may not include a charge of \$20 per check disbursed
 2. If additional administrative time is needed for the management of a fund, fees may be negotiated with the Foundation, with final approval by the Board of Directors.

VI. Disbursements from Funds

- A. Grants of \$5,000 and under from all nonendowed funds, designated endowed funds or any donor advised funds may be approved by any three of the following: Executive Director, Chair, Chair-Elect, Vice Chair, Treasurer, Secretary, or Chair of the Community Impact Committee.
- B. All grants over \$5,000 and grants recommended by the Community Impact Committee need full board approval.

VII. Grants: The Community Impact Committee shall review and approve the process, schedule and format for awarding Foundation grants.

VIII. Program Related Investments (PRIs) will be considered on an individual basis. The following due diligence and requirements will be evaluated before the final PRI is recommended to the board by the Finance and Stewardship Committee:

- A. The organization has appropriate financial capacity.
- B. The organization has the breadth and depth of staff needed to carry out requirements.
- C. Organizational leadership has a good track record and related experience.
- D. The investment aligns with the Foundation's mission.
- E. The investment aligns with the applicant organization's mission.
- F. Governance or ownership is appropriate.
- G. Special provisions for signing and authorizing the deal can be guaranteed.
- H. Funding, terms, acceleration, reporting are analyzed; PRI has financial, business feasibility.
- I. Applicant is willing to be evaluated by the Foundation.
- J. The project fits the Foundation geographic service area.
- K. The applicant has included plans for monitoring and evaluating outcomes for the product development, refinement or replication process.

- L. Request is in line with Foundation funds available.
- M. Applicant staff has expertise in financing.
- N. Collateral provided equals or exceeds the value of the loan.
- O. Conflict of interest policy in place.
- P. Regulatory oversight is appropriate and adequate.
- Q. Venture Partner will provide organizational information:
 - 1. Current board membership
 - 2. Letter of incorporation
 - 3. Board resolution approving PRI
 - 4. Most recent audit

IX. Staff / Personnel: The Governance Committee shall act as the Personnel Committee for the Community Foundation, making recommendations to the Board of Directors.

- A. The Personnel Handbook of the Foundation will be reviewed on an annual basis by the Governance Committee and updated as needed.
- B. See Policy Attachment 6.2: Personnel Handbook

X. Contracts for Services: The Community Foundation may contract for services, such as accounting, annual audit, investment and advisory services and banking in order to accomplish its mission. The Community Foundation depends on the goodwill of everyone in the community. It will prioritize local businesses and give all parties an opportunity to provide services to the Foundation.

XI. Amendments and Updates

- A. These policies may be changed, from time to time, if conditions warrant.
- B. A majority vote of the members of the Board of Directors, at any regular meeting may change, amend or delete any policy from the Policy Manual.
- C. Updates and amendments will be noted as an update or amendment and the date of Board approval.
- D. A full policy review will take place after five (5) amendments and/or updates have been made, or at least every five (5) years.

Appendix 1

Board Member Position Description

Authority: The Board of Directors shall have charge of the affairs and funds of the Grand Rapids Area Community Foundation and shall have the power and authority to do and perform all functions in accordance with the Articles and By-Laws and within the appropriate laws governing 501 (c)(3) organizations.

Qualifications: A person who will provide volunteer time, leadership and willingness to uphold a position of public trust.

Responsibilities:

1. Attend meetings of the Board of Directors. Board members who do not attend 3 of the 6 scheduled board meetings in the April to March board year will be deemed to have resigned effective the third absence. Board members who resign from the board under this policy are eligible for re-instatement by an affirmative vote of a quorum of the board. Failing such re-instatement, board members resigning from the board under this policy may be eligible for reelection after an absence of one (1) year from the board.
 - a. Hold the charter of public trust
 - b. Fiduciaries of human and financial assets
 - c. Protect, preserve, invest, manage agency's property, consistent with the donor restrictions and legal requirements through proper internal controls
 - d. Determine and monitor programs and services
2. Develop, implement and evaluate
 - a. Mission statement
 - b. Policies
 - c. Long range and strategic plan
 - d. Projects and programs
 - e. Potential new funds
3. Support and assess The Foundation's Executive Director
 - a. Inform the Executive Director of all contacts
 - b. Assist in the annual Executive Director evaluation
4. Ensure adequate financial resources
 - a. Personal financial support
 - b. Identify and cultivate donor prospects in partnership with Executive Director
5. Serve as public advocate for the Community Foundation
 - a. Stay aware of community concerns
 - b. Keep the Community Foundation goals ahead of personal goals when serving as Foundation representative

- c. Maintain the highest ethical standard and never allow any personal conflict of interest to affect service
 - d. Share professional expertise with GRACF Board and Executive Director
- 6. Identify, cultivate and enlist new members
- 7. Assess board effectiveness
- 8. Serve as an active member on at least one committee
- 9. Confidentiality: The Board of Directors are responsible for honoring the confidentiality of all gifts. Great care needs to be taken regarding disclosure of donations.

Appendix 2.1

Chairman Position Description

Authority: As so elected by the Board of Directors on an annual basis

Qualifications: Member of the Board of Directors

Responsibilities:

1. Shall be the chief volunteer officer of the Community Foundation.
2. Shall preside at all meetings of the Board of Directors.
3. Shall have general supervision and direction of the affairs of the Foundation.
4. Shall execute, on behalf of the Community Foundation, all contracts, deeds, conveyances, and other instruments in writing which may be required or authorized by the Board of Directors for the proper and necessary transaction of the business of the Foundation.
5. Shall be an ex-officio member of each committee.
6. Shall present, at each annual meeting, a full report on the transactions and affairs of the Foundation for the preceding year.
7. In the case of the Secretary's absence, refusal or neglect, the Chair shall give or cause to be given all notices of meetings of the Board and all other notices required by law or by the Bylaws.
8. Shall perform the duties of the Executive Director in his/her absence.
9. Shall have additional powers and perform such additional duties as may be prescribed by the Board of Directors.

Appendix 2.2

Chair-Elect Position Description

Authority: As so elected by the Board of Directors on an annual basis. The execution of action by the Chair-Elect, on behalf of the Foundation of any instrument, shall have the same force and effect as if it were executed on behalf of the Chairman.

Qualifications: Member of the Board of Directors

Responsibilities:

1. The Chair-Elect shall perform the duties of the Chairman in the case of the Chair's absence or disability.
2. Shall have additional powers and perform such additional duties as may be prescribed by the Board of Directors.
3. Shall work with the Chair and Vice Chair to help with the governance of the board to assure some continuity of leadership.
4. Shall be an active participant of the Governance Committee.

Appendix 2.3

Vice Chair Position Description

Authority: As so elected by the Board of Directors on an annual basis. The execution of action by the Vice Chair, on behalf of the Foundation of any instrument, shall have the same force and effect as if it were executed on behalf of the Foundation Chairman.

Qualifications: Member of the Board of Directors

Responsibilities:

1. The Vice-Chair shall perform the duties of the Chairman in the case of the Chair's and Chair-Elect's absence or disability.
2. Shall have additional powers and perform such additional duties as may be prescribed by the Board of Directors.
3. Shall work with the Chair and Chair-Elect to help with the governance of the board to assure some continuity of leadership.
4. Shall be an active participant of the Governance Committee.

Appendix 2.4

Secretary Position Description

Authority: As so elected by the Board of Directors on an annual basis.

Qualifications: Member of the Board of Directors

Responsibilities:

1. Shall record (or cause to be recorded) all proceedings of the meetings of the Board of Directors.
2. Shall give or cause to be given all notices of meetings of the Board of Board Members and all other notices required by law or by the Bylaws (in the case of the Secretary's absence or refusal or neglect to do so, any such notice may be given by the Chair, Chair-Elect, or Vice Chair.
3. Shall be custodian of all books, correspondence and papers relating to the business of the Community Foundation, except those of the Treasurer.
4. Shall join with the Chairman in the execution on behalf of the Foundation of all contracts, deeds, conveyances, and other instruments in writing which may be required or authorized to be so executed by the Board or Board Members for the proper and necessary transaction of business.
5. Shall cause to be prepared and present to the Board of Directors such reports as it may desire and request at such time or times as it may designate.
6. Shall have additional powers and perform such additional duties as may be prescribed by the Board of Directors.
7. Shall be an active participant on the Governance Committee.

Appendix 2.5

Treasurer Position Description

Authority: As so elected by the Board of Directors on an annual basis.

Qualifications: Member of the Board of Directors

Responsibilities:

1. Shall cause to be kept accurate financial records of the Community Foundation.
2. Shall safeguard the assets of the Community Foundation
3. Shall present a report of the Foundation's financial transactions and status to the Board of Directors at its annual meetings and shall from time to time make such other reports to the Board of Directors as it may require.
4. Shall have additional powers and perform such additional duties as may be prescribed by the Board of Directors.
5. Shall be an active participant in the Governance Committee

Appendix 3.1

Governance Committee

Standing:	Yes
Authority:	Only as granted by the Board of Directors
Responsible to:	Board of Directors
Elected:	Yes: Board Chair, Chair Elect, Vice Chair, Secretary, Treasurer, Past Board Chair (Additional Board Members may be appointed by the Chair with approval of the Board of Directors.)
Committee Chair:	Board Chair
Recorder:	Staff
Appointed:	No
Term:	Annual
Meeting Schedule:	Bi-Monthly (non Board meeting months) Special meetings may be called by the Board Chair.

Responsibilities:

1. Ensure effective governance of the Foundation, including updating of policy and proposing amendments to the Bylaws;
2. Develop and implement an annual Board agenda. This agenda will address the strategic priorities that must be achieved in the coming year and will be presented to the Board for approval at the annual meeting;
3. Conduct annual performance assessments of each Director and the Board as a whole;
4. Facilitate, at least annually, a review of the work performance of the Executive Director by the Board;
5. Recommend for approval by the Board compensation for the Executive Director and key staff; and
6. Conduct monthly review of GRACF financial statements to ensure sound financial practices are in place and potential issues recognized and dealt with in a timely manner.

Meetings:

1. A quorum for meetings shall be a majority of the group's members.
2. The group will make decisions by consensus. If the Chair determines that the group is unable to reach consensus, then the decisions will be made by a majority vote of those members present.
3. Meetings may be in person, conference call, or virtual.
4. Staff will provide notice of meetings and will distribute pertinent documents.

Reporting:

1. The group shall provide update reports of progress to the Board of Directors as requested, and include meeting minutes in the board packet for regular board of directors' meetings.

(Approved by board on date in 2021)

Appendix 3.2

Committee Job Description

Finance and Stewardship Committee

Committee:	Finance and Stewardship Committee
Standing:	Yes
Authority:	Board of Directors
Responsible to:	Board of Directors
Elected:	No
Appointed:	Yes
Term:	Annual
Total Membership:	At least six (6) members
Board Composition:	At least four (4) members
Meeting Schedule:	Annually determine regular meeting times. Special meetings may be called by the Chairperson of this committee or by the Board Chair.

Responsibilities:

1. Develop, recommend, and maintain investment policies, procedures and practices for optimizing risk and returns on the Foundation's invested assets.
2. Provide oversight of trustees, fiscal agent, attorneys, and other investment managers of the Foundation;
3. To review at least semi-annually, these policies, procedures and practices, and the performance of trustees, fiscal agents and other investment managers, and bring to the Board options for action;
4. Submit to the Board, not later than November of each calendar year, an operating budget for the following calendar year;
5. Facilitate, review, and report or have reported to the Board an annual audit of the Foundation's operating statements and financial management policies and procedures; *and*
6. Provide oversight of annual distribution determinations from endowment funds.
7. Provide oversight of Gift Acceptance policy, procedures and decisions.

Appendix 3.3

Committee Job Description

Community Impact Committee

Committee:	Community Impact Committee
Standing:	Yes
Authority:	Board of Directors
Responsible to:	Board of Directors
Elected:	No
Appointed:	Yes
Term:	Annual
Total Membership:	At least five (5); must be an odd number
Board Composition:	At least three (3) Board Members
Meeting Schedule:	At least Semi-Annual Special meetings may be called by the Chairperson of this committee or by the Board Chair.

Responsibilities:

1. Investigate the needs and merits of potential recipients of the funds of the Foundation, which may be distributable at the discretion of the Board, and to recommend distribution of such funds in accordance with its best judgment. No discrimination or bias shall be made in any such distribution on account or race, color, creed, religion, gender, age, disability, marital status, public assistance status, national origin, or sexual orientation of the individuals to be benefited;
2. Provide oversight of the marketing of the Foundation to interested agencies and to the general public within the Greater Itasca Area;
3. Conduct community outreach and education to interested agencies and to the public regarding the value of the Foundation to the common good; and
4. Develop and conduct an annual appeal for operational financial support of the Foundation.

Appendix 3.4

Committee Job Description

Board Development Committee

Committee:	Board Development Committee
Standing:	Yes
Authority:	Only as granted by the Board of Directors
Responsible to:	Board of Directors
Membership:	Membership appointed at annual meeting
Total Membership:	At least four (4)
Board Composition:	Members of the group will elect one member to serve as the group's chair.
Meeting Schedule:	Committee will meet every non board meeting months. Special meetings may be called by the Chairperson of this committee or by the Board Chair.

Responsibilities:

1. Design and maintain an ongoing process for developing and vetting potential new Directors so as to provide the Board with a list of nominees.
2. Design processes for onboarding new Directors.
3. Develop and facilitate an annual Board learning plan, within the context of the Board's annual agenda, to enhance the Board's capacity to govern the Foundation.
4. Determine how the group will recognize and thank leaders for their service.
5. Determine how the group will create accountability and evaluate the board to ensure follow-through.

(approved by board on date in 2021)

Appendix 3.5

Task Force Job Description

Committee:	As required
Standing:	No
Authority:	Board of Directors
Responsible to:	Board of Directors
Elected:	No
Appointed:	Yes
Total Membership:	As needed
Board Composition:	At least two (2) members
Meeting Schedule:	As needed
Responsibilities:	

1. **Strategic Planning:** Prepare strategic plan in coordination with the Governance Committee and Executive Director. Provide strategic planning concepts to the full board during the annual retreat.
2. **Annual Report:** Assist the staff in developing and preparing the Community Foundation Annual Report.
3. **Annual Fundraiser:** Assist the staff in developing the concept for and providing planning and execution of the annual Fundraiser.
4. **Planned Giving:** Assist the staff in developing and implementing a plan to encourage planned giving with individuals as well as professional financial advisors.
5. **Facilities:** Develop facility projections and conduct search efforts to ensure the Community Foundation physical location supports donors and provides useful workspace for staff.

Others as needed

Attachment 5

Conflict of Interest Policy

Grand Rapids Area Community Foundation



I. Introduction:

A. The Grand Rapids Area Community Foundation is a publicly supported charitable Community Foundation serving the Greater Itasca Area and is dedicated to its mission of expanding private philanthropy in local communities. The Community Foundation operates within the public trust and strives to maintain the highest code of conduct in all of its operations.

B. The Community Foundation recognizes that it can best accomplish its mission when the board of directors, volunteer committee members, staff and other groups associated with the Community Foundation represent the diverse interests, cultures, occupations and expertise of the community. Thus, the Community Foundation recognizes that members of the board of directors and others representing or affiliated with the Community Foundation will from time to time face possible conflicts of interest or situations in which the appearance of conflict of interest could be detrimental to the Community Foundation and the communities it serves.

C. The Community Foundation adopts this Policy in recognition of its responsibility to the public trust, in recognition of the importance of fairness and objectivity in its conduct of business, as a means of assuring that every decision of the Community Foundation is made in the interest of the Community Foundation and the communities it serves and as a means of publicly codifying its expectations of board, staff and volunteers, and others serving the Community Foundation.

D. This Conflict of Interest Policy applies to all persons holding positions of responsibility and trust on behalf of the Community Foundation, including but not limited to members of the board of directors, members of board committees who are not members of the board, volunteer committee members, and members of the Community Foundation staff (hereinafter “members”).

E. This Policy shall be provided to each member at the time that he or she is asked to serve the Community Foundation.

II. General Policies and Expectations

A. Members of the Community Foundation are expected to commit themselves to ethical and professional conduct. This includes the proper use of authority and appropriate decorum.

B. Members must represent unconflicted loyalty to the interest of the Community Foundation. This accountability supersedes any conflicting loyalty such as that to advocacy or interest groups, business interests, personal interests or paid or volunteer service to other

organizations. It also supersedes the personal interest of any staff or volunteer member acting as a consumer or client of the Community Foundation's services.

C. It is the policy of the Community Foundation that no member shall derive any personal profit or gain, directly or indirectly, by reason of his or her service to the Community Foundation. There may be no self-dealing or any conduct of private business or personal services between any member and the Community Foundation except those conducted in an open and objective manner to ensure equal competitive opportunity and equal access to information.

D. As the Community Foundation grows, board members or volunteer committee members must not use their positions to obtain employment in the Community Foundation for themselves, family members or close associates. Should a board or volunteer committee member desire employment, he or she must first resign.

E. Board and volunteer committee members may not attempt to exercise individual authority over the policies and operations of the Community Foundation except through their roles as voting members of the board or volunteer committees. Staff members may not attempt to exercise individual authority over the policies and operations of the Community Foundation except through their specific job responsibilities and established supervisory structure.

F. Board members and volunteer committee members in their interaction with the press and the public must recognize the inability of any individual member of the board or committee to speak for the Community Foundation except as expressly authorized by the board chair. Staff members in their interactions with the press and the public must recognize the inability of any individual staff member to speak for the Community Foundation except as expressly authorized by the Executive Director.

G. The Community Foundation will comply with both the letter and spirit of all public disclosure requirements, including the open availability of its Form 990 tax returns. However, all members must hold strictly confidential all issues of a private nature, including, but not limited to, issues related to private businesses, contributions from individuals, businesses and other private entities, and all personnel matters.

III. Policies on Conflict of Interest

A. In conducting the affairs of the Community Foundation, duality or conflict of interest shall be presumed when a person to whom this policy applies or a member of his/her immediate family serves as a trustee, officer, staff member or holder of more than 10% of corporate stock of an affected organization or firm; has a formal affiliation or interest in an affected organization or firm; or could expect financial gain or loss from a particular decision.

B. Before a staff, board or volunteer committee member begins his or her service with the Community Foundation, he or she shall file with the Executive Director a list of his or her principal business activities, as well as involvement with other charitable and business organizations, vendors or business interests, or with any other associations that might produce a conflict of interest.

C. In addition to the disclosure required by the previous paragraph, each member is under an obligation to the Community Foundation, to his or her fellow staff or volunteers, and to the community served by the Community Foundation to inform the Community Foundation of any position he or she holds or of any business or a vocational activity that may result in a possible conflict of interest or bias for or against a particular grantee, action or policy, at the time such grant, action or policy is under consideration by the board or any volunteer committee of the Community Foundation. Any duality or possible conflict of interest on the part of any member shall be disclosed to the Board Chair or the Executive Director (in the case of staff members) and made a matter of record as soon as the issue in question is raised and a possible conflict is known.

D. When the board, committee or staff is to decide upon an issue about which a member has an unavoidable conflict of interest, that member shall physically absent herself or himself without comment from not only the vote, but also from the deliberation, unless directly requested by the chair of the board or relevant committee to provide factual information or answer factual questions that may assist the board or committee in making a wise decision. In no case shall that member vote on such matter or attempt to exert personal influence in connection therewith.

E. Disclosure and abstention shall be recorded in the minutes of the meeting(s) at which the issue is discussed and decided.

F. In any situation not specifically covered by the previous sections of this policy, members shall consider carefully any potential conflict of their personal interests with the interests of the Community Foundation and refrain from any action that might be perceived as an actual or apparent conflict of interest.

IV. Examples of appropriate actions under this Policy

Example 1. An officer or other paid employee of a bank or other financial institution who is also a board or Finance and Stewardship Committee member of the Community Foundation should inform the chair of the board of his or her potential conflict of interest and abstain from discussing or voting on the retaining, employing or dismissing of his or her financial institution as an investment manager of the Community Foundation.

Example 2. A board or Community Impact Committee member who is also a board, staff or committee member of a proposed grantee should inform the chair of his or her conflict of interest and abstain from voting on or discussing any motion for or against the proposed grant, except as expressly requested by the chair to provide factual information or answer factual questions that would be useful to the board or committee in making its decisions. If several grants are being voted upon concurrently, the Board or committee member must voice his or her conflict of interest to the chair before the vote so that a vote on the grant with which there is a conflict may be taken separately.

Example 3. A Board or Committee member whose personal financial interests could be positively or adversely affected by the Community Foundation’s accepting, holding or disposing of a particular gift from a donor or by knowledge of the gift should inform the chair of his or her potential conflict of interest; refrain from seeking, obtaining or reviewing non-public information about the gift; and abstain from discussing or voting on acceptance of the gift.

V. Duties of the Board Chair and the Executive Director: The chair of the board shall be responsible for the application and interpretation of these policies as they relate to board members, volunteer committee members or the Executive Director. The Executive Director shall be responsible for the application and interpretation of the above policies as they relate to members of the Community Foundation’s staff.

VI. Duties of Members: Each board member has the affirmative responsibility to report to the Board Chair (in the case of concerns related to board or committee members or the Executive Director) or to the Executive Director (in the case of concerns related to members of the staff) any and all knowledge of any action or conduct that appears to be contrary to this Policy.

VII. Disclosure

I have listed below my principal business activities and those of my immediate family and those charitable organizations that employ me or a member of my family or for which one of us serves as a member of the board.

Name of Organization	Nature of Affiliation

I hereby certify that I have read, understood, and agree to the Community Foundation’s policies as described in this statement and that the information given above is complete and accurate to the best of my knowledge.



Date/Name (printed or typed)

Signature

This Conflicts of Interest Policy was approved by the Community Foundation's board of directors on:

Date

Signed

Board Secretary



Investment Policy Statement

Grand Rapids Area Community Foundation

*Grand Rapids Area Community Foundation
Adopted on October 6, 2015*

I. Purpose

A. The purpose of this Investment Policy Statement (IPS) is to establish a clear understanding as to the applicable investment objectives and policies. This Investment Policy Statement will:

1. Establish reasonable expectations, objectives and guidelines in the investment of the Portfolio's assets
2. Set forth an investment structure detailing permitted asset classes and expected allocation among asset classes
3. Encourage effective communication between the Advisors, Investment Managers and the Foundation
4. Create the framework for a well-diversified asset mix that can be expected to generate acceptable long-term returns at a level of risk suitable to the Foundation and matches their spending needs.
5. Establishing formal criteria to select, monitor, evaluate and compare the performance results achieved by each investment option on a regular basis.

B. This IPS is not a contract. This IPS is intended to be a summary and establish an understanding of the philosophy and investment objectives for the Foundation's Board of Directors, Finance and Stewardship Committee, donors, grantees and their advisors.

C. This IPS should be reviewed by an attorney knowledgeable in this specific area of the law. Any change to this policy should be communicated in writing and on a timely basis to all interested parties. If any term or condition of this Investment Policy Statement conflicts with any trust and/or plan document, the document shall control, as long as such term or condition is consistent with the law.

II. Executive Summary

Type of Client	Foundation
Client Sub-Type	Public Foundation
Fiduciary Standard of Care	UPMIFA
State of Domicile	Minnesota
Tax ID	41-1761590
Current Assets	\$12,000,000 <i>(as of 9/30/2015)</i>
Time Horizon	Long – More than 10 Years

Modeled Return	8.12%
1-Year Loss Limit	-13.65%

III. Asset Allocation Summary: The broad asset allocation summary includes:

Asset Class	% Total
Cash	5%
Fixed Income	25%
Equities	65%
Alternative Investments	5%
TOTAL	100%

IV. Statement of Objectives

A. Background. The Grand Rapids Area Community Foundation was established in 1994. The mission of the Foundation is to inspire individuals and organizations to invest in community to improve the quality of life. The Foundation is dedicated to the continuance and enhancement of the professional knowledge and education of its members, and to provide service and promote fellowship among all members of the Foundation.

B. Objectives and Goals. This IPS has been arrived at upon consideration by the Finance and Stewardship Committee of a wide range of policies, and describes the prudent investment process the Committee deems appropriate to generate a reasonable rate of return to fund activities supported by the Foundation and its donors. This process includes offering various asset classes and investment management styles that, in total, are expected to offer the opportunity to diversify the portfolio in a manner consistent with the specified risk and return requirements of the portfolio, along with the spending requirements.

1. The objectives of the portfolio are:

- a. Maintain the purchasing power of the current assets and all future contributions. The objective is to maintain the level of services and programs in relation to inflation.
- b. Maintain the level of programs and services currently provided. This can only be accomplished if sufficient total return is reinvested and new funds added to keep pace with cost increases and program expansions.
- c. Maximize return within reasonable and prudent levels of risk.
- d. Maintain an appropriate asset allocation based on a total return policy that is compatible with a flexible spending policy, while still having the potential to produce positive real returns.

2. The goals of the portfolio are:

- a. 1. The Finance and Stewardship Committee seeks to achieve for its portfolios net returns greater than those of a composite benchmark comprised of those indices identified by the

Committee as most appropriate for the asset classes in which those portfolios are invested, weighted by the policy target allocation to each asset class.

b. The Foundation's long-term target rate will be composed of the overall rate of inflation, administrative expense and grants.

V. Time Horizon

The investment guidelines are based upon an investment horizon of greater than 10 years. The Portfolio's allocation is also based on this long-term perspective as the Foundation is expected to operate in perpetuity. Short and Intermediate-term liquidity requirements are anticipated to be handled in a separate account dedicated to that particular need(s), or at least by cash inflows.

VI. Risk Tolerances

A. The Foundation recognizes and acknowledges that some risk must be assumed in order to achieve the long-term investment objectives of the portfolio and that there are uncertainties and complexities associated with contemporary investment markets.

B. In establishing the risk tolerances for this IPS, the Foundation's ability to withstand short and intermediate term variability was considered. The Foundation's prospects for the future, current financial condition and level of funding in the portfolio suggest collectively that some interim fluctuations in market value and rates of return may be tolerated in order to achieve longer-term objectives.

VII. Spending Policy

A. The Spending (Distribution) Policy for the Grand Rapids Area Community Foundation's Endowments will be reviewed annually by the Finance and Stewardship Committee with a recommendation presented to the full Board of Directors at the October meeting. This distribution will be based on a 20 quarter (5 year) rolling average. If Funds do not have a 20 quarter history, they may take annual distributions in the amount of the current spending policy providing this distribution does not put them below the historic value of the Fund.

B. If a donor or organization requests distributions from a fund, it will first be determined if the principal of the endowed fund will be in jeopardy. If the agency or donor determines it is critical that they make a distribution from the fund even if the fund has not grown through investments, they may request that the Foundation release an amount up to the value of the dividends and interest earned on the fund over the past one year. The Community Foundation Board of Directors will then review that request.

(Addendum 1)

VIII. Asset Class Guidelines

A. The Finance and Stewardship Committee believes long-term investment performance, in large part, is primarily a function of asset class mix. The Committee has reviewed the long-term performance

characteristics of the broad asset classes, focusing on balancing the risks and rewards.

B. Historically while interest-generating investments, such as bonds, have the advantage of relative stability of principal value, they provide little opportunity for real long-term capital growth due to their susceptibility to inflation. On the other hand, equity investments, such as common stocks, clearly have a significantly higher expected return but have the disadvantage of much greater year-by-year variability of return. From an investment decision-making point of view, this year-by-year variability may be worth accepting given the Foundation's long time horizon.

C. Acceptable Asset Classes. The following asset classes have been approved by the Investment Committee.

- | | | |
|-----------------------|---------------------|----------------------------|
| 1. Cash/Money Market | 4. Large Cap Stocks | 7. International Stocks |
| 2. U.S. Fixed Income | 5. Mid-Cap Stocks | 8. Emerging Market Stocks |
| 3. Intl. Fixed Income | 6. Small Cap Stocks | 9. Alternative Investments |

1. Cash and Short Term Fixed Income Securities

- Treasury Bills
- Money Market Investment Funds
- Certificates of Deposit

2. Fixed Income Securities

- U.S. Government and Agency Securities
- Corporate Notes and Bonds (BBB or better)
- Preferred Stock
- Fixed Income Securities of Foreign Governments and Corporations

3. Equity Securities

- Common Stocks
- Convertible Notes and Bonds
- Convertible Preferred Stocks
- American Depository Receipts (ADRs)
- Stocks of Non-U.S. Companies
- Real Estate Investment Trusts (REIT's)
- Master Limited Partnerships (MLPs)

4. Mutual Funds. Mutual Funds which invest in securities as allowed in this policy and none of whose investments are expressly prohibited in this policy.

5. Exchange-Traded Funds. Exchange-traded funds which invest in securities as allowed in this policy and none of whose investments are expressly prohibited in this policy.

6. Separate Account Managers. Separate Account Managers which invest in securities as allowed in this policy and none of whose investments are expressly prohibited in this policy.

7. Alternative Investments (Only after consultation with the Finance and Stewardship Committee)

- Hedge Fund of Funds - Registered
- Precious Metals – Limited to mutual funds or ETFs
- High Yield Bonds
- Emerging Market Debt
- Tactical Allocation to sector specific strategies in securities as allowed in this policy and none of whose investments are expressly prohibited in this policy.
- Program Related Investments. As an investor in the community, the Foundation may commit certain assets for program related investments (PRIs). Assets to be used will be recommended by the Committee and all PRIs must be approved by the Board of Directors. The Committee will only use assets that have not been restricted for any purpose. PRIs increase the impact of the Foundation's resources and may include, but are not limited to:
 - Loans
 - Loan Guarantees
 - Real Estate Mortgages

(Addendum 2)

8. Social Responsible Investment Strategies. Organizations or individuals establishing a fund may request their fund balance be invested in the socially responsible fund selected by the Foundation. The Committee will review the performance and investment practices of the selected fund against other social responsible funds on a regular basis.

D. Prohibited Assets

- Private Equity

- Private Placements
- Venture-Capital Investments
- Commodity Futures
- Derivative Investments
- Options
- Non-Registered investment cooperative
- Warrants

E. Prohibited Transactions. Prohibited transactions include, but are not limited to the following:

- Margin Transactions
- Short Sales

F. Security Restrictions. Maximum portion of portfolio in a single security: 5%

G. Asset Allocation

Based upon the Foundation’s tolerance for risk, time horizon, and spending needs, it is determined the following mix to be best suited to meet the Foundation’s objectives.

Asset Class	Target Allocation	Acceptable Range	Performance Benchmark
Cash	5%	0% - 50%	Citigroup 3-Month Treasury
Fixed Income	25%	15% - 45%	Barclays Intermediate Term Gov/Credit
Large Cap	25%	15% - 40%	Russell 1000
Mid Cap	10%	5% - 20%	Russell Mid-Cap
Small Cap	5%	0% - 10%	Russell 2000
International	20%	10% - 35%	MSCI EAFE
Emerging Markets	5%	0% - 10%	MSCI Emerging Markets
Alternative Investments*	5%	0% -10%	MSCI World
TOTAL	100%		# Custom Index

*Alternative Investments will be considered up to 5% of the portfolio only after consultation with the Finance and Stewardship Committee.

#Custom Index is the target allocation weighted to each individual performance benchmark to help monitor the comprehensive portfolio performance

H. Return and Risk Expectations. The Proposed Asset Mix has the following Return and Risk Expectations:

- Return: 8.12%
- Risk: 10.69% (Standard Deviation)
- 1-Yr Potential Gain: 19.59%
- 1-Yr Potential Loss: -13.65%

Expected return is a long-term average and will fluctuate above and below this average as illustrated by the 1-year potential gain and loss estimates.

I. Rebalancing

a). The percentage allocation to each asset class may vary depending upon market conditions. Please reference the asset allocation table for the lower and upper limits (acceptable range) for each asset class. When necessary and/or available, cash inflows/outflows will be deployed in a manner consistent with the target asset allocation and acceptable ranges of the Portfolio. If there are no cash flows, the rebalancing of the Portfolio will be reviewed quarterly.

b). If the Committee judges cash flows to be insufficient to bring the Portfolio within the target allocation ranges, the Committee shall decide whether to effect transactions to bring the allocation of Portfolio assets within the threshold ranges.

IX. Duties and Responsibilities

A. Board of Directors. The Board of Directors has the ultimate fiduciary responsibility for the Foundation's investment portfolio. The Board of Directors must:

1. Ensure appropriate policies governing the management of the Foundation are in place
2. The policies are being effectively implemented
3. Set the Investment Policy Statement and approve all changes
4. Control and account for all investment, record keeping and administrative expenses associated with the Portfolio

(Addendum3)

B. Finance and Stewardship Committee. As fiduciaries under the Foundation, the primary responsibilities of the Committee are:

1. Prepare, monitor compliance and maintain this investment policy statement.
2. Approve investment strategy and prudently diversify the Foundation's assets to meet an agreed upon risk/return profile.
3. Prudently select investment options.
4. Control and account for all investment, record keeping and administrative expenses associated with the Portfolio.
5. Recommend Spending Policy for the Foundation
6. Monitor and supervise custodians and investment advisors
7. Avoid prohibited transactions and conflicts of interest
8. Report to the Board of Directors

a). The Committee must provide their Investment Advisors with all relevant information on financial condition and risk tolerances and must notify the Investment Advisors promptly of any changes to this information. The Foundation should read and understand the information contained in the prospectus of each investment in the Portfolio.

b). The Committee will review this IPS at least annually to determine whether stated investment objectives are still relevant and the continued feasibility of achieving the same. It is not expected that the IPS will change frequently. In particular, short-term changes in the financial markets should not require adjustments to the IPS.

C. Staff of Foundation. The Foundation Staff have daily responsibility for administration of the Foundation's investment portfolio. The staff will:

1. Consult with the Board of Directors and the Finance and Stewardship Committee on all policy matters relating to portfolio
2. Serve as primary contact to Custodians and Investment Advisors

D. Custodians. Custodians are responsible for the safekeeping of the Foundation's assets. The specific duties and responsibilities of the custodians are:

1. Value the holdings.
2. Collect all income and dividends owed to the Foundation.
3. Settle all transactions (buy-sell orders).
4. Provide monthly reports that list all assets held by the Foundation, values for each asset and all transactions affecting assets within the portfolio, including additions and withdrawals.
5. Foundation shall receive no less frequently than on a quarterly basis and within 45 days of the quarter end the following management reports:
 - Performance results of each individual manager for the same periods
 - Portfolio performance results over the last quarter, year, 3 years, and 5 years
 - Performance results of comparative benchmarks for the same periods
 - Review current allocation versus policy guidelines

E. Investment Advisor

1. The Investment Advisor serves as an objective, third-party professional retained to assist the Committee in managing the overall investment process. The Investment Advisor is responsible for guiding the Committee through a disciplined and rigorous investment process to enable the Committee to meet the fiduciary responsibilities outlined above.

2. The Investment Advisor shall be responsible for:
- Advising the Foundation about selecting and allocating of asset categories
 - Identifying specific investments and investment managers within each asset category
 - Monitoring the performance of all investments and selected managers
 - Recommending changes to any of the above on a quarterly basis
 - Periodically reviewing the suitability of the investments for the Foundation
 - Being available to meet with the Foundation periodically, and being available at such other times within reason as the Foundation requests
 - Preparing, presenting appropriate reports and keeping the Committee apprised of material changes to market outlook

3. The Investment Advisor cannot be a Foundation Trustee or a member of any of its committees or an employee of the Foundation.

4. The Investment Advisor will not take title to any assets and shall be responsible only to make recommendations to the Foundation and to implement investment decisions as directed by the Foundation.

X. Investment Manager Due Diligence & Selection. This rigorous five-step process ensures a

consistent and objective evaluation.

- A. Preliminary universe screening to identify which separate account managers, mutual funds and exchange traded funds (ETFs) demonstrate that they have a proven track record, significant manager tenure, reasonable fee schedule and a high-quality operation.
- B. Perform quantitative analysis of investment performance on both an absolute and risk-adjusted basis relative to the investments benchmark index.
- C. Evaluate investments managers for consistent style approach that has produced attractive returns relative to their style and benchmark.
- D. Review existing portfolio statistics and current investment strategy to ensure consistency with the long-term investment record.
- E. Select recommended list from candidates that display the strongest characteristics from the analysis.

XI. Implementation. The Investment Advisor will apply the following due diligence criteria in selecting each separate account manager, mutual fund and exchange traded fund (ETF).

- A. Regulatory oversight: Each investment option should be managed by: (i) a bank; (ii) an insurance company; (iii) a registered investment company (mutual fund); or, (iiii) a registered investment adviser.
- B. Correlation to style or peer group: The investment option should be highly correlated to the asset class being implemented. This is one of the most critical parts of the analysis since most of the remaining due diligence involves comparisons of the investment option to the appropriate peer group.
- C. Performance relative to a peer group: The investment option's performance should be evaluated against the peer group's median manager return, for 1-, 3- and 5-year cumulative periods. [Suggested threshold: Performance should be above the peer group median for 1-, 3-, and 5-year periods.]
- D. Performance relative to assumed risk: The investment option's risk-adjusted performance (Alpha and/or Sharpe Ratio) should be evaluated against the peer group's median manager's risk-adjusted performance. [Suggested threshold: Risk-adjusted performance should be above the peer group median.]
- E. Minimum track record: The investment option should have sufficient history so that performance statistics can be properly calculated. [Suggested threshold: Inception date should be 3-years or more.]
- F. Assets in the product: The investment option should have sufficient assets so that the portfolio manager can properly trade the account. [Suggested threshold: The investment option should have at least \$75 million under management (can include assets in related share classes).]
- G. Holdings consistent with style: The underlying securities of the investment option should be consistent with the associated broad asset class. [Suggested threshold: At least 80% of the underlying securities should be consistent with the broad asset class. For example, a Large-Cap Growth product should not hold more than 20% in cash, fixed income and/or international securities.]
- H. Expense ratios/fees: The investment option's fees should be fair and reasonable. [Suggested threshold: Fees should not be in the bottom quartile (most expensive) of the peer group.]
- I. Stability of the organization: There should be no perceived organizational problems.

[Suggested threshold: The same Plan management team should be in place for at least two years.]

XII. Monitoring

A. Performance Objectives.

1. The Finance and Stewardship Committee acknowledges fluctuating rates of return characterize the securities markets, particularly during short-term time periods. Recognizing that short-term fluctuations may cause variations in performance, the Committee intends to evaluate investment performance from a longer-term perspective.

2. The Committee is aware the ongoing review and analysis of the investment options is just as important as the due diligence process. The performance of the investment options will be monitored on an ongoing basis and it is at the Committee's discretion to take corrective action by replacing a manager if they deem it appropriate at any time.

3. On a timely basis, but not less than semi-annually, the Committee will meet to review whether each investment option continues to conform to the search criteria outlined in the Implementation section; specifically:

- a. The investment option's adherence to the due diligence criteria;
- b. Material changes in the investment option's organization, investment philosophy and/or personnel; and,
- c. Any legal, SEC and/or other regulatory agency proceedings affecting the investment option's organization.

Addendum

Section 1. – *Spending Policy Purpose*

- a. Endowment Funds shall be subject to the Spending Policy. Nonpermanent / nonendowed funds are not subject to the Spending Policy.
- b. The primary objectives of the Spending Policy are as follows:
 - 1) Preserve the purchasing power of the gift/principal and, if possible, increase it
 - 2) Have consistent grantmaking dollars available during good and bad economic times
 - 3) Balance the community's short-term and long-term needs for grantmaking dollars
- c. The Spending Percentage Rate shall be proposed annually by the Finance and Stewardship Committee to the Board of Directors and be effective January 1 of each year. The Finance and Stewardship Committee shall act in good faith and with the care of a prudent person acting in a like position under similar circumstances. Factors to be considered annually by the committee in determining a change in the spending percentage rate shall include the following:
 - 1) General economic conditions
 - 2) Possible effects of inflation or deflation
 - 3) Expected total return from income and appreciation of investments
- d. Annual adjustments to the Recommended Spending Rate may be necessary to ensure that the Community Foundation is not unnecessarily accumulating assets nor experiencing accelerated principal erosion. Long-term investment returns are designed to cover the Recommended Spending Rate, investment expenses, administration fees and inflation. The Community Foundation's investment portfolio mix will be balanced in such a way as to justify the Recommended Spending Rate.
- e. Each fund's available to spend balance will be calculated annually, using a rolling average fund balance for each year not to exceed five years.
- f. The available to spend balance is intended to be used for grantmaking purposes approved by the Community Foundation. The fund's investment expenses, administration fees and miscellaneous expenses will not be applied to the available to spend balance.
- g. Any unused available to spend amount shall not be allowed to accumulate as available to spend at the end of each year, but will remain as part of the fund balance for the next year's calculation.
- h. Each endowment fund balance will have the following components:

- 1) Historic Gift Value is the accumulated value of all gifts received since the inception of the fund
- 2) Accumulated Earnings is the fund's accumulated net appreciation. The accumulated earnings consist of accumulated investment revenue (including interest, dividends, realized gains/losses, and unrealized gains/losses) net of the fund's expenses.
- 3) Available to Spend Balance is the amount available from the total fund balance to award for grants.

On an annual basis, the Finance and Stewardship Committee recommends the Spending Rate to the Board of Directors for the ensuing year. It shall be the policy of the Foundation to make available for distribution an amount equal to the portfolio's average market value for the trailing five calendar years ending September 30th multiplied by the Spending Rate. The Spending Rate for funds in their first year of existence will be the spending rate times the balance of the fund on September 30th times the pro rata share of the calendar year the fund has been in existence. The Spending Rate for funds in their second through fourth year will be based on the average market value of the funds on September 30th of the years that the fund has been in existence. The Board has adopted a "Total Return" (X) approach to calculating investment returns. The Finance and Stewardship Committee recognizes that the Foundation's total return is comprised of both traditional "income" and realized and unrealized net capital gains or losses. All spending is subject to compliance to the Uniform Prudent Management of Institutional Funds Act.

Section 2. – Program Related Investments

When considering a PRI, the Foundation will adhere to the Internal Revenue Code regulations. To qualify as a program related investment per Section 4944(c) of the Internal Revenue Code, an investment must possess the following three characteristics:

- 1) Primary purpose is to accomplish one or more of the charitable religious, scientific, educational and/or other exempt purposes described in section 170(c)(2)(B) of the Code;
- 2) No significant purpose of the investment is the production of income or the appreciation of property.
- 3) No purpose of the investment is to lobby, support or oppose candidates for public office or to accomplish any of the other political purposes forbidden to private foundations by the Code.
- 4) The Investment Committee and the Board of Directors will follow the guidelines for PRIs as set forth in the Due Diligence Checklist in the Foundation's Policy Manual.

Section 3. Fiduciary Duty

In seeking to attain the investment objectives set forth in the policy, the Foundation's Board of Directors, Finance and Stewardship Committee and its members shall exercise due diligence and appropriate care in accordance with the Prudent Investor Rule. All investment actions and decisions must be based solely in the interest of the Foundation. Fiduciaries must provide full and fair disclosure to the Finance and Stewardship Committee about all material facts regarding any potential conflicts of interests.

The Finance and Stewardship Committee has adopted twenty-two practices referenced in the Uniform Prudent Management of Institutional Funds Act, as well as seven fiduciary precepts of Investment Stewards.

Attachment 6.2

Personnel Handbook

Grand Rapids Area Community Foundation



The mission of the Grand Rapids Area Community Foundation is to inspire individuals and organizations to give to community to improve the quality of life.

1. Welcome and Introduction

We're glad you're on the Community Foundation team!

A. We are committed to a fair, clearly stated, and supportive relationship between the organization and its staff. This handbook provides guidelines and standards as to the procedures followed by Grand Rapids Area Community Foundation (GRACF) and to explain the expectations of employees. The Executive Director is ultimately responsible for the standards set forth in this handbook, but feedback and input from all staff members are welcomed and expected. The Board of Directors is involved in the oversight of this handbook and will consult with the Executive Director as issues arise and as necessary. GRACF will administer the personnel manual in a manner complying with the letter and spirit of all applicable federal, state and local regulations.

B. This manual provides guidelines only and is not intended to create a contract with any employee. The GRACF Directors may modify or discontinue a standard set forth in this manual at any time without prior notice. All employees of the GRACF are "at will" employees and may be terminated at any time with or without cause. Any change in or deviation from a stated standard affecting the Executive Director must be approved by the GRACF board.

2. Equal Opportunity Employment

A. GRACF will comply with all applicable laws governing equal employment opportunity. This standard extends to all applicants and employees and to all aspects of the employment relationship including, but not limited to, recruiting, hiring, promotion, and compensation.

B. GRACF will provide equal employment and advancement opportunity on the basis of merit within the context of our unique business environment, and without regard to race, color, religion, creed, age, gender, national origin, familial status, pregnancy, disability (including those related to pregnancy and childbirth), sexual orientation, status with regard to public assistance, membership or activity in a local commission, genetic information, or

any other characteristic protected under local, state or federal statute, ordinance, or regulation.

C. Immigration Law Compliance: GRACF is committed to employing only U.S. citizens and aliens who are authorized to work in the United States and to comply with the Immigration Reform and Control Act of 1986 and Immigration Act of 1990.

3. Harassment Prevention

A. The expected standards of GRACF is that all employees have a right to work in an environment free of discrimination, which includes freedom from harassment, whether that harassment is based on sex, age, race, national origin, religion, sexual orientation, marital status, or membership in other protected groups. GRACF prohibits harassment of its employees, in any form, by supervisors, co-workers, volunteers, consultants, customers, or suppliers. Such conduct may result in corrective action up to, and including, dismissal of the employee who harasses others.

B. Any harassing conduct in the workplace, whether physical or verbal, committed by supervisors or others, is prohibited. This includes but is not limited to: slurs, jokes or degrading comments concerning sex, age, race, national origin, religion, sexual orientation, marital status, or membership in other protected groups; repeated offensive sexual flirtation, advances, or propositions; continual or repeated abuse of a sexual nature.

C. An employee should promptly report harassment to the Executive Director, or if the harassment is being initiated by the Executive Director, then the Board Chair. If the Executive Director is unavailable or the employee believes it would be inappropriate to contact that person, the employee should immediately contact any member of the Governance Committee. Employees can raise concerns and make reports without fear of reprisal.

D. GRACF will investigate the allegation. If the investigation confirms the allegations, appropriate corrective action will be taken. All employees are expected to cooperate with the investigation. Failure to do so may lead to discipline, including dismissal. Information provided by individual employees in the course of an investigation will be treated as confidential and only be provided to those who have a need for the information or when it is required in the course of investigating the complaint. Providing false information in the course of an investigation is grounds for discipline, including dismissal.

E. Sexual Harassment: While all forms of harassment are prohibited, it is the policy of GRACF to emphasize that sexual harassment is specifically prohibited. Sexual harassment is defined as unwelcomed sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature when:

- 1) Submission is made a term or condition of employment, either explicitly or implicitly;
- 2) Submission to or rejection of a sexual invitation is used as a basis for an

employment decision; or

- 3) The sexual advance or request for sexual favors has the purpose or effect of substantially interfering with an individual's work performance or creates an "intimidating, hostile or offensive" working environment.

F. Incidents of sexual harassment should be promptly reported to the Executive Director or any member of the Governance Committee. If the Executive Director is unavailable or the employee believes it would be inappropriate to contact that person, the employee should immediately contact any member of the Governance Committee. Employees can raise concerns and make reports without fear of reprisal.

G. Any person who becomes aware of or witnesses sexual or other unlawful harassment should promptly advise the Executive Director or any member of the Governance Committee who will handle the matter in a timely and confidential manner.

H. The employee will be protected from retaliation related to the claim and appropriate and confidential action will be taken to investigate and prevent confirmed sexual harassment.

4. Confidentiality

A. As a result of your employment with GRACF, you may acquire or have access to confidential information belonging to GRACF that is both special and unique in nature. This information may pertain to personnel or compensation, operating procedures, accounting and bookkeeping practices, financial information, data, records and reports, expense information, donor documents and information, and legal matters.

B. GRACF employees will not disclose or provide any confidential information outside the organization without the prior approval of the Executive Director. If you are unclear if any information is considered confidential, treat it as such until you are advised by the Executive Director and given permission otherwise. Any unauthorized disclosure could potentially result in criminal or civil prosecution as well as disciplinary action. Most important, our donors trust that information they share with us will be handled appropriately; we owe them special consideration when it comes to confidential information.

5. Employment and Recruitment Procedures

A. Authority to Employ.

- 1) Executive Director: A Selection Task Force will be established by the GRACF Board of Directors to search for and screen candidates for the position of Executive Director. This Task Force shall make their recommendations on both the selection, as well as the terms of employment, for final approval by the Board of Directors.

2) Staff Positions: The Executive Director shall be vested with the authority to hire and manage all other staff authorized by the Board of Directors. Because of the critical nature of staff positions, this process must proceed in a timely manner.

3) Fiscal responsibility for all personnel hiring activities rests with the Board of Directors and it is subject to the limitation of the budget established by the Board of Directors.

B. Appointment Letter. Each new regular employee receives a job description and appointment letter which state the title of the position, the rate of pay, the effective date of employment and any other matters agreed to in the employment negotiations. A copy of the appointment letter, signed by the employee to signify his/her acceptance of the position and the terms of employment, shall be placed in the employee's personnel file.

C. Orientation. New employee orientation normally includes the history and philosophy of the GRACF, the functions of the agency, personnel policies, the duties and responsibilities of the position and necessary training.

D. Orientation Period. For each employee, the first (6) months of employment will be considered an orientation period. Before the end of the orientation period, a performance review will be conducted. The Executive Director's (6) month orientation review will be conducted by the Governance Committee; all other staff orientation reviews will be conducted by the Executive Director. It is understood by all parties that GRACF positions are employment "at will" positions.

6. Classification of Positions

A. Regular Full-Time Employee: An employee who occupies a position and who works at least .75 Full Time Equivalents (30 hours/week) and who has completed the introductory review period. Subject to the eligibility requirements for each benefit, the employee is entitled to all the employee benefits provided by the organization.

B. Contingent Workers: Contingent workers provide valuable work to the Grand Rapids Area Community Foundation, but are not employed by the foundation. Types of contingent workers are defined below:

Temporary staffing agency employees: Temporary employees can be scheduled for full-time or part-time hours. The Community Foundation determines the work schedule and number of hours per week, provides work direction and resources. The staffing agency pays the worker and provides a minimum of legally-required benefits.

Interns are considered temporary employees, and are typically a college student looking to gain work experience through short-term employment.

C. Part-Time Employees: Part-time employees are regularly scheduled to work 29 or less hours per week. Part-time employees regularly scheduled greater than 20 or more hours

per week may be eligible for some benefits sponsored by the Grand Rapids Area Community Foundation, subject to the terms, conditions and limitations of each benefit program.

D. Non-Exempt: Employees in Non-Exempt positions are entitled to overtime compensation for all hours over 40 worked in a work week (Sundays through Saturdays).

- 1) Executive Director must pre-approve hours worked in excess of regular hours.
- 2) After 40 hours per week, upon pre-approval, employee shall receive compensation at 1.5 times the regular hourly rate.

E. Exempt: Employees do not receive overtime compensation, as they are excluded from specific provisions of federal and state wage and hour laws due to the exemption. This is an employee that works 1,560 hours of work or more a year.

F. Full Time Equivalent (FTE): Full time equivalent of 40 hours worked per week for 2,080 hours per year.

7. Job Performance

A. Job Descriptions: The Executive Director normally prepares written descriptions of the duties and responsibilities of each position, except the Executive Director job description which is defined by the Board of Directors. The job description is helpful in establishing a clear and comprehensive relationship between the employee and his/her supervisor, and understanding of job responsibilities. It is also used for setting salary ranges, planning staff needs, performance evaluations and recruiting new personnel. Each new employee is given a copy of his/her job description either at the time of employment or when it is prepared. Job descriptions may be revised from time to time.

B. Compensation: Persons employed by the GRACF will receive a salary negotiated at the time of recruitment. Salary increases may be based on merit, cost-of- living adjustments and availability of funds. No increases will be automatic. Salary increases will normally be considered prior to the first of each year by the Governance Committee with Board approval.

C. Performance Evaluation: Informal appraisal of an employee's work is a continuous process. A formal work performance evaluation of each employee normally is carried out by the Executive Director on a scheduled basis each calendar year. Evaluation of the Executive Director will be made by the Governance Committee. The formal performance review involves the active participation of each employee in a dialogue regarding work performance to evaluate past performance and arrive at standards for the future.

8. Employee Conduct

A. The expected standard regarding employee conduct is one of professionalism in all areas. Lapses of professional conduct may result in corrective action, up to and including termination if, in the opinion of the Governance Committee, such action is warranted. GRACF reserves the right to terminate any employee at any time, for any reason, at the sole discretion of the Governance Committee, including, but not limited to, the violation of any rule or policy of the Foundation. Examples of prohibited misconduct include (this list is not all inclusive):

- 1) Deliberate destruction or damage of Foundation, fellow employee, donor, grantee or volunteer property or equipment, or the commission of acts intended to cause destruction or damage to such property.
- 2) Submitting fraudulent requests or claims to the Foundation, including, but not limited to, claims or requests relating to jury duty, leave, paid time off, and expense reimbursements.
- 3) Unauthorized disclosure of confidential Foundation information or records, including but not limited to personnel and donor data.
- 4) Any form of unwelcome or inappropriate physical contact with a fellow employee, donor, grantee or volunteer, except for purposes of self-defense.

B. GRACF has established procedures to assist in correcting and preventing unacceptable behavior or unsatisfactory work performance by proactively approaching performance or behavior of employees through appropriate assistance enabling them to perform their jobs satisfactorily. When procedures are not followed, a counseling approach may be implemented to foster an employee's understanding of GRACF's expectations.

C. The following corrective-action steps have been established to resolve serious or recurring problems. These steps are progressive and are intended to allow for correction of unsatisfactory performance or behavior. However, depending on the seriousness of the situation, an individual may be subject to any step of the corrective action process, including immediate termination of employment. This process, depending on the circumstances, may be accelerated at the discretion of the Executive Director. Misconduct on the part of the Executive Director will be handled by the Governance Committee.

- 1) Verbal Warning -The Executive Director counsels the employee following a minor performance or behavior problem. Specific actions for improvement and expectations will be discussed. Documentation about the discussion will be placed in the employee's personnel file.
- 2) Written Warning -The Executive Director provides the employee with written notice documenting the situation; a copy is also placed in the employee's personnel file. Written warnings remain active for 12 months. Documentation of all discussions will be placed in the employee's file as well.
- 3) Final Written Warning -The Executive Director provides the employee with written notice following serious misconduct or further repeated minor offenses; improvement of conduct to a satisfactory level is necessary for continued employment with the Foundation. Documentation of all discussions will also be placed in the employee's file.
- 4) Suspension With or Without Pay - Failure to respond to corrective action procedures or

involvement in a serious offense will result in suspension subject to termination.

5) Termination of Employment

D. These procedures do not and shall not guarantee retention and do not in any way form or constitute an express or implied employment contract of any kind. All employees of the Foundation are terminable at will, and the Foundation retains the right to immediately terminate any employee at any time, for any reason, at the discretion of management, including but not limited to, the violation of Foundation policies and procedures.

9. Staffed Office Hours

Normal open office hours are from 8:00 a.m. to 4:00 p.m., Monday through Friday, and by appointment at other times. GRACF provides flexibility in how these hours are covered by staff; however, there may be occasions when an employee will have to adjust their standard work-day to facilitate these open hours.

10. Attendance

Employees that are going to be unexpectedly late or absent should notify their supervisor via email, text, or phone as soon as practically possible. The supervisor is responsible for ensuring that the absence is communicated to the appropriate parties, which should at least include the receptionist.

11. Paid Break Time

Employees are encouraged to take a limited amount of time as needed throughout the day to refresh and re-energize. This paid break time is up to 15 minutes in every 4-hour period, along with a half-hour lunch break. Paid break time may not be accrued.

12. Timekeeping

The Community Foundation strives to accurately compensate employees and to do so in compliance with all applicable state and federal laws. GRACF has a twice-monthly payroll schedule and uses a direct deposit payroll system.

All Employees are responsible for accurately recording their time on timesheets that are due on the 10th and 25th of each month for the current pay period.

Non-Exempt Employees:

Non-exempt staff will be paid based on the hours entered onto their timesheets. Hourly rates of pay are communicated at the time of hire and also any time the hourly rate changes.

- Federal and state laws specifically require GRACF to keep an accurate and true record of time worked.

- Non-exempt employees must record all time worked with a time-in and time-out. *(Remember that time worked is considered all time spent performing job duties, including telecommuting and other out-of-office meetings including travel to and from those meetings and the Foundation headquarters.)*
- All leave time or paid time off usage must be recorded on the timesheet.
- Paid time off and leave time should only be recorded on days the employee is typically scheduled to work.

Exempt Employees:

For workload management, budget allocation and benefits administration purposes, GRACF requires that exempt employees accurately record the number of hours expected to work each day and/or the number of hours of paid leave or paid time off.

- With communication and as allowed by law, the Foundation reserves the right to reduce an exempt employee's salary for:
 - Full-day absences for personal reasons (other than sickness or disability) beyond 16 hours in any pay period.
 - For full-day absences for sickness or disability when the employee has exhausted available vacation, floating holiday or applicable paid leave benefits, for disciplinary suspensions for infractions of written policy and procedures, when an employee violates a safety rule of major significance, or during the first or last week of employment in the event the employee works less than a full week.
 - Certain types of deductions such as the employee portion of elected benefit premiums; state, federal, or local taxes, social security or voluntary contributions to retirement plans.
- Paid time off and leave time should only be recorded on days the employee is typically scheduled to work.

Falsifying your own or other's time records may result in disciplinary action, up to and including termination of employment.

Paychecks will be issued bimonthly. In the event that a regularly scheduled payday falls on a bank/federal holiday, employees will generally be paid one day sooner in observation of that holiday. Paychecks will be directly deposited into the employee's bank account.

Other than those deductions required by law, GRACF will make deductions from employee pay only with the employee's written authorization. Taxes will be withheld for taxable stipend. All reasonable steps are taken to ensure that all employees receive the correct amount of pay in each paycheck and that employees are paid promptly on the scheduled payday. In the event that there is an error in the paycheck, the employee should promptly notify the Executive Director of the discrepancy so that corrections can be made as quickly as possible.

13. Benefits

A. Workers' Compensation. All employees are covered by Workers' Compensation insurance as required by state law. All accidents and injuries, no matter how minor must be reported immediately to the Executive Director or Board Chair (in the case of the Executive Director) in order to fulfill the requirements of the insurance and state law.

B. Unemployment Compensation. Unemployment compensation will be paid for each employee as required by law.

C. Health Insurance. The foundation does not offer health insurance.

D. Taxable Stipend. The Community Foundation offers all full-time employees a taxable stipend to recognize the use of personal cell phones for work, and for the lack of health insurance.

E. Vacations for Employees Working 1560 or More Hours per Year.

1) Vacation benefits with pay as follows* and is awarded at the beginning of the calendar year:

- | | |
|---|---------|
| a) After first full year of service | 5 days |
| b) After second full year of service | 10 days |
| c) After fifth full year of service | 15 days |
| d) After tenth full year of service | 20 days |
| e) After fifteenth full year of service | 25 days |

*Variations from this standard vacation benefits package can be made by the Board of Directors as needed for hiring incentive, retention, etc.

2) Unused vacation benefits may be accrued from year to year to a maximum of one (1) week.

3) Vacation scheduling will be done by the Executive Director, respecting the employee's wishes, and without jeopardizing GRACF services. The Executive Director schedules vacation through the Governance committee.

4) Disagreements regarding vacation schedules will be addressed to the Governance Committee. Unused vacation pay will be prorated based on the date of departure from employment.

F. Funeral Leave

- 1) In the event of a death that impacts the employee, five (5) days compassionate leave with pay will be granted. The foundation does not presume to know these impacts, and trusts the employee to make their own decision in this regard.
- 2) An additional or extended unpaid leave for unusual circumstances may be granted by the Executive Director with support from the Governance Committee.
- 3) The employee should notify the appropriate supervisory person by telephone as soon as possible regarding leave. Unused bereavement time does not carry over into the next year and has no cash value upon termination of employment.

G. Military Leave

- 1) Employees will be granted a leave of absence, without pay, for temporary military duty up to a maximum of two (2) weeks per calendar year.
- 2) Longer leaves for military duty will be treated in accordance with the laws governing military service and veteran's re-employment.
- 3) The employee should submit a written notification of pending military leave two (2) weeks prior to leave to the Executive Director or the Board of Directors.

H. Holidays.

- 1) The following shall be regarded as paid holidays for eligible employees and the office will be closed:
 - New Year's Day
 - Martin Luther King Jr Day
 - President's Day
 - Memorial Day
 - Independence Day (4th of July)
 - Labor Day
 - Indigenous People's Day (Columbus Day)
 - Armistice Day (Veterans Day)
 - Thanksgiving Day
 - Day after Thanksgiving
 - Christmas Eve
 - Christmas Day

Should an employee choose to work the two Christmas holidays, she/he is encouraged to take two alternate holidays to celebrate the religious holiday(s) of his/her choice.

I. Leave of Absence

- 1) Leave of absence is a request for time off without pay other than regular days off.

2) A written request shall be completed by the employee for personal illness, adoption, newborn care, and educational leaves prior to taking leave as noted below.

3) Length of service benefits and vacation benefits will continue to accrue to employees for leave of absence of fourteen (14) calendar days or less. For leaves of absence of more than fourteen (14) calendar days, length of service benefits will not accrue but will remain the same as at the time of beginning of leave.

4) Executive Director's leave must be approved by the Governance Committee. Other staff leave will be approved by the Executive Director.

5) Personal Illness: A leave of absence without pay shall be granted employees for a period of up to ninety (90) days (after the period of accumulative sick leave and vacation has expired) for personal illness or for critical illness or death in the immediate family. Length of service benefits and vacation benefits will continue to accrue only to employees who are on personal illness leave for a period of up to ninety (90) days in one (1) calendar year. A written request for personal illness leave should be completed by the employee as soon as possible.

6) Adoption or Newborn Child Care: Leaves of absence with pay will be granted to employees for adoption or newborn child care for a period of up to three months. An additional nine (9) months leave of absence without pay is available as follows:

a) For a period of up to six (6) calendar months of the leave, during conclusion of which, the employee will be returned to his/her previous position.

b) An extension may be granted by the Executive Director based on each individual circumstance.

c) If an employee wishes to return to her/his previous position at a date different than the date of return specified at the beginning of the leave, she/he shall notify the Executive Director two (2) weeks in advance of the desired return date.

d) A written request for Adoption/Newborn Care leave shall be completed by the employee at least two (2) months prior to the requested leave.

J. Voting Leave: Any employee eligible to vote in an election may be absent for one hour during the working day to vote without loss of wages when it is not possible to vote outside the work times during governmental elections.

K. Sick Leave: Sick leave is to be used when sick or an immediate family member is ill.

1) Employees eligible for benefits shall be entitled to 12 days of sick leave per year. Sick leave may not be carried over to the following year. Sick leave is granted as a block at the beginning of each calendar year. Because sick leave does not accrue based on length of service, it has no cash value upon termination of employment.

- 2) The employee shall notify the Executive Director of his/her intent to use sick leave as soon as possible.
- 3) Compensation will be based on rate of employee salary at the time the sick time is taken. The Foundation reserves the right to request documentation from a medical provider to ensure fitness to return to work.
- 4) A terminated employee shall receive pay for unused vacation days but will lose all credit for unused sick time pay.

L. Jury Duty

- 1) It is policy of GRACF to grant employees a leave of absence for jury duty.
- 2) The employee shall submit a written request for leave of absence due to jury duty or a copy of a witness subpoena to the Executive Director.
- 3) The Executive Director shall be responsible for authorizing the leave of absence, and such authorization will be filed in the employee's file.
- 4) The employee shall return to work if excused or released from jury duty during regular working hours.
- 5) An employee called to serve on a jury or as a witness shall be reimbursed for the difference between the amount paid for such service and his/her compensation for regularly scheduled work hours necessarily lost.

M. Simple IRA: The Foundation will match up to 3% of eligible employees' salary on a monthly basis within a 403(b) simple IRA plan. Employees may contribute more as allowed by law.

14. **Expense reimbursement**

- A. Transportation. Employees who are required to use their personal vehicles for out of town GRACF business purposes will be reimbursed for the business use on a mileage basis. The mileage rate is the rate allowed by IRS with itemization of auto expenses.
- B. Membership in Organizations. The cost of membership in a service club and/or professional association may be paid for staff members when such membership is supportive of the objectives of GRACF as approved by the Governance Committee.
- C. Other Expenses. The Executive Director is authorized to reimburse for other reasonable and necessary expenses incurred by staff members in the performance of their job responsibilities, as budgeted.

15. Educational conferences, institutes and classes

All employees are encouraged to participate in a variety of community and professional activities as well as participate in activities of their choice that contribute to their professional development. Registration and entrance fees to these types of events will generally be paid by GRACF with approval by the Executive Director. These types of professional development opportunities should relate to the employees GRACF duties, and not to employee interests and activities outside of GRACF employment.

16. Volunteering

GRACF employees are encouraged and approved to volunteer up to one hour per week with agencies and causes they believe in that are unrelated to their normal GRACF duties.

17. Consultant fees, honoraria, and gifts

All employees are encouraged to participate in a variety of community and professional activities. In those instances where an employee's activities are part of their regular duties and responsibilities, any fees, honoraria, or gifts will be turned over to GRACF. All fees derived from activities, events or expertise developed while employed by GRACF will also be turned over to GRACF. If an employee does work that is based on activities or experiences prior to, or separate from, their duties and responsibilities at GRACF on their own time, they may retain any payment for this work, provided the work does not interfere with their regular GRACF responsibilities.

18. Termination

A. Expected Standard

- 1) Termination at will: All employment is terminable at will by either GRACF or the employee.
- 2) Dismissal: An employee who violates these personnel policies or is involved in behavior reflecting adversely on the organization may be dismissed immediately or suspended without pay by the Executive Director (or if the Executive Director is the employee in question, by the Governance Committee) pending review of the circumstances by the Board of Directors. Termination of an employee will take place for just cause and/or for misconduct of duties.
- 3) Effects of layoff on Employee benefits: Layoff is normally treated as termination of employment for benefit purposes.

B. Procedure

- 1) In the matter of employee's failure to meet the grievance probationary review, the Governance Committee shall immediately notify the Board. If the Board agrees upon employee termination, a written notice of the Board's intent shall be given to the

employee.

2) In the matter of gross misconduct of duties, the Board shall be solely responsible for the termination decision. A written notice of the board's intent shall be given to the employee.

3) The terminated employee shall receive pay for unused vacation days but will not be compensated for sick time pay.

19. Resignation

An employee choosing to resign in good standing shall submit a written resignation with a thirty (30) day advance notice. The amount of time for advance notice can be negotiated with the Governance Committee. Since all positions are critical to GRACF functions, the resignation shall be submitted to the Board of Directors, not to the Governance Committee. Any unused vacation days shall not be included in the thirty day notice. Accumulated vacation pay shall be paid to the employee resigning in good standing.

20. Personnel records

GRACF maintains a personnel file for each employee which may include:

- a. Resume
- b. Letter of Employment
- c. Position Description
- d. Performance Evaluation
- e. Salary Records
- f. Vacation Summary Records
- g. Sick Leave Summary Records
- h. Education and Training
- i. Other: Employees are entitled to see their own personnel files and may do so upon arrangement with the Executive Director. The Governance Committee will keep the Executive Director's personnel records.

21. Information to employees

At the time an applicant is offered employment with GRACF he/she will be given a copy of these Personnel Policies.

22. Technology and use of Electronic Resources

1) All employee use of GRACF-provided electronic resources including computers, tablets, copier, cameras, or other devices must be done appropriately and in a respectful and lawful manner. Inappropriate use, which may be defined from time to time at the discretion of management, may be grounds for discipline up to and including termination. Inappropriate use includes:

- a) Use of the system in violation of any GRACF standard, including those of sexual harassment.

- b) Use of the system to create, send, or receive messages, pictures, or computer files which are fraudulent, illegal, pornographic, obscene, sexually suggestive, insulting, sexist, racist, discriminatory, or harassing. If you receive such material you must immediately notify the Executive Director.
 - c) Use of resources to conduct illegal activities.
 - d) Loading software that is not pre-approved by the Executive Director in coordination with the IT specialist.
 - e) Making illegal copies of licensed software.
 - f) Using software that is designed to destroy data, provide unauthorized access to the GRACF's network structure or equipment or which could disrupt our computer or communication equipment in any way.
 - g) Using the GRACF email and voicemail for personal income-generating business transactions.
- 2) Any message or file created, stored and/or sent using the GRACF computers or communications equipment is the property of GRACF. Employees should have no expectation of privacy while operating in the GRACF network.

20. Employee Safety

GRACF is committed to providing all employees a safe work environment. Safety is an integral part of everyone's job. All employees are responsible to use common sense and good judgment while conducting day-to-day business around the office area. Safety concerns in the office area should be immediately brought to the attention of the Executive Director.

21. Housekeeping

The expected standard is that all employees will maintain good housekeeping on our premises. This is our place of work and where we greet our friends and donors. We should always strive to keep our space clean and orderly. Cleanliness is a team task.

- 1) Cleanliness of personal office spaces are the responsibility of the occupant. This includes the removal of trash and general cleanliness of the floor and surface areas.
- 2) Professional cleaning services will be contracted from time to time to conduct a more thorough office cleaning.

22. Political Activities

The expected standard is that GRACF will remain a neutral position regarding political activities. GRACF will not endorse candidates or create the impression we

favor any candidate over others. Employees will not conduct any political activities on GRACF property or during the conduct of daily business where the employee is receiving GRACF pay. Employees must take care not to give the appearance of representing GRACF when conducting political activities on their own time.

23. Professional Appearance

The expected standard is that GRACF employees will present a clean, well-groomed appearance and dress appropriately for a professional office environment. It is expected that food will not be consumed in the public spaces; if an employee decides to eat at his/her desk, it is expected that the office door will be closed.

24. Credit Card Usage

Employees may be issued GRACF credit cards for use in approved, routine business expenses. Receipts must be submitted for all transactions. Each receipt must be signed by the employee and the reason for the expense must be written on the receipt. Receipts should be turned into the accounts payable staff person within 24 hours of the expenditure. GRACF credit cards cannot be used for personal expenses. Unapproved credit card expenses or those without receipts may be determined to be the responsibility of the employee. Misuse of credit cards will be cause for discipline or termination.

25. Whistleblower protection

The expected standard is that GRACF is committed to lawful and ethical behavior in all of its activities and requires directors, volunteers, and employees to act in accordance with all applicable laws, regulations and policies and to observe high standards of business and personal ethics in the conduct of their duties and responsibilities.

1) Purpose: to establish policies and procedures to prevent or detect and correct improper activities, encourage each Foundation director, officer, employee, volunteer, vendor, or external party to report what he or she in good faith believes to be a material violation of law or policy or questionable accounting or auditing matter by the Foundation, ensure the receipt, documentation, retention of records, and resolution of reports received under this policy, and protect Reporting Individuals from retaliatory action.

2) Reporting Responsibility: Each Reporting Individual has an obligation to report what he or she believes is a material violation of law or policy or any questionable accounting or auditing matter by the Foundation, its officers, directors, employees, volunteers, agents or other representatives. Reporters must also notify the Foundation if an action needs to be taken in order for the Foundation to be in compliance with law or policy or with generally accepted accounting practices. The types of concerns that should be reported include, for purposes of illustration and without being limited to, the following:

a) Providing false or misleading information on the Foundation's financial documents,

grant reports, tax returns or other public documents.

b) Providing false information to or withholding material information from the Foundation's auditors, accountants, lawyers, directors or other representatives responsible for ensuring Foundation compliance with fiscal and legal responsibilities.

c) Embezzlement, private benefit, or misappropriation of funds.

d) Material violation of Foundation policy, including among others, confidentiality, conflict of interest, whistleblower, ethics and document retention.

e) Facilitation or concealing any of the above or similar actions.

3) Reporting Procedure:

a) Foundation Staff: Whenever possible, Foundation staff should seek to resolve concerns by reporting issues directly to the Executive Director until matters are satisfactorily resolved. However, if for any reason a member of the Foundation staff is not comfortable speaking to the Executive Director, or does not believe the issue is being properly addressed, the employee may contact the Board Chair. Whenever practical, reports should be in writing.

b) Directors, other Volunteers and staff members: Directors, other volunteers and staff members are required to report suspected fraudulent or dishonest conduct to the Executive Director or Board Chair. While all directors, other volunteers and Foundation staff are expected to exercise reasonable care to avoid baseless allegations, they should not conduct their own investigations. Everyone should avoid discussing the suspected conduct with anyone other than the Executive Director or Board Chair. Whenever practical, reports should be in writing.

c) Reports may be submitted anonymously. Because it is impossible to seek additional information from a reporting individual about anonymous reports, such reports should include as much specific information as possible.

4) Handling of Reported Violations: The Foundation will investigate all reports filed in accordance with this policy with due care and promptness. The scope and other details of every investigation will depend on the nature of the report and the related circumstances. Matters reported to the Executive Director may be investigated by the Executive Director. However, the Executive Director shall promptly report the initiation of an investigation to the Board Chair. Matters reported to the Board Chair may be referred to the Executive Director for investigation or to the Governance Committee. To protect the privacy of the individuals involved, the Foundation will handle the matter with as much discretion as the circumstances permit. Appropriate corrective action will be taken if called for based upon the facts determined by the investigation.

5) Whistleblower Protection: No director, volunteer, or staff member who makes a report

in good faith under this policy shall be threatened, discriminated against or otherwise subject to retaliation. A volunteer or staff member who retaliates against someone who has reported a concern in good faith is subject to discipline up to and including dismissal from the volunteer position or termination of employment. The Foundation will treat retaliation as a separate and independent violation of this policy. Whistleblowers who believe that they have been retaliated against may file a written complaint with the Executive Director or Board Chair.

6) Other Protected Conduct: Protection under this policy also extends to any director, officer, employee, agent, professional advisor, volunteer or other member of the Foundation community who:

- a) Files, testifies or participates in a proceeding relating to possible fraudulent or dishonest conduct or suspected violations of the law.
- b) Refuses to engage in improper activities that are reportable under this policy.
- c) Refuses to carry out a directive in furtherance of fraudulent or dishonest conduct or other violations of law.

7) Acting in Good Faith: Anyone reporting under this policy must act in good faith and have reasonable grounds for believing the matter raised is a serious violation of law or policy or a material accounting or auditing matter. The act of making allegations that prove to be unsubstantiated, and that prove to have been made maliciously, recklessly, with gross negligence, or with the foreknowledge that the allegations are false, will be viewed as a serious disciplinary offense.

8) Confidentiality: Reports, and investigations pertaining thereto, shall be kept confidential to the extent possible. However, consistent with the need to conduct an adequate investigation, the Foundation cannot guarantee complete confidentiality. Disclosure of information relating to an investigation under this policy by Foundation staff, directors, or others involved with the investigation to individuals not involved in the investigation will be viewed as a serious disciplinary offense.

9) Conflicts of Interest: If the complaint involves the Executive Director, the board chair, or anyone charged with investigating the report, the involved individual(s) will not be permitted to participate in the consideration of the complaint or determine the action to be taken in response. In the event that the Board Chair has a conflict of interest, the investigation will be assigned by the next individual on the following list without a conflict of interest: Finance and Stewardship Committee Chair, Board Development Committee Chair, or Executive Director.

Board Chair Signature: _____

Board Chair Printed Name: _____

Approved by Board of Directors (date): _____

Donor-Initiated Fund Raising Policy

Grand Rapids Area Community Foundation

- 1 Welcome and Background. Thank you for expressing your confidence in the Grand Rapids Area Community Foundation by establishing a fund with us. The foundation is pleased to work with you in helping to develop your fund. The primary effort of the foundation's Board of Directors and staff is to raise endowment through acquisition of major and planned gifts. Unfortunately, the foundation does not have the staff to operate public fundraising events for its component funds.
 - A In establishing a fund at the foundation, there may be times when you would like to organize a fundraiser to raise dollars for the fund. Most often, the foundation receives the net income from a fundraiser and does not acknowledge the individual contributors. However, there may be times when individual contributors to a fundraiser would want to receive a charitable deduction. The foundation has developed this policy statement to help guide those of you planning fundraising events and solicitations (fundraising groups).
 - B When fundraising groups conduct fundraising activities and solicitations on behalf of the foundation's component funds, you must keep in mind that for tax purposes such fundraising is conducted on the foundation's behalf. This raises a number of significant tax and accounting issues. For example, activities must be conducted under the foundation's observation and fiscal guidance to ensure that donors to the fund are entitled to the appropriate tax deductions, to protect the fundraising groups from unintended tax consequences to themselves, and to determine that the foundation is not exposed to penalties for failing to make required solicitation disclosures.
 - C The requirements that follow are designed to protect donors and groups raising funds for a component fund at the foundation. We appreciate your cooperation in fulfilling these requirements.
- 2 Foundation Approval of Events. All public fundraising events require advance written approval from the foundation. Before undertaking any such event, the fundraising group must submit a written proposal that includes the following information:
 - A Description: Describe the event or other effort to raise money for the fund. Briefly outline the fundraising goal, the activities of the event, your experience in conducting this type of campaign or event, and why the activity is sure to be a success.
 - B Contact person: This person will serve as the main source of communication between the foundation and the fundraising group. Please supply the contact person's name, address, phone number, and e-mail address. This will help facilitate the approval and acknowledgement processes.

- C Budget: Attach an estimated budget for the fundraiser that includes projected revenue and a detailed list of projected expenses.
 - D Please allow at least 30 days for foundation review. If the event is approved, the fundraising group will proceed in accordance with the foundation's guidelines. All uses of the foundation's name in advertising and promotion must be approved in advance by the foundation. All fundraising materials should make clear, where applicable, that funds are being raised on *behalf of* rather than *by* the foundation. The foundation may assess an administrative fee against the fund to defray the cost of additional services required by the fundraising event or solicitation.
 - E You are not authorized to bind the foundation to any contract or agreement unless specifically authorized in writing.
- 3 **The Foundation's Responsibilities.** The foundation will be responsible for:
- A The management of such money and property as it may accept into the component fund from donors, other contributors and sources.
 - B The application of principal and income to charitable uses, all in accord with the foundation's governing documents.
 - C Providing appropriate acknowledgements to donors. The Foundation is required to provide written acknowledgement of all gifts of \$250.00 or more. As a practice, the Foundation acknowledges all gifts.
- 4 **The Fundraising Group's Responsibilities.** The fundraising group will retain responsibility for all public fundraising events and matters related to them, including:
- A Payment of all costs and expenses
 - B Compliance with laws
 - C Reporting and other requirements of every kind such as licensing, tax payment, and liability insurance covering the foundation
- 5 **Payment of Expenses.** The fundraising group will be responsible for all expenses and will maintain appropriate financial controls and records related to fundraising events. Expenses may be incurred only in accordance with the event budget that the foundation has approved. Prior to the event we will discuss with you whether the expenses will be paid by the foundation or by the group. Regardless of who pays the expenses, you must provide copies of invoices and receipts, signed by two committee/board members, to the foundation so that we may fulfill our record keeping and reporting responsibilities. Keep in mind that if the fund in question is a donor advised fund, the foundation cannot provide reimbursement of expenses to the fund's donors, advisors, and related persons. Where appropriate, the foundation can provide tax acknowledgements allowing donors to deduct reasonable expenses incurred in connection with the fundraiser.
- 6 **Designation of Checks and Receipt of Cash.** Checks related to the event *must be made payable to "GRACF" with the component fund noted on the memo line.* Cash receipts are to be deposited intact. That is, cash receipts may not be used to pay

expenses, and then the net cash amount deposited. *Within one week after the event*, all proceeds, checks and cash, must be delivered to the foundation along with an accounting of all monies received.

7 Tax Requirements and Acknowledgements

- A Strict IRS requirements and state charitable solicitation laws impact any fundraising. If the steps outlined below are not taken, donors will be denied a tax deduction, members of the fundraising group might unexpectedly find themselves subject to tax on the funds they raise, and either the foundation or the fundraising group might be subjected to penalties.
- B Donors who contribute \$250 or more will need a written acknowledgement from the foundation in order to claim a charitable deduction for the gift. The foundation will provide the appropriate acknowledgement to donors only if it receives certain detailed information. Specifically, the fundraising group must provide the foundation with:
- 1) The donor's complete name and address.
 - 2) The date and amount of the contribution.
 - 3) Whether the contribution was in cash or property.
 - 4) If property, a description of the type of property and a good faith estimate of its fair market value.
 - 5) A detailed description of any goods and services provided in exchange for the contribution to determine the allowable amount of the deduction.
- C Contributions of services, while appreciated, generally are not deductible.
- D If the fundraising group provides goods or services in exchange for a donation, certain disclosures are required. For example, if the group is sponsoring a dinner, the donor can only deduct the excess of the ticket price above the fair market value of the dinner. This limitation on the deduction, known as a "quid pro quo disclosure" must be disclosed at the time of solicitation. Disclosure on the event ticket is a typical method for making this disclosure.
- E The foundation will work with the fundraising group in determining the fair market value amounts and the appropriate disclosure language for the event. However, the foundation will have to work with the group prior to the solicitation activity and will need information pertaining to the event such as ticket prices and the value of the goods or services the donors will receive. *The fundraising group needs to see that the required quid pro quo disclosures are made.*
- 8 Raffle tickets are not deductible. This must be stated clearly on the face of distributed tickets.
- 9 Rummage sale purchases are not deductible.
- 10 Auctions- Foundation staff will review proposed ideas for auctions on a case-by-case basis and may seek the assistance of its legal counsel in doing so.

11 Liability Insurance and Liability for Losses

- A The fundraising group will contact the foundation prior to the event to assess the need to secure liability insurance covering members of the group and covering the foundation. Insurance coverage must be reviewed and approved by the foundation.
- B The fundraising group will be responsible for all losses incurred by the event. The foundation will not be held responsible for such losses. The foundation may require the fundraising group to purchase a letter of credit or provide a written personal guarantee.

Approved by the Board of Directors on _____

Signed _____

Secretary

Attachment 1

Grand Rapids Area Community Foundation Fundraising Application

Fund Name _____

Name of Fundraising Event _____

Date of Event _____

Describe the fundraising event (include a detailed description of activities that will happen at the event, number of participants expected, the groups experience in this type of fundraising and any other information that will help us support your effort.)

Fundraising Goal \$ _____ (This is the *net* amount of money that you hope to raise.)

Contact person: _____

Email: _____

Address _____

Phone (home) _____

Phone (cell) _____

Phone (work) _____

Best place and time to be contacted:

Attach an estimated budget including projected gross revenue from identified sources and projected expenses with name of vendor.

I (We) agree to use all disclosures as instructed by the Community Foundation, to review all printed and promotional material with the Community Foundation staff before distribution and to submit detailed donor records along with all fundraiser proceeds and invoices.

Signature _____

Date

Signature _____

Date _____

Name (if different than contact person)

Attachment 2

Estimated Budget

Fund Name _____

Name of Fundraising Event _____

Submitted by _____

Date of Event _____

Total Estimated Gross Revenue \$ _____

Please show how you arrived at this number. For example:

100 golfers @	\$100	\$10,000
100 raffle tickets @	\$1	\$100
10 sponsors @	\$1,000	\$10,000
Miscellaneous donations		\$250
TOTAL		\$20,350.00

Total Estimated Expenses \$ _____

Please provide cost of item and vendor. Include donated items: For example:

Expense Item	Vendor	Cost
100 rounds of golf @ \$62.50	Community Golf Club	\$6,250
75 dinners @ \$50.00	Community Golf Club	\$3,750
Brochure Printing	Copy Center	\$500
Postage		\$35
Door Prizes	Donated	\$0
5 awards for top teams		\$500
Foundation administrative fee		\$500
TOTAL		\$11,535.00

Fundraising Goal (Gross Revenue minus Expenses) \$ _____

Attachment 6.4

Scholarship Policy Statement

Grand Rapids Area Community Foundation



1. **Purpose:** To provide policy and procedure relating to the Scholarship Program within the Community Foundation. This policy is necessary to account for the time, money and commitment made by our donors in establishing these scholarships, as well as the time and effort it takes for Community Foundation staff to administer scholarships. The scholarship program requires intensive effort to administer and these policies are designed to make this program as efficient and effective as possible.

2. **Annual Scholarship Cycle:**
 - A. Applications: All application forms are on-line and available on the GRACF Website
 - 1) Starts: February 1; all applications, resources and information will be posted on the GRACF website and ready for people to apply
 - 2) Deadline: March 1 (midnight)
 - B. Application Processing: Internal scholarship processing begins on March 2 (or the first working day after March 2). *Applications, forms and other materials will not be accepted after March 1.*

3. **For Applicants/Students:**
 - A. **Deadline:** On-line scholarship application submitted March 1
 - B. Upon receipt of scholarship, the recipient is provided Processing Forms either in-person at a scholarship presentation, or via telephone or email.
 - 1) **Deadline:** Scholarship Processing Form Submitted July 1
 - 2) **Deadline:** Scholarship Processing Form for Alternate Recipient Submitted Nov 15
 - 3) *Scholarship Processing Forms will not be accepted after the deadline(s).*
 - (a) It is the responsibility of the recipient to submit his/her Scholarship Processing Form before the deadline.
 - (b) If the recipient's Scholarship Processing Form has not been received by the July 1 deadline, the scholarship will be awarded to the pre-selected alternate recipient(s) or returned to the fund according to the response of the Scholarship Evaluation Committee.

4. **Reoccurring Recipients**

- A. It is the responsibility of reoccurring recipients to submit his/her cumulative transcripts at the end of each semester.
 - B. Transcripts do not have to be “official”, but must contain the name of the school, student and student ID
 - C. Transcripts must be submitted electronically through the Scholarship Portal
 - 1) **Deadline:** 1st Semester Transcripts Submitted January 15
 - 2) **Deadline:** 2nd Semester Transcripts Submitted July 15
 - D. Subsequent scholarship awards will not be sent without receipt of transcripts.
5. **Alternate Recipients:** Alternate Recipients must comply with the same policy, terms and conditions as regular Recipients with the exception of the Scholarship Processing Form deadline (Nov 15).
- A. If an alternate recipient was selected, the full year payment will be remitted with the “Second ½” payments.
 - B. If the Alternate Recipient’s Scholarship Processing Form has not been received by the November 15 deadline, the scholarship will be returned to the fund.
6. **For Donors:**
- A. **Deadline:** Scholarship Funds deposited with GRACF March 1
7. **For Committees:** Selection of recipients will be submitted to GRACF specifically noting the understanding of policy and the provision for alternate recipients for the year.
8. **For GRACF:** (this coincides with most institution’s financial aid deadlines)
- A. Scholarship checks will be sent out according to the Processing and Payment Schedule.
 - B. Approved scholarships not meeting a Processing and Payment Schedule deadline will be processed with the next available date.
 - C. If exceptions were made, payments will be processed and sent out according to the same GRACF Scholarship Processing and Payment Schedule.
 - D. An automatic reminder (via email) will be sent out to recipients through the Scholarship Portal.
9. **GRACF Scholarship Processing and Payment Schedule:**
- A. **Deadline:** First ½ payments processed 1st week August
 - B. **Deadline:** First ½ payments sent to schools 1st week August
 - C. **Deadline:** Second ½ payment processed 1st week December
 - D. **Deadline:** Second ½ payment sent to schools 1st week January
 - E. **Deadline:** Alternate Recipient Payment processed 1st week December
 - F. **Deadline:** Alternate Recipient Payment sent to schools 1st week January

G. Exceptions for alternate payment dates can be made on a case-by-case basis to better fit with a unique institution's financial aid schedule. Notice must be provided by the recipient to GRACF in writing at least 2 weeks prior to any approved payment being processed. Preference is that the alternate payment dates be submitted on the Scholarship Processing Form.

10. IX. Reoccurring (Promised) Scholarships: It is the intent of the Grand Rapids Area Community Foundation to insure stability for all parties: donor, recipient and Foundation, when awarding reoccurring (promised) scholarships. "Stability" means all parties have adequate reliability that promised future scholarships will be awarded. Stability for:

11. Donors: Donors have increased assurance that their support of education, students, and /or institutions will more closely match their giving intent, regardless of market or other unforeseen financial conditions.

12. Recipients (and their families): Recipients and their families are better equipped to plan for longer-term (2-yr /4 yr) financial expectations to reach their education goals.

13. Foundation: The Foundation has the ability to provide promised awards, as advertised, regardless of unforeseen contingencies such as market down-turn or donor status.

A. Endowed Scholarship Funds:

- 1) Distribution amounts for endowed scholarship funds are calculated as per the current Community Foundation's spending policy, before the upcoming Scholarship Cycle. The amount available for distribution (award) will determine if the fund is able to provide scholarship(s) for the upcoming Scholarship Cycle.
- 2) Reoccurring scholarship(s) will not be awarded for the upcoming Scholarship Cycle if the total cumulative award amount is not available from the fund.
- 3) In order to do our best to ensure at least a \$500 scholarship each year, the minimum required to establish an endowed scholarship is \$25,000.

B. Nonendowed Scholarship Funds:

- 1) An amount equal to or greater than the entire cumulative scholarship award must be provided to or for the Community Foundation before the scholarship is published or awarded.¹
- 2) **Example:** A donor named Edward wants to provide a \$2,000 reoccurring scholarship for 4 years in a nonendowed fund. The total value of the scholarship is \$8,000. Edward must provide \$8,000 to or for the Community Foundation for each scholarship to be given in the current or upcoming Scholarship Cycle.

¹ "to...Foundation" means money that is immediately available for use from the fund. "...for the Foundation" includes planned giving instruments to the Foundation. All planned giving instruments should be in writing and noted in the scholarship fund file.

- 3) Reoccurring (promised) scholarships will not be given unless the entire amount is satisfied prior to March 15 of the planned award year.
- 4) The minimum grant amount for new scholarships is \$1,000.

C. Funds Established before 2015.

- 1) Current Funds will be assessed on a case-by-case basis. Assessment will take place within six (6) months of the Foundation's program assessment for scholarships, or by December 2015.
- 2) Assessment will include a written plan for insuring long-term scholarship stability. Each plan will be signed by the donor/fund holder and approved by the Board.
- 3) Funds Affected:
 - (a) Jerry & Cathie (Saxhaug) Anderson Scholarship
 - (b) Lilah Maddy Brandon Scholarship²
 - (c) Ed and Eleanor Gregerson Scholarship
 - (d) G.J. Holt Family Scholarship
 - (e) Myles Reif Scholarship³
 - (f) Northland Scholarship
 - (g) Opportunity for the North Scholarship
 - (h) Betty Shannon Nursing Scholarship (CSS)
 - (i) Betty Shannon Nursing Scholarship (ICC)
- 4) Options for Endowed Scholarships without an Assessment:
 - (a) The amount available for distribution (award) will determine the priority, number and type of awards possible for the upcoming Scholarship Cycle.
 - (b) Out of the amount available for distribution, reoccurring (promised) scholarships will be awarded first. New awards may only be offered for the upcoming Scholarship Cycle if there is a sufficient amount available for distribution after all reoccurring (promised) scholarships are satisfied.
 - (c) If the amount available for distribution does not provide an adequate amount to satisfy reoccurring (promised) scholarships for the upcoming Scholarship Cycle, the following steps will be taken:
 14. A request will be made to the donor(s) to provide a gift to the fund to satisfy the reoccurring (promised) scholarships for the upcoming Scholarship Cycle.
 15. The second part of the current spending policy will be utilized. The reoccurring (promised) scholarship(s) will be awarded from the fund using an amount up to the value of interest and dividends accrued in the past year.

² This fund provides one (1) new award for four (4) years every four (4) years [not annually reoccurring]

³ This fund provides one (1) new award for four (4) years every four (4) years [not annually reoccurring]

16. If steps 1 and 2 do not meet the needs of the reoccurring (promised) scholarship(s) for the upcoming Scholarship Cycle, the endowed fund principle will be used pending Board notification and approval. *In any case where the principle of an endowed fund was used to satisfy a reoccurring (promised) scholarship, no new scholarships will be considered until the amount used for distribution from the principle is restored.*

17. X. Financial Management

18. The Foundation's Executive Director, Accountant and Finance and Stewardship Committee will provide a specific process and policy for reoccurring scholarship award stability.

19. The financial policy for reoccurring scholarships will be evaluated and reviewed at least every five (5) years.

20. **XI. Exceptions** to this policy will be on a case-by-case basis and will only apply to students who have received an official GRACF deferment, are in a current military service commitment or have experienced a crisis* in the immediate family (self, parent/guardian, sibling) within the last three (3) months. [*Crisis includes serious illness (not chronic), death in the immediate family or birth of a child (to self or partner), house fire or significant change in employment.]

21. **XII. Approval and Review:** This policy shall take place with majority vote of the Board of Directors. A review of this policy shall take place at least every five (5) years from the date of approval.

22. **XIII. Approval and Review:** This policy shall take place with majority vote of the Board of Directors. A review of this policy shall take place at least every five (5) years from the date of approval.

Adopted by the Board of Directors: _____

Date

Board Secretary

Attachment 6.5

Social Media Policy

Grand Rapids Area Community Foundation



1. **Purpose:** To clearly articulate rules and policies pertaining to personal use of social media as a representative of the Grand Rapids Area Community Foundation.
2. **Applicability:** This policy applies to the Grand Rapids Area Community Foundation’s staff, members of its board of directors, and to any other persons, such as committee members, who may possess confidential or proprietary information about the Foundation. This policy refers to such persons as “Foundation personnel”.
 - A. It is the right and duty of the Foundation to protect itself from unauthorized disclosure of confidential and/or proprietary information and from having Foundation personnel indicate that they are speaking on behalf of the Foundation when they are not authorized to do so.
 - B. The Foundation takes no position on your decision to start or maintain a blog or participate in other social media or social networking (collectively referred to as “Social Media”) activities.
 - C. In order to communicate freely and openly with donors, grantees, and members of the public, the Foundation itself maintains a social media presence, including through its web site, Facebook, Twitter, and other sources as they might emerge.
 - D. Social Media includes, but is not limited to; personal blogs; sites such as Facebook, LinkedIn, Instagram, and Twitter; video or wiki postings; chat rooms; personal websites; or other similar forms of online journals, diaries, or personal newsletters not affiliated with the Foundation.
 - E. Although the Foundation continually seeks out new and improved methods of communication and will add different forms of social media as it deems appropriate, the Foundation has given authority to certain Foundation personnel to maintain its social media presence and may invite others to submit postings. *This policy does not cover these activities.*
3. **Personal Use of Social Media – What is Prohibited?** The Foundation respects the right of its personnel to write blogs and use social media and social networking sites. The Foundation does not want to discourage its personnel from self-publishing and self-expression, and the Foundation takes a neutral position toward personnel who use Social Media in connection with

personal interests and affiliations, or for other lawful purposes. However, Foundation personnel are expected to follow the guidelines and policies set forth to make clear that your comments and posts are made by you as an individual, not by you as an employee, agent, or representative of the Foundation.

A. Unless specifically authorized in writing by the Executive Director, Foundation personnel are not authorized to, and therefore are restricted from, speaking on behalf of the Foundation through Social Media.

B. Foundation personnel must adhere to the Foundation's Policy on Confidentiality in their use of Social Media. This means they may not discuss any confidential and/or proprietary work-related matters or information through Social Media. Likewise, personnel may not post through Social Media confidential and/or proprietary donor, grantee or Foundation-related documents, or post any information that would violate the Foundation's Policy on Confidentiality.

C. You are personally responsible for your commentary and posts through Social Media. You can be held personally liable for commentary that is considered defamatory, threatening, intimidating, harassing, obscene, proprietary or libelous.

D. As with all personal use of the Foundation's information technology resources, use of the Foundation's IT resources to conduct personal Social Media activities should be kept to a minimum and not disrupt work activities. Excessive or inappropriate personal use of the Foundation's IT resources for Social Media purposes will be subject to disciplinary action, up to and including termination.

E. When using Social Media, you must use your personal e-mail address and may not use your Foundation e-mail address as your means of identification and communication.

F. If you choose to identify yourself as a Foundation employee, board member, or volunteer through Social Media, please understand that some readers may view you as a spokesperson for the Foundation. Because of this possibility, we ask that when using Social Media, you state clearly that you are speaking on behalf of yourself, that your comments, posts, and views are your own, and that you are not authorized to speak on behalf of the Foundation.

4. **Monitoring:** Personnel are cautioned that you should have no expectation of privacy while using Social Media. Your postings can be reviewed by anyone, including the Foundation. The Foundation will monitor comments, posts, blogs, forums, and discussions about the Foundation, its personnel, its donors, its grantees and community foundations generally that are posted on the Internet or otherwise publicly available.

5. **Reporting Violations:** The Foundation requests and strongly urges Foundation personnel to report any violations, or possible or perceived violations, of this policy to the Executive Director or the Board Chair. In particular, the Foundation would request that you provide a snapshot and/or printout of the page(s) that you believe contains the violation so that the Foundation may examine the entire context of the alleged violation.

6. **Discipline for Violations:** In the case of Foundation staff, violation of the Foundation's Social Media policy will result in disciplinary action, up to and including termination, depending on the nature and severity of the violation. The Foundation reserves the right to take legal action against personnel who engage in prohibited or unlawful conduct. Violations by members of the board and other volunteers may lead to dismissal from the board or committee on which the volunteer serves.

Adopted by the Board of Directors: _____
Date

Board Secretary

Due Diligence Policy for Grantmaking

Grand Rapids Area Community Foundation



I. Grants from Unrestricted and Field of Interest Funds

1. Foundation staff reviews all grant proposals
2. Areas reviewed include:
 - a. Is the application complete, including attachments?
 - b. Is it signed by authorized parties?
 - c. Is the request clear?
 - d. Does it meet the eligibility requirements for the fund or program?
 - e. If from a field of interest fund, does the grant comply with donor intent?
3. Charitable status and charitable purpose:
 - a. Grants may be made to public charities; that is organizations described in section 501(c)(3) and 509(a)(1), (a)(2), or (a)(3); and to private operating foundations. The Foundation will not normally make grants to private non-operating foundations.
 - b. Grants may also be made to units of government for public purposes. This includes Native American tribal governments.
 - c. In exceptional circumstances, grants may be made to other types of nonprofit organization and to businesses. Using expenditure responsibility as a guideline, the Foundation will carefully supervise any such grants to document the use of its funds solely for charitable purposes.
4. Verification of public charity status. The Foundation will use one or more of the following methods to verify a potential grantee's charitable status
 - a. Internal Revenue Service, Exempt Organizations Select Check, <http://www.irs.gov/Charities-&-Non-Profits/Exempt-Organizations-Select-Check>.
 - b. Internal Revenue Service Business Master File
 - c. Grantee's Internal Revenue Service determination letter or group ruling letter identifying grantee as included in the ruling
 - d. GuideStar's Charity Check
 - e. Verification of church status for houses of worship and affiliated schools not found on the above lists
5. Verification of units of government.
 - a. In most cases, the Foundation will maintain a copy or screen shot of the home page for a political subdivision (city, county, town, school district, etc.).

- b. For Native American tribal governments, the Foundation will consult the list maintained by the Department of the Interior's Bureau of Indian Affairs. The 2014 list is at <http://www.bia.gov/cs/groups/public/documents/text/idc006989.pdf>.
 - c. Staff will analyze, with assistance of counsel, if necessary, situations in which governmental status is not clear.
6. Contact the potential grantee. This may be by telephone, site visit, meeting or e-mail.
7. Depending on the size of the grant, conduct a site visit. Staff may also:
 - a. Interview key staff identified in the grant proposal
 - b. Interview collaborative partners
 - c. Interview other funding sources
8. Determine the project's overall potential impact on the community
9. Review program outcomes and objectives
10. Review financials and audit
11. Review organization's Form 990, where applicable, especially for business practices
12. Review proposed project budget.

II. Designated Funds: Before establishing a designated fund, the Foundation verifies that the proposed designee is a public charity or unit of government. Grants generally are paid once each year.

III. Agency Endowment Funds: Before establishing an agency endowment fund, the Foundation verifies that the organization seeking to establish the fund is a public charity. If a unit of government, such as a public library, asks to establish an agency endowment fund, the Foundation will consult with counsel to determine whether this is permissible under the law of Minnesota. Agency grants are paid out to the relevant organization named in the fund, generally once each year.

IV. Grants from Donor Advised Funds:

1. The Foundation will not make the following types of grant from a donor advised fund:
 - a. Grants to individuals, including grants payable to a school, college or university for the benefit of an individual selected by the Foundation.
 - b. Grants or other similar payments, including expense reimbursements, to donors, advisors, and related parties.
 - c. Any grant for a purpose that is not charitable.
 - d. Any grant to a private non-operating foundation.
2. The Foundation will make grants from donor advised funds to most public charities and units of government.
 - a. The Foundation will follow the verification process outlined in steps 4 and 5 above to verify public charity status.
 - b. In addition, the Foundation will follow the Process for Determining Supporting Organization Status outlined in the next section to determine whether a potential public charity grantee is a Type III supporting organization that is not functionally

integrated or supports an organization controlled by the donor, fund advisor, or related persons. If either of these conditions is present, the Foundation will either refuse the grant or exercise expenditure responsibility.

3. The Foundation will not normally make grants from donor advised funds that require the exercise of expenditure responsibility. This includes grants to nonprofit organizations that are not public charities and grants to businesses.
4. If the Foundation elects to make an expenditure responsibility grant, it will follow the following process:
 - a. The Foundation will conduct a pre-grant inquiry to determine whether the proposed grantee is reasonably likely to use the grant for the specified purposes and that those purposes are charitable.
 - b. The Foundation and grantee will sign a written grant agreement that includes all provisions required by Treasury Regulations.
 - c. The grantee will be required to maintain the grant funds in a separate account on the grantee's books.
 - d. The grantee will be required to submit a written report summarizing the project promptly following the end of the period during which it used all grant funds and to submit any interim reports the Foundation may require

V. Process for Determining Supporting Organization Status: Supporting organizations receive public charity status from the IRS due to their particular relationship with another publicly supported charity or government unit. Based on that relationship, a supporting organization is defined as Type I, Type II, or Type III. Type III supporting organizations are further defined as functionally or non-functionally integrated. The Foundation must exercise expenditure responsibility if it makes grants from a donor advised fund to any type of supporting organization that supports a public charity which is controlled directly or indirectly by the donor, donor advisor, or a related person. Expenditure responsibility is also required for grants to any non-functionally integrated Type III supporting organization. The Foundation will take the following steps to determine whether a grant recommendation from a Donor Advised Fund requires expenditure responsibility because the grantee is a supporting organization:

1. Verify that the organization is a public charity by checking its status in IRS Publication 78, the organization's IRS determination letter, or IRS Business Master File.
2. Determine if the public charity is a supporting organization from one of the following sources:
 - a. The IRS Business Master File (BMF) and the potential grantee's IRS determination letter, or
 - b. A report from a third party that includes:
 - i. the grantee's name, EIN, and public charity classification under §509(a)(1), (2), or (3);
 - ii. a statement that the information is from the most currently available IRS monthly update to the BMF, along with the IRS BMF revision date;

- iii. the date and time of the grantmaker's search. The grantmaker must retain this report in electronic or hard-copy form.
3. Determine the type of Supporting Organization from one of the following sources:
- a. For Type I or Type II supporting organizations a written representation signed by an officer, director, or trustee of the grantee if both of the following are true:
 - i. The representation describes the process used for selecting the grantee's officers, directors, or trustees and references the pertinent provisions of the grantee's organizing documents that establish the grantee's relationship to its supported organization.
 - ii. The grantmaker collects and reviews copies of the grantee's governing documents. If the grantee's governing documents are not sufficient to establish the relationship, the grantmaker must also collect organizing documents from the supported organization.
 - b. To determine whether a Type III supporting organization is functionally integrated the Foundation will do the following:
 - i. Obtain the grantee's written representation identifying the organization it supports.
 - ii. Collect and review the grantee's organizing documents (and those of the supported organization if necessary).
 - iii. Collect a written representation signed by an officer, director, or trustee of each supported organization stating that substantially all of its activities directly further the exempt purposes of the supported and, but for the involvement of the supporting organization, its activities are ones that normally would be engaged in by the supported organization.
 - c. Alternatively, the Foundation may rely on a reasoned written opinion of counsel of either the grantee or the Foundation in making the determination that a supporting organization is a Type I, Type II, or functionally integrated Type III supporting organization.
4. Once the Foundation has determined that a potential grantee is a supporting organization and is not a Type III non-functionally integrated supporting organization (for which expenditure responsibility is automatically required), the Foundation, will determine whether the donor, donor advisor, or related parties control the supported organization.
- a. Control will be found to exist If any donor, donor advisor, or related persons may, by aggregating their votes or positions of authority, require a supported organization to make expenditure, or prevent a supported organization from making expenditure.
 - b. The Foundation will request certification from either the donor or advisor or directly from the supported organization that the donor, advisor, or related parties do not control the supported organization.

Approved: _____

Board Secretary

Attachment 6.7

Gift Acceptance Policy

Grand Rapids Area Community Foundation



PURPOSE: To provide policy on providing gifts and acceptance of gifts to the Grand Rapids Area Community Foundation.

A. Types of Gifts

1. **Cash:** The Community Foundation will accept any cash gift. The use of credit cards, *money orders or checks made payable to the Community Foundation, are considered cash.*
2. **Readily Marketable Securities:** The Community Foundation accepts readily marketable securities and will make all decisions regarding the disposition of these gifts.
 - a. Staff will immediately sell securities received as gifts.
 - b. The value of a gift of securities for the Community Foundation's record keeping will be determined by taking the mean average of the high and low sale transactions of the security on the date the donor instructs his or her broker to transfer the irrevocable gift to the Foundation, multiplied by the number of shares tendered.
 - c. A contribution of stock is completed upon the delivery of an endorsed stock certificate to the Community Foundation or the date that the security is transferred on the books of the brokerage firm.
 - d. Securities can be used to enhance an already existing fund or, if the gift is large enough, a new fund may be established by the donor.
3. **Securities that are not Readily Marketable:**
 - a. Securities from privately held corporations will be recorded at value, if the Community Foundation receives an appraisal from an independent professional appraiser to substantiate the value at the cost of the donor. Otherwise, gifts of closely held stock will be carried on the Community Foundation's books at \$1.00.
 - b. Disposition of Readily Marketable Securities will follow the same guidelines as regular securities, once they become marketable.
 - c. The Community Foundation will not accept securities that cannot be assigned or those that are assessable and could create a net liability to the Foundation.
 - d. Stock in subchapter S corporation requires a qualified appraisal by an independent professional appraiser.
 - e. Gifts of bonds that require a holding period will be accepted and cashed when the holding period expired.

4. **Partnerships:**

- a. The Community Foundation does not accept gifts of general partnership interests.
- b. Partnerships in Limited Liability Companies (LLC) or family limited partnerships are reviewed to determine the underlying assets and liabilities, the activity of the partnership, how allocations are made and the liquidity of the Foundation's potential interest.
 - 1). The Foundation must be beneficiary of both the income and liquidation proceeds of the limited partnership interest.
 - 2). Any cost to the Community Foundation in holding the interest is the responsibility of the donor.
 - 3). The Community Foundation will not accept limited partnership interests that subject it to cash calls or other liabilities or that have adverse tax consequences.

5. Any costs incurred for appraisals will be the responsibility of the donor.

B. **Life Insurance:** A gift of life insurance may be given to the Community Foundation if the Foundation is named as irrevocable owner and sole beneficiary.

1. The gift is valued at its replacement cost for paid up policies.
2. The issuing insurance company will be consulted for assistance with the valuation of an unpaid up policy.
3. Any premiums due are the responsibility of the donor.
4. If the insurance policy lapses for nonpayment prior to maturity because a donor fails to provide for premium payments, the Community Foundation may redeem the policy.

C. **Tangible Personal Property:** The Community Foundation may accept tangible personal property as a gift.

1. The property must be saleable and the donor must agree that it can be sold, but the Community Foundation has sole discretion whether or not the item is sold or put to a use related to its exempt purposes.
2. Other criteria considered before accepting the gift include transportation and storage costs, cost of insurance, selling, maintenance or repair and potential usefulness to the Community Foundation. If a lengthy selling period is anticipated, the Foundation may refuse the gift or request that the donor cover the expenses with a cash gift.
3. The donor is responsible for establishing the value of the gift. If the perceived value is over \$5,000, the donor is required to obtain a qualified appraisal and submit on IRS Form 8282. Until then, the gift is recorded with a value of \$1.00 in the Community Foundation's financial statements. If the Community Foundation sells the property within two years, IRS Form 8282 will be filed by the Foundation, informing the donor and IRS of the sale price.

4. Items such as furniture will be accepted if usable by the Community Foundation or if it can be readily sold for an amount approximating fair market value.
 5. Automobiles can be accepted if in good working order and will be valued at the price for which they are sold.
- D. **Real Property:** Gifts of real property may be accepted based on the outcome of a property analysis, including physical condition, likelihood of an immediate sale, current market analysis of value and environmental issues, among other factors.
1. The Community Foundation may accept property subject to a mortgage provided the property has sufficient equity and the property is marketable.
 2. Before the gift is accepted, the donor must provide items to assist in preparing the property analysis, including the deed, current property tax bill, up-dated abstract, title reports, notes or mortgages and Phase One environmental impact report. For gifts valued over \$5000.00, the donor is responsible for acquiring a qualified appraisal and for completing IRS Form 8283. If the Community Foundation sells the property within two years, it will file IRS Form 8282 informing the donor of the amount of the sale.
 3. The Community Foundation will dispose of the property at the earliest possible time. If the property is accepted, the Community Foundation will pay for the expenses associated with ownership (insurance, taxes) until the property can be sold. However, all costs associated with preparing title property analysis are the responsibility of the donor.
- E. **Charitable Residue:** These are funds given through a will or trust that come from remaining assets of an estate that are not given to relatives and other charities. The donor wishes to support the community through the Community Foundation by setting up a fund or adding his/her assets to an already existing fund.
- F. **Corporate:** This form of giving helps corporations and businesses meet their charitable goals by setting up a fund to support the community at a level it deems appropriate. These funds can be endowed, which allows charitable giving independent of the profitability of the corporation or nonendowed through a transfer of funds which are received by the Foundation and disbursed all or in part during a particular year to meet corporate objectives.
- G. **Memorials and Honorariums:**
1. Memorials are gifts given in memory of persons who have passed away
 2. Honorariums are given in honor of an individual or an organization that has done an outstanding job in the community.
- H. **Charitable Organization Dissolution:** The Community Foundation can receive the assets of nonprofit organizations that for one reason or another are dissolving their operation. These assets could include cash, buildings, equipment, receivables, etc.
- I. **Charitable Bequests:** The bequest is a gift to a charity to be given through the donor's will, or trust which may be deductible from the donor's estate taxes. The value of the

bequest may be of any amount. The Community Foundation can also be named as a contingent beneficiary in the donor's will or trust. Bequests should be left to the "Grand Rapids Area Community Foundation". Sample bequest language is available to donors to ensure that the bequest is properly designated. Documents naming the Community Foundation as a beneficiary for their files are appreciated.

- J. **Charitable Remainder Unitrust:** The unitrust permits the donor to irrevocably transfer cash or securities to a charity while the donor retains a fixed percentage of income, based on the trust value, for his or her life with the beneficiary to be named by the donor. When the donor or last surviving income beneficiary dies, the remaining assets in the unitrust become part of the Community Foundation.
1. A unitrust will not be accepted at a value less than \$50,000
 2. All unitrusts will be placed with a trust company or insurance company for trust administration.
 3. The Community Foundation will consider acting as trustee of a unitrust on an individual basis.
- K. **Charitable Remainder Annuity Trust:** An annuity trust is similar to a unitrust except that it pays the donor a fixed dollar amount of income rather than a fixed percentage of income.
- L. **Charitable Lead Trust:** A lead trust permits a donor to create a trust, which pays income to the Community Foundation for prescribed period of time. At the end of this period, the assets in the trust return to the donor's possession or are passed on to other individuals.
- M. **Charitable Gift Annuities:** A gift annuity is a contract in which the donor makes a gift of cash or stock to the Grand Rapids Area Community Foundation in return for the Foundation's promise to make fixed payments to one or two designated annuitants (who may, but need not, include the donor) for life.
1. Gift annuities are funded with cash or marketable securities.
 2. Minimum and maximum size: The minimum gift annuity size is \$10,000. A maximum of \$200,000 in gift annuities will be written for a given annuitant, with consideration given to the total pool of annuities in the future.
 3. Geographic restriction: The donor must be a resident of Minnesota at the time of the contract unless research reveals that their resident state does not restrict gift annuities in any way that would be cumbersome to the donor or the Foundation.
 4. Deferred payments and minimum age: Payments may begin at the end of the first calendar quarter following the gift date, or may be deferred until the annuitant reaches a given age. In any case, payments shall not begin until the annuitant reaches at least age 60.
 5. Rate paid to annuitant: The maximum annuity rates offered are the current Uniform Gift Annuity rates and in the case of deferred payment gift annuities, the current Uniform Interest Factors, both adopted by the American Council on Gift Annuities

(ACGA). A charitable annuity rate may be established that is lower if the donor wishes to provide more for the charity.

6. Procedure upon death of annuitant(s): Gift annuities may be issued by the Foundation on behalf of other non-profit organizations. The remainder of the annuity, after the death of the last annuitant, is used to add to the preselected donor-designated fund at the Community Foundation. A new fund may be created for the benefit of the non-profit organization.
 7. Solicitation of annuity gifts: As directed by the Philanthropy Protection Act of 1995, only unpaid volunteers or salaried charity staff of the Foundation or other nonprofit organizations with designated funds at GRACF may solicit a donor for a gift annuity. There will be no commissions or fees paid directly to any solicitor or third party who brings a donor to them for the purpose of making of a gift annuity.
- N. **Pooled Income Fund:** A pooled income fund is a trust with assets drawn from several donors rather than an individual donor. Each donor receives a prorated share of income from the fund. All income generated by a fund is distributed to the donors, (or other beneficiaries). The donor receives an income tax deduction when the gift is transferred irrevocably to the Community Foundation.
- O. **Revocable Trust:** A revocable trust offers security to certain individuals who retain the right to revoke the trust at any time. A revocable trust can take the form of a unitrust or an annuity trust. Upon the death of the last surviving income beneficiary, the assets placed in a revocable trust are then transferred to the Community Foundation. Because the trust is revocable, there is little or no tax saving benefit for the donor.

Approved: _____

Board Secretary

Attachment 6.8

Donor Advised Fund Policy Grand Rapids Area Community Foundation



1. What is a Donor Advised Fund?

A. A donor advised fund defined under the Internal Revenue Code possesses these characteristics:

- 1) The Fund is separately identified with reference to the contributions of a donor or donors. For example the Smith Family Fund established by the Smith family children.
- 2) The Fund is owned and controlled by a sponsoring organization such as the Foundation.
- 3) The donor or persons appointed by the donor expect to have the privilege of providing advice with respect to the fund's investments or distributions.

2. Minimum Fund Size. The minimum required to initiate a donor advised fund, and to remain on balance, is \$1000.00. If the intent of the donor is to establish this as an endowed fund, the fund must be grown over the period of not more than five years to exceed \$10,000.00 prior to any distributions from the fund. In the case of growing a fund over time to reach the \$10,000.00 threshold, the donor will complete an "Acorn Agreement" with the Community Foundation stipulating the final disposition of the remaining funds should the goal not be met.

3. Contributing to a Fund

A. Gifts to a fund are irrevocable. The assets of donor advised funds are owned and controlled by the Foundation. As long as the Fund meets the minimum balance requirements, contributions to a fund may be made in any amount and at any time. Contributions may be made using cash, publicly traded securities or other property, including closely held stock, partnership interests, real estate, personal property, trusts and life insurance. Contributions are subject to acceptance by the Foundation. Contributions should be clearly designated by fund name: "The XYZ Fund of the Grand Rapids Area Community Foundation".

B. Many donors make contributions using appreciated, publicly traded stock that has been held for longer than a year, to enjoy maximum tax benefits. Contributions of property that may not have immediate liquidity are accepted at the discretion of the Foundation, and subject to completion of our due diligence procedures. Donors considering a gift in any form other than cash should contact the Foundation to discuss its appropriateness and to obtain delivery instructions.

4. Variance Power. Some donor advised fund agreements restrict distributions to a specific charitable purpose, such as education or the environment. Others may limit distributions to particular named organizations. These restrictions may apply from the inception of the fund or may come into effect at the conclusion of the advisory period. Any such restrictions are subject to modification by the Foundation if it determines, in its sole discretion, that the restriction or condition is unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community or area served.

5. Fund Advisors

A. The initial advisors to the fund are those persons named in the fund agreement.

B. If at any time there is more than one advisor to the fund, the advisors will appoint a designee and all communications to and from the Foundation will be through the designee. If no designee has been appointed, the Foundation will consider the first advisor named in the agreement to be the designee. Donor advisors may be designated down through the third generation in the case of direct family members (eg donor's grandchildren), or down one additional generation in the case of named, but not related advisors.

6. Recommending a Grant

A. Grants must be for charitable purposes. The minimum grant amount is \$100.00.

B. Donors/advisors may recommend grants to any organization described in section 501(c)(3) of the Internal Revenue Code except that the Foundation does not make grants to private foundations. You may also recommend grants to most units of government (e.g., public schools, colleges and universities, town and municipal governments, police departments, etc.).

C. The Foundation does not make grants from donor advised funds, even for charitable purposes, to other types of nonprofit organizations (non-charities) or to businesses. Examples of organizations to which the Foundation will not grant include social welfare organizations (501(c)(4)); veterans' organizations; cemeteries; Chambers of Commerce and similar business associations; fraternities and sororities; social clubs; and fraternal organizations such as Elks and Moose.

D. The Foundation makes grants to US organizations that carry on their work in other countries. However, the Foundation does not make grants from donor advised funds to non-US organizations or governmental entities.

E. Advisors to Donor Advised Funds will submit their requests for grants directly to the Foundation staff. Written requests are preferred for record keeping; however, email, telephonic, or in-person requests are acceptable. The anticipated timeline for requests becoming actual grants is 30 days.

F. From time to time the Foundation may bring to the advisor's attention grant making opportunities in which the advisor may have an interest. The advisor is not obligated to recommend a grant for the identified program. Donors shall be furnished with lists of the unmet charitable needs of the community as determined by the Foundation from time to time.

7. Grant Restrictions. The Internal Revenue Code prohibits grants to individuals from donor advised funds. Also prohibited are grants for political contributions or to support political campaigns. Grants may not result in benefits, goods, or services to the donor, the fund advisor, members of their families, and businesses they control. Failure to observe this restriction can subject the fund advisor to tax penalties. Benefits include the payment of pledges, event tickets, meals, sponsorships, registration fees, discounted merchandise, preferred parking and/or seating, and memberships unless the membership confers nothing of value. Please contact the Foundation if you have specific questions about whether a grant you are considering recommending will result in a prohibited benefit.

8. Payments from a Donor Advised Fund. Expense reimbursements, loans, compensation, and other similar payments are not permitted from a donor advised fund to a donor, fund advisor, or related party.

9. Grant Acknowledgment. Unless other arrangements have been made (e.g. anonymity requested), the grant letter will indicate that the contribution is from "The XYZ Fund of the Grand Rapids Area Community Foundation and that it has been given upon the recommendation of the named advisor. The recipient organization is encouraged to acknowledge the gift to the advisor and also to the Foundation. Additional language confirms that no benefits have been offered or provided to the Foundation or the advisor in exchange for the accompanying grant. If the recipient organization publishes a news release or a list of donors, it is asked to indicate the contribution as a grant from "The XYZ Fund of the Grand Rapids Area Community Foundation."

10. Fundraising. Donors sometimes want to raise money to add to their advised funds. The Foundation's policies on fundraising are attached to this document. Fundraising, if permitted, must strictly adhere to the guidelines in the policy and to any additional restrictions imposed as a condition of the Foundation's consent.

11. Investments

A. The Foundation has the sole responsibility and authority for investment of the assets of each Donor Advised Fund. Decisions with respect to the retention, investment, or reinvestment of assets and with respect to commingling of assets shall be made by the Foundation's Finance and Stewardship Committee. Donor Advised Funds are customarily invested and commingled with assets of other funds of the Foundation.

B. When the size of a fund warrants separate investment consideration, typically for funds over \$100,000.00, the Foundation will endeavor to accommodate requests from donors for

separate investment of fund assets, or use of a particular investment manager, broker or agent in accordance with the Foundation's Investment Policy Statement.

C. The Foundation's long-term investment objective is to preserve the real value of its permanent funds. This means that the Foundation seeks a total rate of return that supports the Foundation's grantmaking, expenses, investment fees, and inflation. The Foundation will normally measure whether it has achieved that objective over a rolling five-year period.

D. The Foundation appoints an investment consultant and investment managers from time to time to carry out some of its investment management responsibilities with respect to its invested asset pool.

12. Fees and Minimums. The Foundation assesses fees, including investment management fees, against all its funds to cover the cost of administration and to continue the Foundation's important work in our community. Fees provide the necessary resources to operate efficiently and effectively, ensuring fiscal responsibility in grant due diligence, donor and nonprofit education, research, and other activities. The Foundation's current contributions for services for donor advised funds is:

A. Endowed Funds & Long-term Non-Endowed Funds (Invested in long-term pool)

- 1) 1% annual management contribution, assessed quarterly
- 2) \$100 minimum per fund per year

B. Nonendowed Donor Advised Funds (may be invested as part of large investment pool OR placed into local bank account)

- 1) 2% of all assets up to \$50,000; 1% on assets above that annually; assessed quarterly
- 2) Foundation retains income earned
- 3) \$100 minimum per fund per year
- 4) \$20 per check over four checks annually

13. Donor Advised Fund Activity. Donor Advised Funds must exhibit some level of regular giving (activity) over the course of the life of the fund.

A. A fund is considered active when there is regular communication between a donor (or named successors) and the Grand Rapids Area Community Foundation regarding the existence and purpose of that fund. Below are examples of the types of activities that would deem a fund active; however, this example list is not all inclusive:

1) Regular Grant Recommendations. The donor advisor generally recommends grants at least every year to qualified charitable organizations. The amount of grantmaking can vary from year to year.

2) Developing a Philanthropic Program. The donor advisor makes a substantial contribution to a donor advised fund, for example, upon the sale of his or her business, and refrains from recommending grants for a given initial period while the fund advisor consults with the sponsoring charity and/or does his or her own research to determine what types of grants will best meet community needs and the donor advisor's philanthropic goals.

3) Long-term Giving Plan. The donor advisor deliberately reduces the frequency or size of grant recommendations from the fund, for example:

a. During his or her working years with the intention of increasing the donor advised fund balance to support grantmaking during his or her retirement, when the advisor expects his or her income to change.

b. A donor may want to build a fund over time so the donor's children can make grants later (the idea being the donor is leaving a charitable legacy for the next generation to administer).

c. Donor advisor refrains from recommending grants for a given period because the fund is invested in an illiquid or undervalued investment. Donor advisor intends to begin making grant recommendations when the investment can be sold at a reasonable price.

d. Project Grants. Donor advisor makes a substantial contribution to a donor advised fund and determines to recommend grants to a specific qualified charitable organization over a period of 20 years so that the donor can monitor how the charitable organization performs, and to consider whether another organization would better achieve the donor's charitable objectives.

e. Starter Fund: Donor advised funds may need time to build the fund balance to make substantial grants to the community (see Acorn Policy above) . Therefore, there may be no distributions made until the fund balance reaches an amount stated in the donor advised fund file.

f. Specific Occasion Grant. The donor advisor refrains from recommending grants for a number of years with the specific charitable goal of recommending a grant upon a specific occasion. Examples may include:

(i). The donor is incapacitated with no successor advisor(s) named so the Community Foundation waits until the donor's death to distribute the fund according to the donor's original intent;

(ii). The fund has transitioned to named successor advisors but they are minors and no adult representative is named to represent them (so grants resume when successor advisors are adults);

(iii). The founders of fund who are also the donor advisors are getting divorced so grants are suspended until both the husband and wife agree on grants, which

may include splitting the fund into two separate funds, one for each spouse to advise or eventually dissolving the fund by the making of charitable grants;

(iv). Grants are suspended during litigation involving a fund (e.g., the donor has left his/her estate to a fund, but the donor's children are disputing the bequest so the community foundation does not allow grants until the litigation is resolved);

(v). The donor leaves a bequest to a fund and distributions are made periodically to the fund during the estate settlement process, but grants are not made until the estate is fully settled.

(vi). The donor has established a Charitable Gift Annuity with the Community Foundation with the final agreement upon actuation of the gift portion of the annuity being a donor advised fund, with or without follow-on advisors. Without follow-on advisors means the Community Foundation distributes funds according to the donor's original intent.

B. Should grant activity stop for more than a three-year period, steps will be taken by the staff or the board to activate that fund. These steps may include such activities as:

1) Notifying the fund advisor regularly and periodically (for example, three times over a period of one year) to encourage the fund advisor to activate the fund.

2) Distributing grants from the fund to qualified grant recipients that align with donor intent, but if the Community Foundation determines such intent is obsolete, incapable of being fulfilled, impractical, or inconsistent with the community's charitable needs, then exercise of the Grand Rapids Area Community Foundation's overriding variance power to enable the community foundation to continue to use its resources to meet the needs of the community and to address the charitable purposes for which the funds were committed.

3) Closing of an "Acorn" fund if the fund balance does not reach the Foundation's required minimum amount within a stated period of time, and, for example but not limited to, re-allocating of the fund proceeds to the fund specified in the agreement or issuing the balance as a charitable grant to a qualified recipient.

C. If the fund becomes inactive, the Foundation will deem the advisory period to have ended and will initiate distributions from the fund in accordance with the provisions of the fund agreement.

14. Termination. Unless otherwise specified in the fund agreement, upon the death, resignation or incapacity of the last advisor to the fund, or if the fund is determined to be inactive, the assets of the fund will become a part of the Foundation's unrestricted permanent endowment. If the principal balance of the fund exceeds \$250K, the Fund will continue to be maintained as a separate named endowed fund for discretionary purposes or as a field of interest, if the donor(s)

or successor-advisor(s) have specified in writing one or more broad fields of interests for the fund.

Approved by the Board of Directors on April 25, 2018

Signed "*Original Signed: Sonja Merrild*"

Secretary

Attachment 6.9

Privacy Policy Grand Rapids Area Community Foundation



The Grand Rapids Area Community Foundation (GRACF) created this privacy policy statement to demonstrate firm commitment to the privacy of donors and website users. The following paragraphs describe GRACF's information gathering and dissemination practices. The privacy statement may change at any time; any changes will be posted on this page. Should you have additional questions, comments or concerns please contact:

Susan Lynch, Executive Director susan.lynch@gracf.org
(218)999-9100

The following topics describe how the GRACF uses information voluntarily submitted by its donors and other visitors to conduct business at our office location at 350 NW 1st Avenue, Grand Rapids, MN 55744, or on the organizational website, www.gracf.org.

1. E-MAIL PRIVACY. Your e-mail address will only be used within GRACF and only for official purposes of communicating GRACF information. GRACF does not share, sell or rent e-mail addresses to anyone outside the organization. Although email is our preferred method of communications, if you do not wish to receive e-mail correspondence, please e-mail your request to info@gracf.org or call GRACF's Administrative Assistant at (218)999- 9100.

2. USE OF IP ADDRESSES AND COOKIES

A. A unique number called an IP address identifies every computer on the Internet. Each time you connect to the Internet your machine is assigned an IP address. An IP address is a number that identifies each sender or receiver of information that is sent in packets across the Internet. The GRACF uses your IP address to help diagnose problems with our server, and to administer the GRACF website.

B. "Cookies" are small pieces of information that are stored by your browser on your computer's hard drive. Most Web browsers automatically accept cookies, but if you prefer, you can edit your browser options to block them in the future. The GRACF uses cookies to maintain user session identity, and, in some non-member areas, to store your username and password locally for ease of access.

C. The GRACF may also collect certain demographic information about visitors to www.gracf.org through the use of cookies. The GRACF only uses this data to improve the overall website and for internal business purposes.

3. SITE REGISTRATION FORMS. The GRACF website registration forms require users to give us contact information (such as name and e-mail address), demographic information, and other information of a personal nature to apply for various types of grants. The GRACF may use customer contact information from the registration forms to send the user information about the GRACF. The customer's contact information is also used to contact that customer when necessary.

4. EXTERNAL LINKS. www.gracf.org contains links to other external websites that do not fall under the cof.org domain and is not responsible for the privacy practices or the content of such external websites. If you choose to follow such links to external websites, you do so at your own risk.

5. E-COMMERCE FOR EVENT REGISTRATIONS, DONATIONS, AND OTHER FOUNDATION SERVICES. The majority of e-commerce conducted on www.gracf.org is done through use of external links (see above). Occasionally, GRACF uses an order form for customers to request event tickets, Foundation information, or products and services. The GRACF collects visitor's contact information (such as e-mail address) and method of payment. Contact information from the order form is used to process orders and to send information about the GRACF. User payment information collected is used to check the users' qualifications and bill the user for products and services. This information is transmitted via a secure e-mail. Information regarding method of payment is collected for member enrollment, registration and to process orders for products and services.

6. SURVEYS. GRACF online surveys occasionally ask respondents for contact information (such as e-mail address) and demographic information (such as zip code and age). The GRACF also may use contact data from its surveys to send information about the GRACF.

7. PUBLIC FORUMS. The GRACF website currently does not utilize public forums; however, such communication forums are likely to develop in future upgrades to the website. When that happens, chat rooms, forums, e-mail lists and message boards will be available to its users. Please remember that any information disclosed in these areas becomes public information and you should exercise caution when deciding to disclose your personal information. Although the GRACF will take every precaution to protect your personal information when you are using these public forums, the GRACF cannot ensure or warrant the security of any information you transmit to the GRACF in the course of using any one or more of these areas, and you do so at your own risk.

8. SECURITY. This site has security measures in place to protect the loss, misuse and alteration of the information under the GRACF's control.

9. SAFETY. The GRACF does not collect personal information from children under 13 online.

Approved by the Board of Directors:

4/5/14

Attachment 7

Record Retention Schedule Policy Grand Rapids Area Community Foundation



Record Retention Schedule

Exhibit to Records Retention Policy

Type of Record	Retention			Office Form		Office Duplicate
	Permanent	years		paper	electronic	
Corporate Records						
Articles of Incorporation	P			P	e	e-image on CD - bank safe deposit
Articles filing certificate	P			P	e	e-image on CD - bank safe deposit
IRS determination letter	P			P	e	e-image on CD - bank safe deposit
Bylaws	P			P	e	e-image on CD - bank safe deposit
Board minutes	P			P	e	e-image on CD - bank safe deposit
Financial Management						
Auditor's reports of financial statements	P			P	e	Auditor's office
Bank statements		7		P		
Budgets		7		P	e	
Canceled checks		7		P		
Cash receipts journal	P				e	(3)
Check register	P				e	(3)
Contracts		3	(2)	P		
Depreciation schedules		7	(1)	P		
Employee expense reports		7		P		
General journal	P				e	(3)
General ledger	P				e	(3)
Insurance policies and claims records	P			P		
Inventory of fixed assets		15	(1)	P		
Investment statements		7		P		
Leases on office, equipment, other		7	(2)			

Purchase receipts (consumables)		7	(2)	P			
Purchase receipts (fixed assets)		7	(1)	P			
Tax reports (Form 990)	P						
Personnel Management							
Employee Manual	P			P			
Employee applications		1		P			
Personnel files (personal data, I-9, W-4, etc.)		7	(2)	P			
Payroll tax returns	P			P			
Donor Records							
Fund agreements (and other conveyances)	P			P	e		e-image on CD - bank safe deposit
Real property conveyance documents	P			P	e		e-image on CD - bank safe deposit
Fund statements (yaer-end only)	P			P			
Gifts (copies of checks)		7		P			
Gift acknowledgement letters		7		P			
Donor/Agency correspondence		7		P			
Grants							
Grant applications		1					
Application summaries of recipient organizations		7		P			
Schedules of grant awards (contained in Auditor's Report)	P				e	(3)	
Schedules of agency distributions	P				e	(3)	
Scholarships							
Scholarship applications		1					
Application and contact data on scholarship recipients		7					
Schedules of scholarship awards	P			P			
Communications							
Annual reports	P			P	e		website
Newsletters				P	e		
General correspondence		5		P			
(1) or for useful life of equipment							
(2) following expiration or termination							
(3) if operating software is not maintained, printed, recorded or e-image of record							

Grand Rapids Area Community
Foundation