

## **TYPES OF GIFTS**

The foundation recognizes the following types/classes of gifts which may be received in fulfilling its mission:

1. **Unrestricted Gifts:** Charitable gifts which the donor allows the Foundation to use as it deems appropriate.
2. **Restricted Gifts:** Charitable gifts which have been given and the donor has placed restrictions on how all or part of the gift may be used by the Foundation.
3. **Gifts in Kind:** Any gift which is not primarily money or readily convertible into money.

Types of *outright gifts* which the Foundation may receive are:

1. Cash
2. Real Estate
3. Tangible Personal Property (collectibles)
4. Life Insurance Policies
5. Marketable Securities
6. Closely-held Securities

Types of *planned gifts* which the Foundation may receive:

- A. Gifts of Income and Remainder Interests
  1. Assignment of Trust Income
  2. Charitable Gift Annuity
  3. Gift of Remainder in Revocable Trust
  4. Charitable Remainder Annuity Trust
  5. Charitable Remainder Unitrust
  6. Charitable Income (Lead) Trust
  7. Pooled Income Fund
  8. Gift of Residence or Farm with a Retained Life Estate
- B. Bequests
  1. Outright Bequests
  2. Bequests to a Charitable Trust
  3. Contingent Bequests

## **TYPES OF FUNDS**

The Foundation recognizes the following as primary and usual types/classes of funds which it will hold in fulfilling its mission

1. **General Fund:** An unrestricted fund from which the Board expends to carry on normal Foundation operations.
2. **Board Designated Fund:** A restricted fund set aside by the Foundation Board with a specific purpose. It may be restricted either by a donor or by the board of trustees. The fund may be established short or long term.
3. **Endowment Fund:** A restricted fund established for a specific purpose with the intention of utilizing only the return (or portion of) on investment which the foundation receives. Most endowments are established for the long term or in perpetuity. An endowment may be established as a restricted gift either by a donor or by the Foundation Board.
4. **Memorial Fund:** A fund established in memory of a person or event. It may be created with or without restrictions, for short or long term purposes.

## **FUND RECEIPTS AND REJECTION**

The Foundation reserves the right to accept or reject any gifts for any reason it deems appropriate. Gifts will normally be rejected if:

1. The acceptance is not in keeping with the mission statement of the foundation.
2. The gift is not to be used in a manner that will further the purposes of the foundation.
3. The acceptance of the gift may cause an additional financial burden on the foundation and/or recipient.

## **RESTRICTED/DESIGNATED FUNDS**

Gifts received to support an ongoing Foundation project will be credited appropriately to the account for that project.

When a donor wishes to make a restricted gift for a new project the Foundation Board may approve the establishment of a designated fund for use of the restricted gift. In that case the following guidelines shall be followed:

1. The minimum principal amount in such a fund shall be \$2,000.00. If the initial gift is less than the minimum amount of \$2,000.00, such a designated fund may be established if the donor commits to reach the minimum level within a reasonable period of time by means of additional gifts to the fund and/or the addition of accrued interest (above any assessed fees) to the principal amount in the fund.
2. The use of such restricted gifts must be compatible with the mission and goals of the Foundation.
3. The instructions concerning the utilization of such funds must be approved by the Board of the Foundation and the board of education of the school district.
4. All **memorial funds** which have been undesignated by the memorial fund sponsor and/or donor(s) shall be placed in restricted status for a period of twelve (12) months or until the family has made a decision. At the end of twelve (12) months, undesignated funds will be reviewed by the board to determine fund status.
5. Management fees on restricted gift designated funds or memorial funds may be assessed by the Board of Trustees as they deem appropriate. At no time shall management fees for handling such funds exceed five (5) percent of the total amount of the fund.
6. The use of earned income from each designated fund shall be determined annually by the Foundation Board of Trustees unless restricted by conditions approved by the Foundation Board at the time of accepting of the gift.

## **ENDOWED FUNDS**

It shall be the policy of this Foundation to receive gifts to support a current Foundation endowed fund. Donations will be credited appropriately to the account for that project.

When a new endowed fund is established the following guidelines shall be followed:

1. A minimum of \$25,000.00 will be required to endow a fund.
2. A maximum of three (3) years will be allowed to reach the endowment level. During the three years all funds will be placed in a holding account until the endowment level is reached. Contributions in any amount may be made into the holding account at any time during the three-year period.
3. If the \$25,000.00 minimum is not reached within the three-year time limit, contributions credited to the fund's holding account will revert to the general operating fund of the Foundation.
4. Income earned on holding accounts for endowed funds shall be deposited to the general operating fund of the Foundation. When the \$25,000.00 level is reached and the endowed fund is established, earned income will be credited to the endowed fund account in the first full quarter of its establishment.
5. All administrative criteria established by the donor will require approval of the Foundation Board of Trustees.
6. The principal in an endowed fund account shall not be used to make awards, but shall remain in full in the endowed fund account.
7. Awards will be made from the accumulated net realized gain from an endowed fund account.
8. In the event that the Board of Trustees determines that the use of income from an endowment fund account as established by the donor is no longer appropriate, necessary, practical or possible to perform, they shall at their discretion amend the endowment fund criteria to accomplish other purposes as closely related to the original criteria as possible.

## **ANNUAL DISTRIBUTIONS**

This Foundation will make annual distributions for one or more of the educational purposes for which it is organized in an amount determined by the Board of Trustees to be appropriate. This includes administrative expenses and amounts paid to acquire an asset used (or held for use) directly in carrying out one or more of its purposes. In any such distribution of funds there will be no discrimination on account of the age, sex, color, religious affiliation, national origin or handicapping condition of the individuals or programs to be benefited thereby.

## **EQUITABLE DISTRIBUTION METHODS**

The Foundation will equitably distribute non-designated funds in its areas of focus. Any single one or combination of the following methods shall be utilized. Additional funding methods may be adopted through policy by the Foundation.

1. Area of focus method: The Foundation, utilizing input from a variety of sources, will select a major project area of focus and entertain requests from the district for program project and activity funding within the current focus area. An effort will be made to insure that potential recipients receive an opportunity at equal funding levels.
2. Request through proposal method: Each potential recipient will be allowed to submit proposals for programs, projects and activities to the Foundation. The Foundation will select proposals to fund based on established criteria. Projects will be funded on merit and adherence to the criteria. Criteria points may be supplemented corresponding to the time elapsed since the last award was received.

## **DISTRIBUTION OF UNRESTRICTED FUNDS**

When funds that are not held on condition or restricted in any way are distributed, the following procedures will be observed:

1. Funds will be distributed only with a successful Foundation Board motion supporting the distribution in the permanent record of the Foundation.
2. Funds will not generally be payable in the name of individuals unless the proper invoices and receipts have been submitted.
3. A report in a level of detail requested by the Foundation concerning the ultimate use and expenditure of the funds will be presented to the Foundation upon completion of the program, project, or services.



## **DISTRIBUTION OF RESTRICTED FUNDS**

When funds are held for or on behalf of other entities for a specific or restricted purpose the distribution of such funds will be made according to the following procedure:

1. The recipient will submit to the Foundation a request in writing for the funds. The request will specifically state:
  - a) For what purpose the funds will be used
  - b) How much money is to be distributed?
  - c) To whom the money will be delivered
  - d) When the funds should be transferred
2. Upon completion of the project or the purchase of equipment or services, the recipient will provide the Foundation with an appropriate report detailing the expenditure of all funds.
3. The Foundation will not generally make checks payable to individuals. Distributions will be made to the recipient entity, if qualified, or payable to the entity providing the products or services.

## **FISCAL AGENTS**

The corporation may designate such fiscal agents, investment advisors and custodians as the Board of Trustees may select by resolution. The Board of Trustees may at any time, with or without cause discontinue the use of the services of any such fiscal agent, investment advisor, or custodian.

## **EXPENDITURE RESPONSIBILITY**

Through its Board of Trustees this corporation will exercise "expenditure responsibility", as defined in Section 4945 (h) (1) and (2) of the Internal Revenue Code of 1986, as now enacted or as hereafter amended, with respect to all grants and distributions.

## **JEOPARDY INVESTMENT**

The corporation will assume that no funds, whether owned by the corporation or vested in a trust for the benefit of the corporation, are invested or reinvested in such a manner that jeopardizes the carrying out of any educational purposes for which this corporation is organized.

## **REASONABLE RETURN**

The Board of Trustees will take steps to assume that each Trustee, agent, or custodian of all of the trusts or funds that are a component part of this corporation, administers them in accordance with accepted standards of fiduciary conduct to produce a reasonable (as determined by the Board of Trustees) return of net income.