

Policies and Procedures
Community Hospices of America Foundation
Springfield, Missouri

Adopted by the Foundation Board of Directors

First Approved: April 26, 2007

Last Updated: May 3, 2018

CONTENTS

100. Purpose, Authority, and Review

200. Definition of Terms

300. Grant Requests and Grantmaking

400. Stewardship Principles and Practices

500. Qualifications and Expectations of Board Members

600. Ethical Conduct

700. Gift Acceptance and Fundraising

800. Budgeting, Accounting, Process for Determining Compensation, Document
Retention

900. Investments and Joint Ventures

Appendix A. *Stewardship Principles and Practices for Independent Foundations* adopted
by the Council on Foundations

POLICIES AND PROCEDURES

100. Purpose, Authority, and Review

1. These Policies and Procedures have applications for the Foundation, the Board as a whole, individual Board members, staff and volunteers.
2. The purpose of Community Hospices of America Foundation, Inc. (Foundation) is to grant funds for selected Hospice goods and services as described in Section 300 of these Policies and Procedures.
3. The Foundation Board has final responsibility and authority for the operation of the Foundation including all decisions related to revenues, expenditures, investments and programs.
4. These Policies and Procedures shall be reviewed by the Board at least every two years beginning from the date First Approved above and may be updated from time to time by the Board as it deems necessary.

200. Definition of Terms

1. Community Hospices of America Foundation, Incorporated – A Missouri public benefit corporation recognized as a 501(c)(3) charitable organization by the United States Internal Revenue Service. Also called Foundation.
2. Board – The Board of Directors of the Foundation.
3. Director or member – An individual member of the Board.
4. Gift, contribution, donation – A voluntary giving of money, products or services to the Foundation that may result in a tax deduction to the giver in accordance

with federal and state codes.

5. Grant – A giving of money by the Foundation for a specific purpose related solely to hospice care for patients and their families.
6. Hospice care – End-of-life services for individuals and their families facing death and the grief of death.
7. Member Agency – A provider of hospice care approved by the Board to submit grant requests to the Foundation. Also Agencies and Agency.
8. Vendor – A company that provides products or services in support of hospice care.
9. Grant Request Categories
 - a. Patient Care Enhancement—Assisting hospice care providers and hospice patients with medicines, products and services to enhance the delivery of supportive and palliative care.
 - b. Family Support—Alleviating the stress of preparing for a loved one’s end of life and grieving a loved one’s death.
 - c. Volunteer Enhancement—Improving and appreciating the capabilities of trained non-paid staff beyond Agency responsibilities.
 - d. Public Education—Distributing hospice educational information to the public regarding end-of-life illnesses, patient care services, death of loved ones, and bereavement.
10. All other words and phrases in these Policies and Procedures shall have the generally accepted meanings ascribed to them by common usage.

300. Grants and Grantmaking

1. Only a Member Agency may submit grant requests.
 - a. A hospice care provider desiring to become a Member Agency shall complete an application form on the Foundation's Website, www.chafoundation.org. Only applications submitted online will be considered.
 - (1) Within 30 (thirty) days of receiving a completed application form the Board shall notify the applicant whether it has been approved as a Member Agency.
 - (2) Hospice care providers participating in the Foundation's grant program on or before April 30, 2009 are declared to be Member Agencies and shall not be required to submit an application form.
 - b. Member Agencies agree to abide by the applicable sections of these Policies and Procedures.
 - c. A Member Agency may resign its affiliation with the Foundation by giving at least thirty (30) days' notice in writing to the Foundation Secretary, including an effective date of the resignation. Within two weeks of receiving the notice the Foundation board shall vote on whether to accept the resignation and shall notify the Agency of the results of the vote.
 - (1) Grant requests from the Agency shall continue to be considered by the

board until the effective date of the resignation. The Agency may continue expenditures from its Immediate Use Fund until the effective date of the resignation.

(2) The Agency shall deliver by check to the Secretary within two weeks following the effective date of the resignation all of the remaining balance in the Immediate Use Fund as of five p.m. on the effective date of the resignation, together with all required receipts and tracking documents. The Secretary shall acknowledge in writing to the Agency the receipt of the balance, required receipts and tracking documents.

(3) Any remaining balance on the Foundation books allocated to the Agency at five p.m. on the effective date of the resignation shall become part of the Foundation's general operating fund, except for donor-designated funds.

d. Upon vote of the Foundation board, the board may terminate its affiliation with a Member Agency by giving at least thirty (30) days' notice in writing to the Agency director, including an effective date of the resignation.

(1) Unless otherwise voted upon by the board, grant requests from the Agency shall continue to be considered by the board until the effective date of the termination. Unless otherwise voted upon by the board, the Agency may continue expenditures from its Immediate Use Fund until the effective date of the termination.

(2) The Agency shall deliver by check to the Secretary within two weeks

following the effective date of the termination all of the remaining balance in the Immediate Use Fund as of five p.m. on the effective date of the termination, together with all required receipts and tracking documents, which receipts and documents the Secretary shall acknowledge in writing to the Agency.

(3) Any remaining balance on the Foundation's books allocated to the Agency at five p.m. on the effective date of the termination shall become part of the Foundation's general operating fund, except for donor-designated funds.

2. Grants may be made to Member Agencies, to individuals, or to vendors when the requested amounts are not covered by Medicare, Medicaid or private insurance.
3. The Board considers grant requests without regard to race, gender, disability, religion, ethnicity, age or sexual orientation. It is impossible to fund every request and to fully fund every request.
4. Grant requests shall be submitted electronically using the Grant Application Form on the Foundation's Web site. Grant requests submitted by other than this Form will be returned to the sender without action.
5. Grants shall be limited to a minimum of \$101 (one hundred one dollars) each and a maximum of \$1,000 (one thousand dollars) each, and a maximum of \$2,500 (two thousand five hundred dollars) per patient or patient family per 12-month period beginning on patient's original admission date and continuing through 3 (three) months after patient's death, including for recurring monthly expenses as

- in Section 300.8 below, unless otherwise allowed by the Board. Requests of \$100 (one hundred dollars) or less should be considered under Section 300.10 Immediate Use Fund of these Policies and Procedures. The Board shall monitor requests for abuses and shall be the sole judge of what constitutes an abuse.
6. Receipts or invoices for approved grants shall be submitted to the Board within 60 (sixty) days of the date written on the receipts or invoices. Late or altered receipts or invoices are not acceptable and may result in the Board terminating the grant.
 7. Grant requests must fit at least one of the following categories: Patient Care Enhancement, Family Support, Volunteer Enhancement, Public Education. The extent to which a grant request falls within these categories is in the sole discretion of the Board. In any calendar year, grants to a Member Agency for Volunteer Enhancement shall be no more than ten percent (10%) of donor contributions received through the Agency in the previous calendar year, except that new Member Agencies shall be allowed a maximum \$500 (five hundred dollars) for Volunteer Enhancement in the first 12 (twelve) months of their association with the Foundation.
 8. Funding for utilities, home mortgages, automobile loans, leases, and other recurring monthly expenses except lifeline services shall be limited to a total of two months per patient or patient family per twelve-month period beginning on patient's original admission date and continuing through three months after patient's death. The Board does not consider requests for lifeline services or supplies.

9. The Board will consider requests for funding durable medical equipment only when the equipment will be used in a patient's home. *Home* is defined as the patient's legal residence including a house or apartment and excluding a medical care facility.
10. At the request of a Member Agency director the Board may establish an Immediate Use Fund to that Agency in an amount not to exceed \$500 (five-hundred dollars). A Member Agency may use its Fund to purchase items that cost no more than \$100 (one hundred dollars) each. All items must be for patient care enhancement or family support. Purchase of items costing \$101 (one hundred one dollars) or more should be considered for a Grant Request under Section 300.5 of these Policies and Procedures.
 - a. As a Member Agency expends from its Fund it may request from the Board that the Fund be replenished in an amount equal to the amount expended, but in no case shall the total amount in the Fund exceed \$500 (five-hundred dollars) at any one time. A request for replenishment must be accompanied by receipts covering the requested amount. Requests for replenishment shall be in writing in a format approved by the Board.
 - b. For quick accessibility, an Immediate Use Fund check from the Foundation to a Member Agency shall be written to an Agency employee designated by the Agency director. The designated employee is responsible to the Board for taking every reasonable effort to secure the integrity and stewardship of the Fund. Misplaced funds, missing funds,

unaccounted-for funds and other abuses may result in the Board terminating the Immediate Use Fund to the Agency. The Board shall be the sole judge of what constitutes an abuse.

11. The Foundation shall issue a check in the amount of a grant only after the Foundation has received a dated receipt or equivalent proof of purchase of products or services. The Board shall be the sole judge of what constitutes equivalent proof. The Board will not consider grant requests for the purchase of gift cards, gas cards, or any other kind of credit cards or debit cards.
12. In general, the Board considers requests before expenses are incurred and for one patient or one family per request. The Board will consider emergency requests on a case-by-case basis.
13. The Board does not consider requests to fund marketing activities, staff training, or funerals including funeral expenses for travel, meals, and lodging for family members, direct funeral expenses of a funeral home, and opening the grave.

400. Stewardship Principles and Practices

The Foundation seeks to follow the *Stewardship Principles and Practices for Independent Foundations* adopted November 7, 2005 by the Council on Foundations, Washington, D.C., and as may be amended. See Appendix A.

500. Qualifications and Expectations of Board Members

1. Members of the Foundation Board of Directors are community leaders who bring

their skills, interests, and expertise in support of the purposes of the Foundation.

Persons are invited to become Directors who:

- a. Are prepared to contribute their time and advice to further the important work of the Foundation.
 - b. Can articulate ideas and influence others.
 - c. Have worked with individuals and groups to get things done in churches, businesses, nonprofit organizations, community groups or governments.
 - d. Have been involved in oversight responsibilities, policymaking, strategic planning, financial development, community relations, or operations.
2. In addition to the Duties of the Board of Directors as listed in the Foundation's Bylaws, Directors are expected to:
- a. Regularly attend and participate in Board meetings and actively work in one or more committees. Attendance at Board meetings may be in person, by telephone conference, or by other means approved by the Board. The Board may reimburse travel expenses.
 - b. Identify and recruit new Board members.
 - c. Promote public awareness, understanding, and support of the purposes of the Foundation and the principles of Hospice care.
 - d. Be well informed about the work of the Foundation and of Hospice care.
 - e. Keep appropriate information confidential.
 - f. Adhere to the Ethical Conduct Policy in Section 600 of these Policies and

Procedures.

3. When a board member desires to resign the member shall submit a letter of resignation to the president of the Foundation. The letter may be submitted by email or by postal mail and shall include the date the resignation is effective.

600. Ethical Conduct

1. This Ethical Conduct Policy covers Foundation officers, directors, key employees including independent contractors, and volunteers. These groups and their members are referred to throughout this Section as stakeholders.
2. The goodwill, credibility, and trustworthiness of the Foundation are essential as we strive to benefit patients and their families. These essentials may be summed up in one word, *reputation*. Stakeholders are expected to conduct themselves in ways that reflect the strongest possible commitment to maintaining and furthering our reputation, including but not limited to:
 - a. Exhibiting honesty, integrity, respect, fairness, trust, and confidentiality with the internal and external publics of the Foundation.
 - b. Avoiding exploitive relationships that may negatively affect the public image or performance of the stakeholders.
 - c. Refusing to accept compensation--including, but not limited to cash, bequest, or tangible resource--in return for securing a contribution to the Foundation or in direct response to the cultivation of a donor or prospective donor for a contribution.

3. A basic test of ethical conduct involves the following questions:
 - a. What is the right thing to do?
 - b. How would I feel if my family and friends heard about my actions?
 - c. Would I want an account of my actions to appear on the front page of the local newspaper?

4. Conflict of Interest
 - a. Persons covered by this Conflict of Interest Policy are Foundation officers, directors and key employees including independent contractors.
 - b. A conflict of interest is defined as an actual or perceived dual-role interest by a covered person that results in or has the appearance of personal, financial, organizational or professional gain. An interest includes, but is not limited to actions involving ownership, employment, contractual arrangements, creditor and debtor issues, consultative relationships, and family matters.
 - c. Covered persons shall disclose annually to the president of the Foundation, on a form provided by the Foundation, any issue that could give rise to conflicts of interest or that have become conflicts. The president shall determine whether to provide full disclosure to the Board for information or action. Actions, if any, by the president or the Board include, but are not limited to asking the conflicted covered person to recuse from participating in related discussions or decisions within the Foundation, immediately cease the conflict, or resign. If the conflicted

covered person refuses to resign the person is subject to possible removal.

The president or the Board may also seek appropriate legal action.

- d. The Foundation shall regularly and consistently monitor compliance with this conflict of interest policy by placing the issue of conflict of interest on the agenda at each April annual meeting and reminding covered persons of their duty to disclose conflicts of interest that may have arisen during the previous year.

5. Whistleblower

- a. It is the responsibility of stakeholders to report violations or suspected violations in accordance with this Whistleblower Policy. Violations include illegal practices, improper conduct, and serious violations of the Foundation's policies.
- b. No stakeholder who in good faith reports a violation shall suffer harassment, retaliation or adverse employment consequence. A stakeholder who retaliates against someone who has reported a violation in good faith is subject to discipline up to and including termination of employment, termination of contract, or dismissal from the Board. This Whistleblower Policy is intended to encourage and enable stakeholders to raise serious concerns within the Foundation prior to seeking resolution outside the Foundation.
- c. Stakeholders shall share their questions, concerns, suggestions or complaints with the president of the Foundation who is responsible for

investigating and resolving all reported violations. The president will notify the sender and acknowledge receipt of the reported violation or suspected violation within five business days. All reports will be promptly investigated and appropriate corrective action will be taken if warranted by the investigation. The president shall determine whether to provide full disclosure to the Board. When disclosed to the Board, the Board shall in its sole discretion decide what action, if any, shall be taken.

- d. Anyone filing a complaint concerning a violation or suspected violation must be acting in good faith and have reasonable grounds for believing the information disclosed indicates a violation. Any allegations that prove not to be substantiated and which prove to have been made maliciously or knowingly to be false will be viewed as a serious disciplinary offense.
- e. Violations or suspected violations may be submitted on a confidential basis by the complainant and may be submitted anonymously. Reports of violations or suspected violations will be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation.

700. Gift Acceptance and Fundraising

1. As a Missouri nonprofit corporation and a 501(c)(3) charitable organization as determined by the Internal Revenue Service, the Foundation may receive tax-deductible contributions.
2. The Board may establish fundraising programs including, but not limited to:

- annual funds, capital campaigns, endowments and special funding. Fundraising programs shall include goals, timelines, giving levels and donor recognition. The Board may engage fundraising counsel.
3. Ten percent (10%) of gift amounts shall be designated for administration and operation of the Foundation.
 4. The Foundation accepts the following types of gifts and methods of giving:
 - a. Cash or check
 - b. Payroll deduction
 - c. Electronic funds transfer
 - d. Real estate
 - e. Personal property. The cost of evaluating, packing, delivering and insuring a gift of personal property is the responsibility of the donor.
 - f. Stocks, bonds, and other marketable securities
 - g. Life insurance
 - h. Bequests
 - i. Trusts and annuities
 - j. Out-of-pocket expenses supported by receipts
 - k. Non-cash gifts, also known as gifts-in-kind
 - l. The Board may establish guidelines for types of gifts and methods of giving and may add to or delete from the above list.
 5. Contributions received through a Member Agency for forwarding to the Foundation shall be directly deposited by the Agency by taking the donations to

- the nearest Foundation-approved bank, or by completing a deposit slip and mailing the slip and donations to the Foundation-approved bank in the pre-addressed envelope provided by the Foundation. Do not mail contributions to the CHA Foundation office.
- a. The Agency shall fill out an Excel spreadsheet in the form provided by the Foundation, which form shall include the name and address of each donor, the amount of each gift, and other requested information. The Agency shall mail the spreadsheet to the Foundation at foundation@chahospice.com at least once weekly, provided there are contributions to deposit, so that donors may be thanked quickly.
 - b. Agencies shall not use Foundation letterhead stationary or envelopes for fundraising activities.
6. Gifts with no donor stipulation as to purpose or use are unrestricted and may be used by the Foundation for operations, grantmaking, and other purposes the Board deems are appropriate in accordance with the Foundation's Articles of Incorporation and Bylaws and in accordance with these Policies and Procedures.
 7. Restricted gifts are those given for a specific purpose designated by the donor. The Board shall not accept any restricted gift that conflicts with the Policies and Procedures Manual. The purposes of the restricted gift shall be stated in writing, dated, signed by the donor, and witnessed by at least two persons or acknowledged by a notary public so that the Board can determine the intent of the donor and accept or reject the restriction or condition specified by the donor. To

- the fullest extent possible, the Board shall spend any restricted gift it accepts in fulfillment of the specific purposes designated by the donor.
8. Gifts of personal or professional services of time are not recognized by the Internal Revenue Service as being tax deductible. Examples of gifts of services are the gift of broadcast time by a radio station or television station, legal services by an attorney, rent-free use of office space, or the rent-free use of a vacation home or other venue to host an event. As a courtesy, the Foundation shall send the donor an acknowledgment of the amount of time contributed.
 9. The Foundation shall acknowledge in writing all gifts received in support of the purpose of the Foundation. The acknowledgment is a declaration that the Foundation has accepted the gift on the terms and conditions specified by the donor. It is also the Foundation's certification of the gift as a charitable contribution for tax purposes, if in fact it is. Gifts shall be acknowledged promptly, preferably within two business days after the gift has been received. The president of the Foundation determines the content and format of acknowledgments.
 10. The Foundation encourages eligible donors to use matching gift programs of their employers. A matching gift from the donor's employer is requested when the donor submits an employer-approved form with the donor's gift to the Foundation, properly filled out by the donor, and the Foundation completes its portion of the form and mails it to the employer.

- a. The Foundation does not knowingly permit the solicitation or participation in a matching gift program of ineligible donors or contributions, for example, transmission of contributions of ineligible donors via an eligible donor.
 - b. A matching gift is considered “soft money” and is credited to the donor for purposes of recognition and pledge fulfillment.
11. The Foundation records pledges as income in the year in which the Foundation receives the pledge agreements, in accordance with pronouncements of the Financial Accounting Standards Board (FASB).
- a. A pledge occurs when full payment of a commitment is expected at some point in the future, and there is written documentation from the donor outlining the amount and frequency of payment or payments. Pledges made by official telethon are exempted from this requirement.
 - b. An existing pledge or payment may not be modified without written documentation. This may come in the form of a letter from the donor or a letter to the donor from a staff member or Board member. Exceptions are the yearly write-offs of Annual Fund pledges or corrections of errors made by the Foundation.
12. A gift on behalf of an individual or other donor will be credited to the entity distributing the gift. Such gifts will include, but not be limited to, gifts from family foundations, community foundations, family or closely held corporations, and other donor-directed gifts that are not personally given. All such second party

- gifts shall be entered as “soft credit” or "on behalf of" gifts under the individual records designated to receive gift credit by the second party. This ensures proper recognition and gift accounting.
13. The Foundation maintains a database of biographical, gift, and pledge information regarding donors, prospects, friends, and corporations, in order to fulfill the purpose of the Foundation. The Foundation is committed to maintaining the privacy and confidentiality of the information entrusted to us. At the same time, we want to be sensitive and responsive to those who have legitimate reasons for requesting information.
14. The Foundation shall not provide information on individual and corporate contributions or pledges, except in connection with public recognition to honor and thank contributors and pledgers, or as provided in items one, two and three below. The Foundation may refuse a request for information when in its opinion the request is not in the best interests of the Foundation’s purposes.
- Organizations and constituent groups which have legitimate reasons for requesting information include, but are not limited to:
- a. Law enforcement agencies and the courts.
 - b. Agencies that assist the Foundation in locating lost donors.
 - c. Individuals who have established their status on our system by providing their social security number or other identifying fact(s). These individuals may request public information for as many as three names. Public information shall be name, home address, and business address. No phone

numbers shall be given out. Foundation staff and Directors shall use their best judgment when responding to a request and may require a request to be in writing and may ask the reason for the request. Requests for information for more than three names must be in writing and shall state the reason for the requested information. A fee may be imposed for extraordinary research, programming, materials and copying services.

15. The Foundation shall not sell, exchange, or distribute in any manner or for any purpose information in its database, except as provided in items one through three above. No information shall be provided on those records coded “No Contact,” nor for those individuals and corporations which have told the Foundation in writing they do not want information in their records to be released.
16. The Board expects each Member Agency to inform hospice patients, patient families, and all other interested persons and entities that opportunities exist for contributing funds to the Foundation. The Board, moreover, expects each Member Agency to assure that the expenditures the Board approves and pays through grant requests made by each Member Agency do not exceed the contributions received by such Member Agency and submitted to the Board.
 - a. On at least an annual basis, the Board shall compare grants to a Member Agency to the contributions Agency sends to the Board. If grants exceed contributions, the Board shall notify the Agency of the deficit.
 - b. The Agency will have six months from the notification date to correct the deficit, during which period the Agency may continue to submit grant

requests and the Board will monitor the Agency's contributions and grants.

- c. If the Agency fails to correct the deficit within the six-month period, the Board may notify the Agency that the Board will no longer consider the Agency's grant requests until the deficit is corrected. Optionally, the Board may terminate the Agency's affiliation with the Foundation. When the Agency corrects the deficit, the Board shall notify the Agency it may resume submitting grant requests.

800. Budgeting, Accounting, Process for Determining Compensation, Document Retention

1. Financial records of the Foundation shall be in compliance with pronouncements of the Financial Accounting Standards Board (FASB). Records shall be kept as required by law or as instructed by the Board of Directors.
2. Required state and federal reports and filings shall be available for public inspection upon written request to the president of the Foundation.
3. The Board shall prepare and approve an annual budget.
4. Checks may be signed by the president or the treasurer.
5. Ten percent (10%) of contributions to the Foundation shall be designated for administration and operation of the Foundation.
6. Process for Determining Compensation
 - a. The compensation of persons employed by the Foundation shall be reviewed and approved by the Board, provided that persons with conflicts

of interest with respect to the compensation arrangement at issue are not involved in the review and approval.

- b. The Board shall use in its review and approval data as to comparable compensation for similarly qualified persons in functionally comparable positions at similarly situated organizations.
- c. The Board shall maintain contemporaneous documentation and recordkeeping with respect to its deliberations and decisions regarding compensation arrangements.

7. Document Retention

- a. Responsibility for managing retention, storage, and destruction of records in any format including, but not limited to paper and electronic formats, shall be shared between the Foundation Corporate Secretary and the Foundation Treasurer. The Treasurer shall manage and store all financial records pertinent to day-to-day financial operations. The Treasurer shall manage and store copies of archived audits, reports, and financial statements required for orderly and efficient conduct of financial business. The Corporate Secretary shall manage and store all non-financial records and all archived financial audits, reports, and statements.
- b. No records will be destroyed or deleted if pertinent to any ongoing or anticipated government investigation or proceeding or private litigation.
- c. Since the Foundation does not have permanent offices or other storage facility, storage of records shall be physically maintained in a location

designated by the Corporate Secretary and the Treasurer. At such time that the Foundation has permanent offices or storage facilities, official records subject to this Document Retention Policy will be maintained in the permanent location. Until such time as records are retained in the permanent the Treasurer shall oversee the transfer of records from one designated person/location to another.

- d. The Corporate Secretary and the Treasurer shall annually review retained records for determination of retention and disposal requirements. Records subject to destruction shall be destroyed under the supervision of the Corporate Secretary and the Treasurer in accordance with best available practices. The Corporate Secretary and the Treasurer shall record the destruction of records and make an appropriate written report to be kept as part of the Foundations permanent records.
- e. The Board shall have authority to adopt changes, grant exceptions and update this Document Retention Policy and shall keep abreast of significant changes in requirements mandated by new or changed laws and regulations concerning records management, and the Board shall adjust this policy accordingly.
- f. Minimum Retention Requirements by Document Type
- | | |
|--|-------------|
| Accounts payable ledgers and schedules | 7 years |
| Audit reports | Permanently |
| Bank reconciliations | 2 years |

Bank statements	3 years
Checks (for important payments and purchases)	Permanently
Contracts (still in effect)	Permanently
Contracts, mortgages, notes and leases (expired)	7 years
Correspondence (general)	2 years
Correspondence (legal and important matters)	Permanently
Correspondence (with customers and vendors)	2 years
Deeds, mortgages, and bills of sale	Permanently
Depreciation schedules	Permanently
Duplicate deposit slips	2 years
Employee records	3 years
Expense analyses/expense distribution schedules	7 years
Insurance policies (expired)	3 years
Insurance records, current accident reports, claims, policies, etc.	Permanently
Internal audit reports	3 years
Inventories of products, materials, and supplies	7 years
Invoices (to customers, from vendors)	7 years
Minute books, bylaws and charter	Permanently
Patents and related papers	Permanently
Payroll records and summaries	7 years
Personnel files (terminated employees)	7 years

Retirement and pension records	Permanently
Tax returns and worksheets	Permanently
Timesheets	7 years
Trademark registrations and copyrights	Permanently
Withholding tax statements	7 years
Year-end financial statements	Permanently

900. Investments and Joint Ventures

1. This Investment Policy is a framework for decision-making and is designed to provide maximum return with minimum risk and to provide continuity in investment approaches for future boards of the Foundation.
2. Foundation assets shall be invested with care, skill, prudence and diligence to:
 - a. Attain a rate of return consistent with safety while maintaining sufficient liquidity to provide adequate and timely working funds.
 - b. Provide growth of income and capital to enable the Foundation's assets to increase on a real basis after adjusting for inflation and fees.
3. The Board may engage professional investment counsel to assist in developing specific guidelines for asset allocation, spending and monitoring.
4. Joint Ventures or Similar Arrangements with Taxable Entities
 - a. A joint venture or similar arrangement means any joint ownership or contractual arrangement through which there is an agreement to jointly

undertake a specific business enterprise, investment, or exempt-purpose activity.

- b. The Foundation will negotiate in its transactions and arrangements with other members of the venture or arrangement such terms and safeguards adequate to ensure that the Foundation's exempt status is protected.
- c. The Foundation shall annually evaluate its participation in joint venture arrangements under applicable Federal tax law.

Appendix A. Stewardship Principles and Practices for Independent Foundations.

The following was adopted by the Council on Foundations Working Group on Stewardship Principles for Independent Foundations, November 7, 2005.

PREAMBLE

Independent foundations aspire to achieve a lasting and positive impact on society by contributing philanthropic resources to the public good. The assets of independent foundations extend beyond money, encompassing reputation and credibility, leadership skills of board and staff, and the ability to make the most of relationships and other resources.

As responsible stewards of philanthropic assets, independent foundations should work in ways that benefit the public and also reflect fundamental values that include honesty, integrity, openness, fairness and accountability. The stewardship principles and accompanying practices describe how independent foundations can reflect these fundamental values in their governance, management, grantmaking and charitable activities.

As private entities operating for public purposes, independent foundations must comply with federal, state and local laws. They must also uphold public trust in philanthropy and the nonprofit sector. By ensuring the most appropriate and effective use of philanthropic resources, independent foundations can inspire future generations to continue the American tradition of foundation philanthropy.

HOW TO USE THE PRINCIPLES

These principles correspond to an array of philosophical and practical issues that all independent foundations face. Board and staff leaders can use this document to better understand the practices and aspirations of their colleagues and to identify issues that are likely to arise in their own organizations, enabling them to develop thoughtful policies and practices and improve them over time.

The degree to which an independent foundation can adopt individual practices will depend on its:

- governing documents (which may include requirements and restrictions)
- history, philosophy and stage of organizational development
- asset size and staffing level
- status as a grantmaking or operating foundation.

As the foundation evolves, so will its practices. Foundations that approach these principles and practices with thoughtfulness and a commitment to continual review and revision will experience the greatest long-term benefits.

GOVERNANCE

- I. **We have a governing board that establishes the mission, guides the strategy, assesses the effectiveness and fosters the ethical conduct of the foundation.**

Practices:

- A. Ensure the foundation's governing documents clearly set out its corporate structure, comply with all applicable laws and regulations, and establish policies related to the functioning of the board and its committees.

- B. Develop and periodically review the foundation's values and mission statement, strategies, program areas and guidelines, goals, and multiyear and annual objectives.
- C. Make certain that management dedicates sufficient human, financial and infrastructure resources to advance the mission. Ensure that staff is well-qualified and receives ongoing professional development.
- D. Provide for leadership continuity and plan for transitions.
- E. Hire and regularly evaluate the CEO's performance.
- F. Assess the effectiveness of the foundation's grantmaking, charitable activities, board governance, management and investments.

II. Authority is vested in the governing board as a whole, and each member is equipped to advance the foundation's mission.

Practices:

- A. Identify the desired characteristics of the governing board, including size, composition, and member skills and experience; ensure that members are competent, knowledgeable and sufficiently diverse to provide credible and effective oversight of all aspects of the foundation's work.
- B. Develop bylaws that specify term length, the number of consecutive and/or total terms board members may serve, roles and responsibilities, and selection and removal processes.
- C. Conduct business regularly to ensure meaningful interaction, including at least two in-person meetings annually.

- D. Ensure that grants made by authority delegated to individual board members or staff are reviewed by the board and are consistent with board approved budget and policies.
- E. Provide comprehensive orientation and continuing education for governing board and committee members on the foundation's history and all aspects of foundation governance, including legal, fiduciary, and grantmaking issues and obligations to the public trust.
- F. Assess board members regularly on their adherence to governance practices, attendance and substantive contribution. Term renewal should take into account assessment results.

III. Our governing board exercises active fiscal oversight.

Practices:

- A. Know and ensure compliance with federal, state and local law, fiduciary duties, and sound financial management principles.
- B. Approve an annual budget for operating and grant expenses and require staff to report at regular intervals to the full board on the foundation's financial performance relative to the approved budget.
- C. Ensure that administrative expenses are reasonable and necessary to the foundation's mission.
- D. Ensure that the foundation has a written investment policy adequate for the size of the endowment and the financial and investment objectives

adopted by the board. Have the investment policy reviewed and approved by the board at regularly-established intervals.

- E. Ensure that the foundation has accounting policies and procedures appropriate to the size and complexity of the foundation's budget and endowment.
- F. Incorporate internal controls. Ensure that staff:
 - 1. Prepare timely financial statements and reports according to accounting principles adopted by the board.
 - 2. Establish and report to the board on effective internal controls, systems of checks and balances, formalized record keeping, and compliance with legal, regulatory and financial reporting requirements.
 - 3. Perform proper due diligence to assess grantees' fiscal and organizational viability and that their grant funds are used for charitable purposes.
- G. Obtain external oversight:
 - 1. Establish finance and audit committees as warranted by size and in accordance with state law to oversee accounting (including internal controls), financial reporting, compensation practices and the external audit of the foundation.

2. Obtain an external review of the organization's finances (based on asset size) by conducting a financial review, financial statement compilation, periodic audit or annual audit for larger foundations.
3. Ensure the auditors present the audit report or external review to the audit committee or board and meet privately (without staff). Have the board vote on whether or not to accept the audit.
4. Require that the president and chief financial officer (or equivalently responsible officers/staff) approve annual financial statements, federal tax returns and reports to state authorities to ensure that they fairly present the financial position and financial activities of the foundation, comply with the foundation's governing documents, and are consistent with the foundation's audited financial statements (if applicable).

H. Develop thorough compensation processes:

1. Base CEO compensation on performance, as well as data from comparable institutions[. Comparability should take into account asset size, annual operating budget, the complexity of the organization and the responsibilities of the position.
2. Make sure that CEO compensation is approved by the board and the process and decision recorded.
3. Carefully consider whether or not to compensate the board. If board members are compensated for board or committee service,

compensation levels should be fair and reasonable and should take into account the nature and amount of work required and performed, as well as benchmarks from comparable institutions. The rationale for such compensation should be documented and disclosed and reviewed periodically.

INSTITUTIONAL IMPACT

IV. **We consider multiple strategies to further our mission.**

Practices:

- A. Embrace best practice models and compare practices with others in the field.
- B. Consider a range of financial support options that could include general operating, project, capital, research, scholarship, endowment, multiyear and challenge grants and funds to respond to emergency or other unanticipated needs.
- C. Use institutional, program and grant evaluations to improve outcomes.
- D. Share successes, failures and lessons learned from grant and program evaluations internally and externally, as appropriate.
- E. Collaborate with others who fund similar work.
- F. Provide technical assistance to grantees and other nonprofits as necessary.

- G. Consider investing in ways that further the mission (e.g., program-related investments, micro-credit loans, socially responsible investing and proxy voting/shareholder resolutions).
- H. Convene community leaders, government officials, nonprofits and/or other funders concerned about similar issues for the good of the community.
- I. Consider employing public policy advocacy as permitted by law.
- J. Acknowledge that the results we seek from grant investments are in part a function of the relationship between the grantee and the foundation.

ETHICS AND ACCOUNTABILITY

- V. **We recognize and act upon our obligations to multiple stakeholders: the donor, grantees and grantseekers, the public, and governmental bodies.**

Practices:

- A. Include a variety of perspectives, knowledge and experience in the foundation's work.
- B. Establish governance policies, board and staff training, and operational and grantmaking practices that promote inclusion.
 - 1. Seek diversity and inclusiveness in board appointments and hiring practices.
 - 2. Develop the capacity to understand issues and communicate skillfully across cultural, socioeconomic and other boundaries.

- C. Establish and have board and senior staff annually sign a written conflict of interest policy that identifies the types of conduct or transactions that raise concerns and describes how conflicts and perceived conflicts of interest are handled.
- D. Develop a whistleblower policy, as well as a policy to handle external good-faith complaints about violations of foundation policy or the conduct of foundation board and staff.
- E. Respect donor intent while also considering the demands of a changing world. In cases where founding documents or other materials express donor intent or preferences, review them periodically to assess their continued usefulness.

VI. We respect nonprofits' missions and expertise and strive for relationships based on candor, understanding and mutual respect.

Practices:

- A. Develop transparent grants processes:
 - 1. Specify the steps, timing and general criteria used in the review process.
 - 2. Acknowledge grantseeker inquiries and submissions promptly.
 - 3. Use grant agreement letters to outline mutual expectations.
 - 4. Provide basic reasons for declining applications (e.g., outside geographic scope) and consider additional constructive feedback when appropriate.

5. Limit requests for information pre- and post-grant to that which is necessary for decision making and appropriate to the size or purpose of the grant.
- B. Conduct site visits when appropriate, guided by the size and purpose of the grant and the impact on the grantee.
- C. Respond to and act promptly on complaints.
- D. Acknowledge and limit the effects of the imbalance of power in grantee/grantor relationships.
- E. Support operating projects and/or direct charitable activities (if any) that complement and strengthen nonprofit organizations.
- F. Seek input on guidelines and criteria to ensure that they are clear and understood by applicants.
- G. Gather feedback (including anonymous) on foundation performance from current and former grantees and denied applicants.
- H. Consider accepting “common grant applications” (available through regional associations and affinity groups).

VII. We welcome public interest and communicate openly.

Practices:

- A. Make public (on the Web and/or in print) items such as the foundation's board of directors, mission, guidelines, grant process (including whether unsolicited proposals are accepted), finances, timetable, grantee list with amounts and purpose.

- B. Identify and make public an individual to serve as a point of contact for the foundation.
- C. Respond to requests for information promptly.
- D. Prepare and distribute (on the Web or in print) information annually (e.g., the annual report, updated Web content or a brief letter for small foundations).
- E. Convey the public value of the foundation's work by communicating grant results, studies and lessons learned.
- F. Establish procedures to communicate with and respond to the media, legislators and other audiences, and train the board and staff to ensure proper implementation.