



BOARD OF TRUSTEES AGENDA

January 21, 2016, 12:00 PM – 1:30 PM

One Jackson Square, 11th Floor **South** Conference Room

MISSION: To connect people and resources to causes that strengthen and build our community.
For Jackson. For good. For ever.

TIME	AGENDA ITEM (PAGE):	By:
12:00 PM	CALL TO ORDER	Chaprnka
12:00 PM	ROLL CALL – Welcome new Trustee Sarah Ermatinger Member present: Members absent: Staff present: Others present:	Chaprnka
12:03 PM	DECLARATION OF CONFLICTS	Chaprnka
12:06 PM	CONSENT AGENDA 1. Approval – Motions (page 6) a. Audit – Electronic Ballot to approve December 8, 2015 Audit Committee Meeting Agenda Items (page 7) b. Board Development – Approval of Board Development Committee Charter (page 8) c. Executive - None d. Finance - None e. Grant - None f. Marketing and Fund Development – Approval of Gift Acceptance Policy (page 9) 2. Acceptance/Approval – Reports, Minutes and Ratifications (page 32) a. President’s Report (<i>“JCF President’s Report and 2015 in Review”</i> - email attachment) b. Meeting Minutes	Chaprnka

- | | | |
|--|---|--|
| | <ul style="list-style-type: none"> i. Board of Trustees – November 19, 2015 (page 33) ii. Youth Advisory Committee - November 23, 2015 (page 36) iii. Marketing and Fund Development Committee – December 1, 2015 (page 37) iv. Youth Advisory Committee – December 7, 2015 (page 39) v. Audit Committee – December 8, 2015 (page 41) vi. Board Development Committee- December 14, 2015 (page 44) <p>c. Ratification of Restricted Fund Distributions</p> <ul style="list-style-type: none"> i. Agency Funds <ul style="list-style-type: none"> 1. Ben Trumball – Exchange Club of Jackson Endowment Fund for CPCAN: Council of Prevention of Child Abuse & Neglect \$4,614.49 2. Educational Foundation for Columbia Schools Organizational Endowment Fund \$925.50 3. Hanover Horton Educational Organizational Endowment Fund \$871.49 4. Vandercook Lake Schools Educational Endowment Fund – Michael White Memorial Fund \$4,796.32 ii. Donor Advised Funds <ul style="list-style-type: none"> 1. Dirlam Family Endowment Fund: disAbility Connections \$700 2. Dirlam Family Endowment Fund: Food Bank of South Central Michigan, Inc. \$700 3. Dirlam Family Endowment Fund: Jackson Interfaith Shelter \$700.00 4. Dirlam Family Endowment Fund: The Salvation Army \$700 5. Jackson Young Professionals Endowment Fund: Girls Scouts Heart of Michigan \$750 6. The Patricia Stinson Trosin Endowment Fund: Jackson Symphony Guild \$400 7. The Patricia Stinson Trosin Endowment Fund: Lily Missions Center \$1,500 | |
|--|---|--|

	<ul style="list-style-type: none"> iii. Donor Designated Funds <ul style="list-style-type: none"> 1. Hopkins, Jennings, Shaw Salvation Army Memorial Endowment Fund: The Salvation Army \$847 iv. Legacy Scholarship - None v. President's Discretionary <ul style="list-style-type: none"> 1. Dorothy Blakely Endowment Fund \$2,475.58 vi. Field of Interest - None vii. Scholarships - None viii. Special Project Funds – None ix. Youth Advisory Committee <ul style="list-style-type: none"> 1. Jackson High School: Project United \$300 2. Lumen Christi High School: Traveling Science \$300 3. Parma Elementary: Student News Cast Team \$230.00 x. Teachers Fund - None d. Ratification of Unrestricted Fund Distributions e. Ratification of Trustee Ballots <ul style="list-style-type: none"> i. Approval of The Betty Dahlem Endowment Fund, a Donor Designated Fund ii. The Booth Family Fund, a Donor Advised Fund 	
12:10 PM	<p>DISCUSSION AGENDA</p> <ul style="list-style-type: none"> 1. 2015 in Review (<i>"JCF President's Report and 2015 in Review"</i> - email attachment) 2. CEO Evaluation Timeline and Process 3. Board Development Committee Nominees (page 44) 4. Community Investment Grantmaking Budget Recommendation (<i>"JCF 2016 Final Operating and Grantmaking Budget"</i> - email attachment) 5. Center for Effective Philanthropy Grantee and Donor Survey 6. Investment Consultant Search Discussion 7. Strategic Vision and Values Proposal Discussion (<i>"JCF Proposal for Board Workshops on Visions and Values"</i> - email attachment) 	<p>Moser</p> <p>Chaprnka Oxley Moser/Ashlock</p> <p>Moser/Ashlock Schuur Chaprnka/Moser</p>
1:15 PM	PULLED CONSENT ITEMS	Chaprnka
	<p>FUTURE DISCUSSION AGENDA TOPICS</p> <ul style="list-style-type: none"> 1. February: Finance Committee – Investment Consultant Recommendation 	Chaprnka

	<p>Executive Committee – CEO Evaluation Executive Committee – Board Evaluation Timeline and Process</p> <p>2. March: Executive Committee – Board Evaluation and Community Listening Tour Results</p> <p>3. April: Youth Advisory Committee Report and Presentation</p> <p>4. May:</p> <p>5. June:</p>	
1:25 PM	CONFIDENTIALITY REMINDER	Chaprnka
1:30 PM	ADJOURNMENT	Chaprnka
	<p>UPCOMING 2016 BOARD MEETINGS:</p> <ul style="list-style-type: none"> 🔗 THURSDAY, FEBRUARY 18TH - 12:00 – 1:30 PM, 11TH FLOOR EAST, ONE JACKSON SQUARE 🔗 THURSDAY, MARCH 17TH - 12:00 – 1:30 PM, 11TH FLOOR EAST, ONE JACKSON SQUARE 🔗 THURSDAY, APRIL 21ST - 12:00 – 1:30 PM, 11TH FLOOR EAST, ONE JACKSON SQUARE 🔗 THURSDAY, MAY 19TH - 12:00 – 1:30 PM, 11TH FLOOR EAST, ONE JACKSON SQUARE 🔗 THURSDAY, JUNE 16TH - 12:00 – 1:30 PM, 11TH FLOOR EAST, ONE JACKSON SQUARE 🔗 THURSDAY, AUGUST 18TH - 12:00 – 1:30 PM, 11TH FLOOR EAST, ONE JACKSON SQUARE 🔗 THURSDAY, SEPTEMBER 15TH - 12:00 – 1:30 PM, 11TH FLOOR EAST, ONE JACKSON SQUARE 🔗 THURSDAY, OCTOBER 20TH - 12:00 – 1:30 PM, 11TH FLOOR EAST, ONE JACKSON SQUARE 🔗 THURSDAY, NOVEMBER 17TH - 12:00 – 1:30 PM, 11TH FLOOR EAST, ONE JACKSON SQUARE 	

2016
JCF BOARD OF TRUSTEES

Name	Title and Affiliation	Year Elected Trustee & Committee Membership
Butterfield, John	President/JVB Investment Co.	2013, Finance Chair
Campau, George	Student	2013, Youth Advisory Committee
Chaprnka, Karen	Senior VP & COO, Allegiance Health	2005, Board Chair
Davies, Rick	Retired Banker	2009, Audit Committee
Ermatinger, Sarah	V.P. of Marketing	2016, Marketing & Fund Development Committee
Fojtasek, Travis	Medical Sociologist, PhD	2009, Grant Committee
Gruel, John	CPA, Gross, Puckey, Gruel & Roof, P.C.	2011, Finance Committee
Lavery, Nate	Student	2014, Youth Advisory Committee
Lusebrink Jr., Frank	Investment Planner, Wells Fargo Advisors	2015, Finance Committee
Miller, Jim	V.P. Operations, F. P. Miller	2013, Finance Committee
Mills, Rick	Attorney, Law Offices of Richard C. Milles & Associates	2015, Marketing & Fund Development
Moilanen, Philip	Attorney, Philip M. Molianen, P.C.	2012, Grant Chair
Oxley, Kevin	Superintendent, JCISD	2013, Board Development Chair
Purvis, Randy	CPA, Rehmann Robson	2013, Audit Chair
Richmond, Sarah	President, Dawn Foods Foundation	2014, Marketing & Fund Development Chair
Rider, Cynthia	Oral Surgeon, Dr. Cynthia Rider	2012, Marketing & Fund Development Committee
Schuur, Hendrik	Director of Treasury Services	2009, Finance Committee & Immediate Past Chair
Weather, Renell	Outreach Director, Michigan League for Public Policy	2015, Grant Committee

CONSENT AGENDA

APPROVAL - MOTIONS

CONSENT APPROVAL

TO: JACKSON COMMUNITY FOUNDATION BOARD OF TRUSTEES

FROM: AUDIT COMMITTEE

DATE: DECEMBER 11, 2015

SUBJECT: APPROVAL OF BALLOT TO APPROVE DECEMBER 8, 2015 AUDIT COMMITTEE MEETING AGENDA ITEMS

EXECUTIVE SUMMARY: The Audit Committee met on December 8, 2015. A Quorum was not established. An electronic ballot was sent to the committee on December 10, 2015 to approve the December 8, 2015 Audit Committee Meeting Agenda Items including the approval of the minutes, any non-audit services to be provided by the external auditors and the 2016 Audit Committee Calendar. The ballot was passed by the Audit Committee unanimously on December 11, 2015.

RECOMMENDATION: The Audit Committee recommends that the JCF Board of Trustees approve the December 8, 2015 Audit Committee Minutes and Ballot listed below

1. Approval of the September 8, 2105 Audit Committee meeting minutes.
2. Approval of any non-audit services to be provided by the external auditors (not including tax services which are included in our agreement).
3. Approval of the 2016 Audit Committee Calendar

ENCLOSURES: December 8th 2015 Audit Committee Minutes and December 10, 2015 Ballot (pages 10-18)

CONSENT APPROVAL

TO: JACKSON COMMUNITY FOUNDATION BOARD OF TRUSTEES

FROM: BOARD DEVELOPMENT COMMITTEE

DATE: DECEMBER 14, 2015

SUBJECT: APPROVAL OF BOARD DEVELOPMENT COMMITTEE CHARTER

EXECUTIVE SUMMARY: The Board Development Committee met on December 14, 2015. The Board Development Committee Charter was reviewed. Under responsibilities, the committee recommended the additional assignment of monitoring all members of all committees of the board for term renewal after serving three or more years.

MOTION: Booth made a motion to recommend approval of the Board Development Committee Charter to the Board, including generating term renewals for Emeritus Trustees and Community Members who have served more than three years. Lefere seconded. The motion passed unanimously.

RECOMMENDATION: The Board Development Committee recommends that the JCF Board of Trustees approve the Board Development Committee Charter.

ENCLOSURES: Board Development Committee Charter (pages 16-17)

CONSENT APPROVAL

TO: JACKSON COMMUNITY FOUNDATION BOARD OF TRUSTEES

FROM: MARKETING & FUND DEVELOPMENT COMMITTEE

DATE: DECEMBER 1, 2015

SUBJECT: APPROVAL OF GIFT ACCEPTANCE POLICY

EXECUTIVE SUMMARY: The Marketing & Fund Development Committee met on December 1, 2015. The Gift Acceptance Policy was reviewed. No changes were made

MOTION: Richmond made a motion to recommend re-approval of the Gift Acceptance Policy to the Board. Rider seconded. The motion passed unanimously.

RECOMMENDATION: The Marketing & Fund Development Committee recommends that the JCF Board of Trustees approve the Gift Acceptance Policy.

ENCLOSURES: Gift Acceptance Policy (pages 18-31)



Date: December 10, 2015
To: The Jackson Community Foundation Audit Committee
From: Kelly Froedtert, Executive Assistant
Subject: Please Vote on the following Ballot(s):
To approve December 8, 2015 Audit Committee Meeting agenda items

The following **three** ballots require action. To cast your vote hit the 'reply to sender' button in your email tool bar, place an 'XX' in front of your position. For example, if you will vote yes, then place your cursor to the left of the "YES, I approve the distribution..." and type 'XX'. In addition, please type your name and date in the appropriate space and then hit the 'send' button in your email tool bar. If you have any questions, please contact me at (517) 787-1321.

Approval of Ballot #1:
Approval of the September 8, 2015 Audit Committee meeting minutes

- _____ YES, I approve the September 8, 2015 Audit Committee meeting minutes.
_____ NO, I do not approve the September 8, 2015 Audit Committee meeting minutes.
_____ I abstain from this Vote.

Audit Committee Minutes
September 8th, 2015
12:00 – 1:30 pm
One Jackson Square, CEO Office

- I.** Call to Order made by Purvis at 12:15 PM.
- II.** Roll Call
- a. Member present: Rick Davies, Randy Purvis, Jeff Karmol, Jennifer Kelly and Paul Buchholz
 - b. Members absent: None
 - c. Staff present: Kelly Froedtert, Lisa McDaniel and Lori Grace

d. Others present: None

III. Declaration of conflicts - None

IV. **MOTION:** Buchholz made a motion to approve the minutes of June 9th, 2015 minutes. The motion passed unanimously.

- V.** Financial Statements – The financial statements were reviewed and there were no comments.
- a. May 2015
 - b. June 2015
 - c. July 2015

- VI.** Internal Control Checklists - The Internal Controls Checklists were reviewed and there were no comments.
- a. May 2015
 - b. June 2015
 - c. July 2015

VII. Old Business

- a. Committee Policy and Procedure Dashboard – McDaniel to email chairs/staff of outstanding policies that need review. This Dashboard will be an ongoing old business item to be on this agenda.
- b. Completion of Annual Review of the Auditors – Purvis reviewed the Annual Review of the Auditors. Moser's responses were added following the last meeting in June. No comments by the committee.
- c. Review of Audit Committee Calendar – The committee reviewed the calendar. Executive Session with CEO will be added to Old Business in the next meeting.
- d. Completion of Annual Audit Committee survey – Completed at the March 10, 2015 Audit Committee Meeting.

VIII. New Business

- a. Annual affirmation of satisfaction with expertise represented on Audit Committee membership
MOTION: Davies made a motion to approve the annual affirmation of satisfaction with expertise of Audit Committee membership. The motion passed unanimously.
- b. Annual approval of Audit Committee Charter – No changes since prior Charter.
MOTION: Davies made a motion to approve the Audit Committee Charter and recommend approval to the Board. The motion passed unanimously.
- c. Confirm annual review of SOC-I of the payroll processor for deficiencies – Grace confirmed the review with the payroll processor. This has not been completed by the payroll processor yet. Held over until the December Meeting.
- d. Annual Whistleblower tracking – No complaints were noted by staff. Purvis will email Moser to confirm.
- e. Annual approval of the Conflict of Interest Policy

MOTION: Buchholz made a motion to approve the Conflict of Interest Policy and review again in September 2017 and recommend approval to the Board. The motion passed unanimously.

- f. Annual approval of the Confidentiality Policy

MOTION: Davies made a motion to approve the Confidentiality Policy and review again in September 2017 and recommend approval to the Board. The motion passed unanimously.

- IX.** Next four meeting dates (Note: Notification of cancelled meetings will be made via email unless committee member specifically has requested a telephone notification)

a. December 8, 2015

b. March 8, 2016

c. June 14, 2016

d. Sept. 13, 2016

- X.** Additional Executive session if called for by any member

With no further business, the meeting adjourned at 12:45 PM.

Comment: _____

Trustee Name: _____

Date: _____

Approval of Ballot #2:

Approval of any non-audit services to be provided by the external auditors (not including tax services which are included in our agreement).

_____ YES, I approve any non-audit services to be provided by the external auditors.

_____ NO, I do not approve any non-audit services to be provided by the external auditors.

_____ I abstain from this Vote.

See attached pdf *Jackson Community Foundation 2015 Audit Committee Pre-Audit Memo Final

Comment: _____

Trustee Name: _____

Date: _____

Approval of Ballot #3:

Approval of the 2016 Audit Committee Calendar

_____YES, I approve 2016 Audit Committee Calendar

_____NO, I do not approve the 2016 Audit Committee Calendar

_____I abstain from this Vote.

AUDIT COMMITTEE ANNUAL AGENDA/CALANDAR - 2016

General Considerations = G, Management and Organization = M, Internal Controls = I, Audit = A

Scheduled completion date	Actual completion date	Category	Activity
Ad Hoc as needed		I	Consider the creation an ad hoc internal audit checklist and the periodic contracting of functions identified on the checklist.
Ad Hoc as needed	See below	I	In absence of a CAE and a CFO, review with the external auditor the necessity for and conduct of an internal audit program and to track the results of that program and report those results to the board.
			Plante and Moran staff told the committee on 3/12/13 that most community foundations do not do internal audit. The audit committee does not recommend doing so.
As Arise		I	Review any whistleblower complains to ensure that proper steps are taken to investigate and resolve in a timely fashion
Mar 31		M	Review, as requested by committee member, with CEO (CFO if one appointed) interim financial reports since last meeting
Mar 31		I	Review, as requested by committee member, internal control checklists provided since last meeting
Mar 31		I	Complete internal control questionnaire.
Apr 30		G	Presentation of annual report to the board of trustees
Apr 30		I	Review and report to the board annually on the foundation's anti-fraud programs and controls
Apr 30		A	Track completion of responses to significant findings (material weaknesses and significant deficiencies) until required activity completed.
Apr 30		G	Audit Committee Self Evaluation
Apr 30		A	Audit approval meeting with auditor including review of all written communications such as the management letter, annual financial statements and footnotes, the report of the auditor , the auditor's opinion about the quality – not just acceptability of the foundations' financial reporting, disputes with the management
Apr 30		A	Executive session with auditor using a standing agenda.
Apr 30		A	Review annually with auditor critical accounting policies and practices including alternative treatments within GAAP and the ramification of presentations selected.

Apr 30		A	Review annually with external auditors and CEO and report comprehensively to the board on the adequacy of internal controls including information system controls and security
Apr 30		A	Significant Issue Discussion with Auditors
Apr 30		I	Review with management policies and procedures with respect to key employees including expense accounts and perks including excess benefit transactions with the external auditors. Report significant adverse findings to the board.
May 15		A	Audit Committee is to be given the option of reviewing and making comments or asking questions on the 990 before submission
Jun 30		A	Evaluate the performance of the external auditors annually
Jun 30		A	Every three years, beginning six months before the end of the fiscal year, conduct a search for and engage, subject to board of trustee approval, an external auditors. 2016, 2019, 2022 etc. Begin as shown. Complete by Sep 30
Jun 30		A	Review significant findings by the external auditors as well as management responses thereto.
Jun 30		A	Track completion of responses to significant findings (material weaknesses and significant deficiencies) until required activity completed.
Jun 30		G	Executive session with CEO using a standing agenda
Jun 30		M	Review, as requested by committee member, with CEO (CFO if one appointed) interim financial reports since last meeting
Jun 30		I	Review, as requested by committee member, internal control checklists provided since last meeting
Sep 30		M	Confirm that payroll processor's SOC-1 has been reviewed for possible deficiencies
Sep 30		I	Policy and Committee Dashboard - Review status timely approval/re-approval of all significant Foundation policies and procedures, the manager and/or committee charged with policy creation or review, the date approved, the approving authority, the expectation for subsequent review and the scheduled date of next review and re-approval barring an incident requiring earlier attention. Previously a June item
Sep 30		A	Track completion of responses to significant findings (material weaknesses and significant deficiencies) until required activity completed.
Sep 30		G	Annual affirmation of satisfaction with expertise represented on committee
Sep 30		G	Annual Approval of Audit Committee Charter
Sep 30		I	Conduct at least annual whistle-blower tracking by reviewing the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters that

			may be submitted by an internal party or by outsiders.
Sep 30		M	Annual approval and recommendation to the board of trustees of the Conflict of Interest Policy
Sep 30		M	Annual approval and recommendation to the board of trustees of the confidentiality policy
Sep 30		M	Review, as requested by committee member, with CEO (CFO if one appointed) interim financial reports since last meeting
Sep 30		I	Review, as requested by committee member, internal control checklists provided since last meeting
Dec 31		M	Bi-annual approval and recommendation to the board of trustees of the Record retention and destruction policy
Dec 31		M	Receipt of Conflict of interest and confidentiality statements from all members of Committee
Dec 31		A	Annually approve the external auditor plan
Dec 31		A	Audit engagement meeting with external auditor
Dec 31		A	Discussion of unique transactions and financial relationships with CEO and external auditor.
Dec 31		A	Preapprove any non-audit services provided by the external auditors (not including tax services which are contracted as part of the audit).
Dec 31		A	Track completion of responses to significant findings (material weaknesses and significant deficiencies) until required activity completed.
Dec 31		G	Approval of annual committee calendar
Dec 31		I	Review Whistle-blower policy bi-annually, recommending to the board re-adoption or alteration and adoption.
Dec 31		M	Review, as requested by committee member, with CEO (CFO if one appointed) interim financial reports since last meeting
Dec 31		I	Review, as requested by committee member, internal control checklists provided since last meeting



BOARD DEVELOPMENT COMMITTEE CHARTER

Purpose

The Board Development Committee headed by the Board Development Committee Chair, consists of trustees, Emeritus Trustees, and the CEO, who serves as an ex officio, non-voting member. The Board Development Committee develops the pool of potential community members to participate on board committees, nominates community committee members to serve as trustees, recommends 2nd and 3rd terms for trustees in good standing, and nominates the officers of the Board of Trustees.

Reporting

The Board Development Committee reports directly to the Jackson Community Foundation's Board of Trustees.

Responsibilities

Specifically, the Board Development Committee performs the following functions:

- Creates and recommends for board approval a desirable and appropriate board profile;
- Identifies how each current board member fills at least one aspect of the overall board profile;
- Nominates community members to serve on committees;
- Nominates individuals for appointment to the board;
- Nominates individuals for officer positions;
- Recommends 2nd and 3rd terms for trustees in good standing;
- Monitors all members of all committees of the board for term renewal after serving three or more years.
- Orients new board/committee members;
- Reviews board/committee recruitment related policies and procedures; and
- Reviews the service of each board member on an annual basis.

Composition

- The committee consists of three (3) to seven (7) persons and shall be chaired by a board member.
- The committee must include members with an understanding of the leadership needs of the organization.
- The committee is comprised of the Board Development Chair, and current and former trustees. The CEO serves as an ex-officio non-voting member.

Terms

- The members of the Board Development Committee are nominated and approved by the Board of Trustees.
- The Executive Committee will annually appoint the Board Development Committee Chair from among the members who also serve on the Jackson Community Foundation's Board of Trustees.
- The Board Development Committee Chair serves a term of 1 – 3 years
- All committee members serve at the pleasure of the Jackson Community Foundation's Board of Trustees for a term of up to 3 years. Committee members may serve consecutive terms after review and re-nomination by the Board Development Committee and approval by the Board of Trustees.

Meetings

The Board Development Committee meets as needed to fulfill its responsibilities, but will meet at least twice annually: once to nominate community members to serve on committees, individuals for appointment to the board, and individuals for officer positions and once to review the service of each board and committee member.

Recommended by:	Board Development Committee
Recommendation date:	December 14, 2015
Approved by:	Board of Trustees
Approval Date:	Tentative: January 21, 2016
Next Review date:	December 2017



Gift/Fund Acceptance Policy

PURPOSE OF THE POLICY

The purpose of this policy of the Jackson Community Foundation (referred to as the “Foundation” in the following sections of this policy) is to serve the best interests of the Foundation, its donors, and the community at large by providing guidelines for accepting various types of gifts for various types of funds, and in establishing funds. Given the increasing popularity of a wide range of gifts as well as an equally wide range of planned giving options, the Foundation recognizes the value of carefully crafted policies that will allow us to effectively work with donors to ensure that their gift results in the greatest value to the Foundation, the Donor and the community it serves.

PURPOSES OF THE GIFT/Fund

- The purposes of the gift or fund must fall within the broad charitable purpose of the Foundation.
- The Foundation Board and staff must be able to assure that gifts accepted by the Foundation do not place other assets of the Foundation at risk
- The Foundation Board and staff must be able to assure that the gifts accepted can be easily converted into assets that fall within the Foundations investment guidelines.
- The Foundation must also assure that it can administer the terms of the gift in accordance with the donor’s wishes.

FOUNDATION RESPONSIBILITIES

Foundation staff will disclose to all prospective donors the benefits and liabilities that could reasonably be expected to influence the donor’s decision to make a gift to the Foundation. Donors will be encouraged to consult with legal counsel and financial advisors in making their decision. In particular, donors should be made aware of:

- Irrevocability of a gift
- Prohibitions on donor restrictions

- Foundation's "variance power" with respect to future use of proceeds from a restricted or designated fund
- Foundation's responsibility to provide periodic financial statements on donor funds
- Foundation's responsibility to provide a donor bill of rights to donors
- Investment and Administrative Fees

ROLE OF THE FOUNDATION STAFF

All gifts to the Foundation shall be officially received by the President on behalf of the Board of Trustees. The President will develop the terms, restrictions, and conditions that apply to each gift in accordance with this policy and other policies of the Foundation. Any potential gift that is not covered by this policy, illiquid, or includes non-standard terms, restrictions or conditions shall be referred to the Gift Acceptance Committee and ultimately approved by the Board of Trustees prior to final acceptance.

The President will prepare a **Letter of Agreement for each donor establishing a fund** within the Foundation. The Letter of Agreement will contain the purpose of the fund and acknowledges that the gift is subject to the provisions of the Foundations Charter and By-laws. This Letter of Agreement must be signed by the donor (or their representative) and by the President of the Community Foundation at the time the fund is established. The Fund will not be recognized as an **official fund** of the Foundation until the **minimum amount to establish** the fund has been received, in which a formal **Fund Agreement** will be established.

Any donor may increase any fund of the Foundation at any time, except as limited by contract. (e.g. gift annuity).

Staff should maintain a written record of discussions with donors. The role of Foundation staff shall be to inform, guide and assist a donor in fulfilling his or her philanthropic wishes, but never to pressure or unduly influence a donor's decision.

The President shall be responsible for the maintenance of lists of donors, prospective donors, and friends of the Foundation. They shall also work with the Marketing and Fund Development Committee to actively solicit endowed gifts from the community.

GIFT ACCEPTANCE COMMITTEE

The President, Chair of the Marketing and Fund Development Committee, and Chair of the Finance Committee shall constitute the Gift Acceptance Committee, hereafter known as the "Committee."

The Committee will be convened on an ad hoc basis whenever a gift to the Foundation, or proposed fund is being considered that does not fall within the normal guidelines and procedures of this policy, is

illiquid or includes non-standard terms, restrictions, or conditions. Contributions of illiquid assets include but are not limited to closely held securities, limited liability corporations (LLCs), limited partnerships and tangible personal property and require prior approval per gift acceptance policies as established and approved by the Committee. In circumstances where the Committee cannot make a clear determination about a particular gift, advice will be sought from legal counsel or other professionals. The Committee shall assess whether such gifts or funds will have a charitable benefit to the Foundation and make a recommendation to the Board. Board approval is required prior to final acceptance of potential gifts referred to the Committee for review.

RIGHT OF REFUSAL

The Foundation reserves the right to refuse gifts. Reasons for refusing a gift include:

1. The cost to manage the asset exceeds the eventual benefit of the gift.
2. The gift or its purpose:
 - a. would jeopardize the Foundation's tax exempt status, or
 - b. is discriminatory in nature, or
 - c. does not fall within the Foundation's Gift Acceptance Policies as specified in this document.
3. Otherwise fails to be a charitable benefit to the Foundation.

The President has the authority to refuse gifts that clearly do not benefit the Foundation. If the benefit is questionable or difficult to determine, the Committee will review the gift and make a recommendation to the Board.

In addition, the Foundation will not knowingly accept a charitable gift from a donor who has insufficient input from competent financial, legal and/or personal counsel. This counsel helps the Foundation to avoid situations in which the donor:

- Has insufficient income and assets remaining after making a gift to provide for his/her needs such as personal support and healthcare.
- Has insufficient income and assets remaining after the gift to provide for his/her heirs for whom he/she is fiscally responsible.
- Has an apparent insufficient mental capacity to make a rational decision.

GIFT TYPES

Current Gifts

The Foundation accepts the following forms of assets subject to the conditions described by each asset type. Donors must provide a legal name and a complete address so that the Foundation can comply with Internal Revenue Service and State of Michigan gift substantiation requirements.

1. Cash

Gifts of cash should include a statement of purpose, or identify the specific fund to which the contribution is being made. Cash gifts are receipted on the date received in the Foundation office.

2. Checks

Checks must be made payable to the Jackson Community Foundation and/or designated for a specific fund. Checks are receipted on the date received in the Foundation office. Checks that are dated at the end of the year must be postmarked no later than December 31st in order to be considered as a gift in the current year.

3. Securities – Public

Securities for which there is a recognized market are generally valued at the arithmetic mean of the highest and lowest selling prices for that stock or bond in its principal sales market on the date of the gift. The value of a share in a mutual fund is its public redemption price (the “bid price”) in effect at the time of the gift.

The date of the gift is the date the security is:

Unconditionally delivered or mailed in proper negotiable form to the Foundation or its agent.

The date the security is transferred and held in “street name” on the books of a brokerage firm.

The date the security is transferred on the books of the issuing corporation when delivered to the corporation for transfer into the Community Foundation’s name.

When a donor transfers a gift of stock directly to one of the Foundation’s existing accounts, it is in his/her best interest to notify the Foundation staff of the gift to ensure accurate and timely acknowledgement. The Foundation will encourage this through its various marketing materials.

4. Securities - Private (Closely Held Stock)

Closely Held Stock (CHS) can be used to provide a gift to the Foundation in two basic ways:

A. Outright Gift.

Individual owning the CHS makes a gift of the stock directly to the Foundation. The Foundation sells the stock at the highest possible price as soon as practical after conveyance, unless the property is to be used in connection with the Foundation’s exempt purpose. Gift of CHS are typically sold by the Foundation to employees, corporation, or to family members other than the original owner or spouse. This gift:

- Provides income tax deduction for full fair market appraised value of the stock, \$10,000 in value or above.
- Avoids capital gains tax on the gift and subsequent sale by the Foundation.
- Makes a generous gift at low cost.

B. Charitable Trust (includes several types)

Individual owning the CHS makes a gift into a Charitable Trust held outside of the Foundation. The Foundation is named as the charitable recipient of either earnings or assets of the trust. (There are several types of charitable trusts and giving scenarios) The trustee sells the stock back to the corporate treasury, employee, or family members, other than the original owner or spouse. The proceeds of the sale are invested by the Trust and eventually result in a gift to the Foundation. The Foundation does not act as trustee in these situations, only as the charitable recipient. This gift:

- Provides income paid to donor or designated income beneficiary for life, after the fiduciary trustee sells the stock back to the corporate treasury, employee, or family members, other than original owner or spouse.
- Provides income tax deduction for full fair market appraised value of the stock, \$10,000 in value or above.
- Avoids capital gains tax on the gift and subsequent sale by the fiduciary trustee of the Charitable Trust.
- Makes a generous gift, some delay for the Foundation, at low cost.

5. Non-Cash Gifts

Tangible personal property exceeding \$5,000 in value (art, antiques, rare books, jewelry, gems, collections, etc.), exceeding \$10,000 in value shall be reported at the fair market value placed on them by an independent, qualified certified appraiser. The appraisal must be prepared no more than 60 days prior to the date the contribution is made and no later than the due date for the donor's tax return. The donor shall pay the cost of an appraisal. Non-cash gifts with a fair market value of less than \$5,000 may be reported at the value declared by the donor. Personal property will be sold at the highest possible price as soon as practical after conveyance, unless the property is to be used in connection with the Foundation's exempt purpose. The Foundation discourages gifts of personal property that cannot readily be sold or which require unusual expenses prior to sale. 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. It is the intention to comply with the IRS.

6. Life Insurance

Life insurance gifts, whether newly issued or long-established policies, shall not be reported at the face value of the policy. This applies even when the donor retains no rights (“incidents of ownership”) to the policy.

Gifts of newly purchased life insurance policies, in which the Foundation is both owner and beneficiary, shall be reported at the amount of premiums paid, in the year the premiums are paid.

The value of a paid-up ordinary life insurance policy accepted as a gift is its replacement cost. The value of a non paid-up life insurance policy is determined by adding to the “interpolated terminal reserve” of the policy (which, in a policy that has been owned for a while, will be approximately equal to its cash surrender value) plus an unearned premium and accrued dividends, less any policy loan. The issuing insurance company is to be consulted for assistance with both the transfer of the policy and its valuation.

When a policy is owned by the Foundation, regardless of whether the donor or the institution pays the premiums, the difference between the cash value and the insurance company’s settlement at the death of the donor is not reported as a gift, but rather as a gain on the disposition of assets. In those cases where the Foundation receives the proceeds of an insurance policy in which it was named beneficiary but not owner, the full amount received shall be reported as a gift on the date delivered.

7. Retirement Plan Assets

Donors may name the Foundation as the designated beneficiary of retirement plan assets as a way to establish or add to a component fund within the Foundation.

8. Real Property

Each potential gift of real property will be reviewed individually with consideration given to an expeditious liquidation as well as holding costs and costs of sale. The property will be sold at the highest possible price as soon as possible after conveyance, unless the property is to be used in connection with the Foundation’s exempt purpose.

Due Diligence required in all prospective real property donations:

- a. Title Research: As part of its due diligence, the Foundation will obtain, at a minimum, an informational title search for the property. Matters to be considered include liens or record, claims, easements, ownership, recorded leases, unpaid taxes or water bills or other clouds on the title. If multiple donors are named on the title each owner must agree in writing to the gift.
- b. Survey: Either an ALTA “Stake” survey or mortgage survey may be required to validate boundaries, encroachments or easements, and may be required if a “without standard

exceptions” form of title insurance is required. Those individuals reviewing the property gift for the Foundation will recommend the determination of the form of survey.

- c. Conveyance: Form of title must be insured, warranty deed.
- d. Environmental Review: Due care including, at a minimum, a Phase 1 Environmental Analysis required for all real property; additional due diligence may be required.
- e. Other Issues – a thorough review of all issues relating to expenses or necessary costs that will be incurred until the property is sold and thereafter will be completed by those individuals that the Board or the President, on their behalf, have deemed knowledgeable to advise the Foundation.

Note: See Appendix E for Real Estate Acquisition Checklist

9. Pledges

All pledges must be in writing and include the fund that will benefit from the gift, the anticipated payment schedule along with the signature of the donor. Pledge payment reminders will be sent to the donor at the first of the month in which the payment is due.

10. Donor Advised Funds

Gifts should be made payable to the Jackson Community Foundation. Procedures for gifts of publicly traded securities may be obtained by contacting the Foundation staff. In the case of gifts of restricted or closely held stock, real estate, or other unusual assets, the proposed gift is considered on a case-by-case basis and may require additional review by our Gift Acceptance Committee and Board. Those assets which cannot be readily converted to the financial benefit of a charity or which carry unusual potential liability may not be accepted.

Under the Pension Protection Act of 2006 (PPA), the private foundation excess business holdings rules now apply to donor advised funds as if they were private foundations. ⁽¹⁾ That is, the holdings of a donor advised fund, together with the holdings of persons who are disqualified persons with respect to that fund, in a business enterprise may not exceed:

- 20 percent ⁽²⁾ of the voting stock ⁽³⁾ of an incorporated business; or
- 20 percent of the profits interest of a partnership or a joint venture or the beneficial interest of a trust or similar entity.

Ownership of unincorporated businesses that are not substantially related to the fund’s purpose is prohibited.

Donor advised funds receiving gifts of interests in a business enterprise after the date of the PPA's enactment (August 17, 2006) will have five years to divest holdings that are above the permitted amount, with the possibility of an additional five years if approved by the Secretary of the Treasury. Funds that currently hold such assets will have a much longer period to divest under the same complicated transition relief given to private foundations in 1969 (4).

1 The language is clear that it is only the donor-advised fund – not the sponsoring charity – that is to be treated as a private foundation. Accordingly, it appears that this section does not apply to assets held by the sponsoring charity's investment pools, or assets held by funds that are not donor-advised.

2 Thirty-five percent if it can be shown that persons who are not disqualified persons have effective control of the business.

3 Additionally, the donor advised fund will be barred from holding non-voting stock of an incorporated business unless the disqualified person collectively own less than 20 percent of the voting stock.

4 Excess holdings acquired by purchase must be disposed of immediately. If purchases by disqualified persons cause the donor-advised fund to have excess holdings, the donor-advised fund will have 90 days to dispose of the excess.

DEFERRED GIFTS

Planned gifts to the Foundation will be negotiated through the President. Special information will be communicated to potential donors of deferred gifts. The President is responsible for assuring that all planned gift instruments are legal and are acceptable to the Foundation, and will consult with the Board when necessary.

All deferred gifts to the Foundation will be coordinated through the President. Pertinent information about these gifts will be detailed through this office to the donor and to the donor's advisors, as well as to the representative of the Foundation working most closely with the donor.

All donors contemplating a deferred gift to the Foundation should consult their own financial, legal and tax advisors.

Deferred gifts included gift annuities, pooled income funds, remainder and lead trust, gifts with a retained life estate, bequests, and other trusts in which gifts to the Foundation are documented.

Donors are encouraged to limit restrictions on the use and application of the eventual funds transferred, and to keep restrictions within the Foundation's guidelines for non-discrimination. A statement of the donor's wishes regarding eventual use of the gift (even if designated "unrestricted") shall be obtained at the closing of the gift and maintained both in the donor file and with the original gift documentation such as the trust instrument.

The handling of estate distributions will be coordinated with the President. This office serves as a primary liaison with any outside parties to the transaction, or to a given transaction, (bank trust department, probate court, executor/administrator of the estate, estate counsel and other advisors).

1. Charitable Gift Annuities – A Charitable Gift Annuity is a contract between the Foundation and a donor wherein the Foundation agrees to make fixed payments for the life of a designated annuitant in exchange for a donation. By federal law, the donor can name up to two income beneficiaries. The arrangement is considered part gift and part purchase of annuity under contract. The fixed rate of the payments is guaranteed for the life(s) of the income recipient(s). A portion of the income paid is tax-free to the recipients.

The Foundation follows the recommendations of the American Councils on Gift Annuities for annuity payout rates. This schedule is available at the Foundation office. The payout rates assume a residuum of 50% of the original gift for the benefit of the Foundation.

Donors who purchase a charitable gift annuity will realize a deduction for the portion of the transfer that represents the charitable gift element. In addition, a portion of each annuity payment is treated as a return of the original investment. The Foundation accepts cash or securities to fund gift annuities. If the annuity is funded by appreciated securities a portion of gain will escape capital gains tax entirely and the other portion will be reportable capital gains spread over the donor's actuarial life expectancy at the time of the gift.

2. Deferred Payment Gift Annuity - A Deferred Payment Gift Annuity is a plan that allows donors to transfer cash or securities and receive an immediate charitable deduction for the gift portion, and the Foundation agrees to pay an annuity starting at a future date. A portion of each annuity payment, when it begins, will be tax-free return of principal over the donor's actuarial life expectancy. Again, if the annuity is funded by appreciated securities any realized capital gain is reportable when the payments begin, over the donor's life expectancy according to Treasury tables.

Deferred payment gift annuities tend to be beneficial to younger donors who have high current incomes, need to benefit now from a current tax deduction, and are interested in augmenting potential retirement income.

Each gift annuity will be accounted for separately so that the exact residuum can be transferred to endowment at the expiration of the agreement, but will be pooled for investment purposes with other endowment assets.

Distributions are made to annuitants on an annual, semi-annual or quarterly basis. All necessary computations and forms will be provided to the annuitant in a timely manner.

10. Remainder and Lead Trusts

Note: As a matter of policy, the Jackson Community Foundation does not act as trustee on Charitable Remainder or Lead Trusts. At some point in the future, when there is clear legal authority given to Michigan Community Foundations to act as trustee, we will revisit the policy. The trusts related to these planned giving vehicles are not held by the Foundation. Our role in these giving

arrangements is that of the charity in receipt of the remainder or lead portion of the trust. The descriptions below are for information purposes only.

a. Charitable Remainder Antitrust –

A Charitable Remainder Unitrust is a gift vehicle that irrevocably transfers the remainder interest on assets to the Foundation upon the death of the donor or the named beneficiaries, or at the end of a specified term of years. The donor has the option to name him or her and/or others as income recipients. Payments can be made concurrently or consecutively. This form of trust may be created for the lifetime of the beneficiaries or for a maximum term of 20 years.

A straight unitrust must pay a fixed percentage of the net fair market value of its assets, valued annually to the designated beneficiaries. An income only unitrust will distribute the actual amount of income earned or the established percentage payout rate, whichever is less. An income only unitrust will make provisions to use excess income from the trust to pay the beneficiaries income lost during the years when earnings are insufficient.

The donor receives a tax deduction for the charitable remainder interest in the year the trust is established. There is no capital gains tax due on the appreciated securities contributed to the unitrust.

b. Charitable Remainder Annuity Trust –

Similar to the Charitable Remainder Unitrust, a Charitable Remainder Annuity Trust is an income vehicle that irrevocably transfers remainder interest to the Foundation upon the death of the income beneficiaries.

The annuity trust pays a fixed dollar amount annually to the income beneficiaries. The amount is specified in the trust document as either a dollar amount or a percentage of the initial fair market value of the assets used to fund the trust. This amount must be at least 5% of the initial value. Once the annual amount is set it may not vary over the life of the trust. The amount payable to the beneficiaries has no relation to the income earned in the trust.

Once the annuity trust is established no additions to the trust are allowed after the initial contributions.

The donor's charitable deduction is based on the value of the remainder interest at the time the trust is created. There are limitations to the deduction if the annuity trust is funded with long-term securities. The remainder interest is calculated according to Treasury tables.

c. Charitable Lead Trusts –

A Charitable Lead Trust is an arrangement that provides the income generated on assets contributed to the trust to be paid to the Foundation for a designated period of years. After the

time period has elapsed, the assets pass to a non-charitable beneficiary designated by the donor in the original trust.

The donor does not receive a deduction for the value of the assets used to create the lead trust since the assets will eventually pass to the non-charitable beneficiaries. The donor does remove these assets from their taxable estate by transferring to the charitable lead trust. The donor's deduction is calculated based on the value of the "lead" or charitable interest to Treasury tables.

This gift vehicle allows the donor to provide a substantial income stream to the Foundation without sacrificing the assets original value for their own personal use at the termination of the trust.

11. Retained Life Estate

A Retained Life Estate is an irrevocable donation of real estate that allows the donor to retain the right to use the property for life, or a specified term of years. The donor can designate himself or herself and/or another resident beneficiary.

The donor receives an immediate deduction based on the appraised fair market value of the real estate less the calculated value of the retained life use.

It is the donor's responsibility to obtain an independent appraisal of the real estate. The gift document also requires the donor to continue appropriate maintenance and to meet financial obligations such as taxes and insurance. The IRS will add the cost of the benefits back into the donor's taxable income.

A retained life estate is a gift of real estate to the Foundation, and therefore requires the same form of review discussed above in the Current Gifts section. Retained Life Estate gifts cannot be accepted until the Committee has adequately reviewed the underlying real property.

12. Bequests

A bequest is an outright gift to the Foundation through a will or trust. Foundation representatives may actively solicit bequests as long as the purpose of the gift is in accordance with the charitable purposes of the Foundation.

TYPES OF FUNDS

The Foundation offers a variety of funds designed to be responsive to donor needs. While all philanthropy adds value to the community, each type of Foundation fund can provide added value to philanthropy in the community.

A standard letter of agreement is required to establish a fund with the Foundation. The minimum fund balance for each fund type is described later under the section entitled *Minimum Required to Create a New Fund*.

Unrestricted Funds

Unrestricted Funds give the Foundation the most flexibility to effectively respond to the changing needs of the community. These funds are used to support all aspects of community well-being – arts and culture, economic development, education, environment, health and human services, neighborhood revitalization and more. Unrestricted funds have the flexibility to make a difference where it is needed the most.

Field of Interest Funds

Field of Interest Funds allows donors to address needs in an important area of community life. – Arts, Aging, At-risk youth, etc. Donors identify their personal interest area when setting up these funds. The board then awards grants from the earnings on the fund to community agencies and programs that are making a difference in that particular area.

Scholarship Funds

Individual donors or organizations establish these funds to provide income to be used to award scholarships to support the educational endeavors of worthy applicants. The awards are made to the academic institution at which the award recipient is enrolled. Scholarship funds have selection committees that recommend award recipients to the Board for their final approval. The administration of scholarships involves adherence to legal guidelines, restrictions, etc. associated with the selection and award process. It is the Foundation's responsibility to ensure that each scholarship is administered within these guidelines and restrictions.

Designated Funds

Individual donors or organizations establish these funds so that income is given regularly to named charitable organizations. If the named charity is no longer active or providing a needed service, or if the purpose of the fund becomes impractical or impossible to fulfill, the Board of Trustees of the Foundation may select another recipient with a similar purpose.

Agency Funds

Charitable agencies with (501) © (3) status establish these funds so that income is regularly distributed back to the agency establishing the fund. If the agency is no longer active or providing a needed service, or if the purpose of the fund becomes impractical or impossible to fulfill, the Board of Trustees of the Foundation may select another recipient with a similar purpose. See Appendix F for a detailed Agency Fund Handbook.

Donor Advised Fund (Permanent and Non-Permanent)

A donor advised fund allows a donor to have ongoing involvement in the use of his/her gift. They work with the professional grantmaking staff, identifying ways to use dollars from their advised fund to address the community needs the donor most cares about. Donor recommendations are submitted to the Board of Trustees of the Foundation. Grant recipients must be recognized as tax-exempt charities by the Internal Revenue Service Code. See Appendix H for detailed policies and procedures related to donor advised funds.

Non-Endowed Restricted Fund

A pass-through fund in which the donated amount (less an administrative charge) is paid out for an identified purpose within 18 months of when the gift is made. Grant recipients must be recognized as tax-exempt charities by the Internal Revenue Service Code.

MINIMUM REQUIRED TO CREATE A NEW FUND

The current minimum required to create a new fund in the Foundation is as follows:

- Unrestricted Named Fund - \$5,000
- Field of Interest Fund - \$20,000
- Designated Fund - \$20,000
- Agency Fund - \$10,000
- Donor Advised Fund - \$10,000
- Scholarship Fund - \$50,000

Note: Donors can start a Fund with an initial gift and within an identified period to reach the minimum.

ACKNOWLEDGEMENT

Donors shall receive a letter expressing sincere thanks and gratitude from the Foundation as an acknowledgment of the gift in accordance with federal regulations.

PUBLICITY

No public media exposure with respect to a donor's gift will be generated without the consent of the donor.

RESTRICTIONS

In conformance with Treasury Department regulations governing community foundations, gifts to the Foundation may not be directly or indirectly subjected by a donor to any material restriction or condition that prevents the Foundation from freely and effectively employing the transferred assets, or the income derived wherefrom, in furtherance of its exempt purpose.

INVESTMENT OF GIFTS

It is the policy of the Foundation to convert all gifts to cash as soon as possible and/or appropriate. The Foundation reserves the right to make any or all investment decisions regarding gifts in accordance with its Investment Policy.

In making a gift to the Foundation, donors give up all rights, title, and interest to the assets contributed. In particular, donors give up the right to choose investments and investment managers, brokers, or to veto investment choices for their gifts.

COSTS OF ACCEPTING AND ADMINISTERING GIFTS

Generally, costs associated with the acceptance of a gift such as attorney fees, accounting fees, other professional fees as well as other costs to establish a gift such as appraisal, escrow, evaluation, and environmental assessment fees will be borne by the donor. The Gift Acceptance Committee will review situations in which these costs might more appropriately be shared by the Foundation.

The direct costs of administering outright and planned gifts of the Foundation will be borne from the assets of the individual funds, except for those special circumstances as determined by the Gift Acceptance Committee. Custodial, investment, and administrative fees will be paid from the respective funds in accordance with the Foundation's guidelines and fee schedules.

CONFIDENTIALITY

Foundation staff shall maintain strict control over files and information received from or about donors or prospective donors so as to maintain confidentiality of such information.

PUBLIC FUNDRAISING

Fundraising undertaken by donors in connection with funds of the Foundation requires special consideration. See Appendix G.

AUTHORITY TO NEGOTIATE

The Foundation Board has authorized the President to accept letters of direction (and amendments thereto) and to negotiate and sign charitable giving agreements (and amendments thereto) on their behalf.

Recommended by:	Marketing and Fund Development
Recommendation date:	December 1, 2015
Approved by:	Board of Trustees
Approval Date:	Tentative: January 21, 2016
Next Review date:	December 2017

**CONSENT AGENDA
ACCEPTANCE / APPROVAL
REPORTS, MINUTES & RATIFICATIONS**

BOARD OF TRUSTEES MINUTES

Thursday, November 19, 2015 12:00 Noon

I. CALL TO ORDER made by Chaprnka at 12:05 PM.

II. ROLL CALL

- a. Members present: John Butterfield, Karen Chaprnka, Rick Davies, Travis Fojtasek, Nate Lavery, Frank Lusebrink, Jim Miller, Rick Mills, Phil Moilanen, Kevin Oxley, Randy Purvis, Cindy Rider, Hendrik Schuur, Jim Serino and Renell Weathers.
- b. Members absent: Sarah Richmond, John Gruel and Ron Griffith
- c. Staff present: Lori Grace, Lisa McDaniel and Monica Moser
- d. Others present: None

III. DECLARATION OF CONFLICTS – None

IV. CONSENT AGENDA

- a. Motions –
 - 1. Board Development – Trustee Term Renewals
 - 2. Finance Committee
 - i. Finance Committee Charter
 - ii. Accounting Policies and Procedures
 - iii. 3rd Quarter Financial Reports
 - iv. Executive Committee
 - i. Executive Committee Charter
 - ii. JCF Bylaws
 - iii. Marketing and Fund Development Chair
 - 3. Grant Committee
 - i. Community Investment Priorities and Unrestricted Grantmaking Guidelines
 - ii. Committee Grant Award Recommendations
- b. Acceptance/Approval – Reports, Minutes & Ratifications
 - 1. Meeting Minutes
 - i. Executive Committee – October 8, 2015
 - ii. Board Development – October 12, 2015
 - iii. Youth Advisory Committee – October 12, 2015
 - iv. Board of Trustees – October 15, 2015
 - v. Youth Advisory Committee – October 26, 2015
 - vi. Finance Committee – October 29, 2015
 - vii. Executive Committee – November 2, 2015
 - viii. Grant Committee – November 5, 2015
- c. Ratifications
 - 1. Restricted Fund Distributions

- a. Agency
 - i. Big Brothers Big Sisters \$2,050.01
- b. Donor Advised
 - i. The Allen E. Spiess, Jr. Endowment Fund
Cascades Humane Society \$1,500.00
Ella Sharp Museum of Art & History \$3,000.00
Immanuel Lutheran Church Food Pantry \$1,000.00
Michigan Theater of Jackson \$1,000.00
The Reading Writing Connection \$1,000.00
 - ii. Dorothy Johnson Blakely Endowment Fund
John George Home, Inc. \$2,475.58
United Way of Jackson County \$7,537.23
- c. Donor Designated
 - i. Jackson County Parks Association: Jackson County Parks & Recreation \$15,000.00
- d. Legacy Scholarship - None
- e. President's Discretionary Fund
 - i. Cascades Humane Society: JAXPO Mini Grant Award Winner \$500.00
 - ii. The Salvation Army: Food Drive Matching Fund \$1,000.00
- f. Field of Interest – None
- g. Scholarships- None
- h. Special Project Funds – None
- i. Unrestricted Community Needs - None
- 2. Youth Advisory Committee Kellogg Foundation Endowment Fund - None
- 3. Jackson Teacher's Fund – Teachers Endowment Fund - None
- 4. Trustee Ballots
 - i. Approval of Lt. Christopher Simpson as a committee member
 - ii. Approval of the Jackson Literary & Art Association Fund, and Advised Field of Interest Fund within JCF's IMF Policy

MOTION: Moilanen made a motion to approve the Consent Agenda Motion, Minutes and Ratifications. Weathers seconded. The motion passed unanimously.

Abstentions: Mills abstained from the Donor Advised grant to the Ella Sharp Museum.

V. DISCUSSION AGENDA

- a. Board Education: Jackson County Cradle to Career Network Update and the Role of our CF in Collective Impact Discussion – Moser reviewed the Cradle to Career Network presentation and the role the Foundation plays within the Network. Moser asked Trustees what additional material would be needed to feel confident as an ambassador when asked about our role in the Network. The group requested ongoing updates on the progress of the Network.

- b. Finance Director Report – Grace reviewed the report and highlighted the following:
Investment returns YTD return was -6.4%. Down \$670,000 due to poor overall market performance. All receivable bequests have been received. Endowment contributions are up 100% over 2014.
- c. Finance Committee 2016 Budget Recommendation – Insurance costs is down as one eligible employee did not participate. By hiring an additional administrative staff person versus a development director, we were under budget in salaries. The additional employee will allow Moser to do more Fund Development.
MOTION: Oxley made a motion to accept the Finance Committee 2016 Budget. Miller seconded. The motion passed unanimously.
- d. President’s Third Quarter Report and Discussion – Moser reviewed the Dashboard ending third quarter. Most of the negative results were due to poor market performance that affected the endowment. Staff and trustee giving is below target. Chaprnka requested those that have not given be contacted in order to meet our 100% goal. Administrative costs are just below plan and we are working on meeting goal in 2016.
- e. Confidentiality Policy Discussion – Chaprnka reviewed the policy and reminded staff and Trustees the confidentiality nature of the information shared at the Board meeting. Moilanen requested an email be sent to Trustees after grantees have been notified of grant decisions. Trustees are sometimes approached regarding the decisions at public venues and this would aid them in knowing if they could share results or not.
- f. Future Discussion Agenda Schedule – Chaprnka noted we will have two upcoming surveys; the Board survey and the CEO Evaluation survey. Both of which are very important to ensure we are doing our best work. The results are confidential.
 - 1. **January:**
 - Executive Committee** – CEO Evaluation Chaprnka
 - Community Leadership Network Team** – Next Steps for Building our Capacity for Community Leadership Vision and Values Moser/Weathers/Ashlock
 - 2. **February:**
 - Executive Committee** – Community Listening Tour Results
 - Executive Committee** – Board Evaluation
 - Marketing and Fund Development Committee** – The Tax Implications of Charitable Remainder Trust Gruel/Purvis
 - 3. **March:**
 - Youth Advisory Committee** – YAC Report and Presentation
 - 4. **April:**

VI. ADJOURNMENT with no further business, the meeting adjourned at 1:30 PM

Youth Advisory Committee

Date November 23, 2015

XI. Call to Order made by Bellew at 5:58 PM.

XII. Roll Call

- a. Member present: Alicia Schneider, Hayden Macfarlane, Angelo Koprivica, Sikander Khan, George Campau, Emily Beaman, Chris Spencer, Eric Emerson, Sara Crisenbery, Nik Harwood, Cami Emerson, Karen Carroll, Zachary Newhouse, Nate Lavery, Hanna Tritten, Melany Rochester, Joel Chirackal, Joel Waddell, Conor Mulhearn, Rylee Dreffs, Emma Grace, Libby Grace, Corey Anulewicz, Aidan Sova
- b. Staff present: Cindy Bellew
- c. Others present:

XIII. Old Business

- a. Cindy reviewed how JCF began, how Community Foundations work, how YAC began, philanthropy, endowment, non-profits.
- b. Form Completion: A few YACers have not turned in all their forms, namely Photo Release Waiver. New forms were distributed.
- c. Reviewed updates from past grant recipients: Storyfest, Youth Online and Jackson School of the Arts
- d. YAC received a thank you for volunteering at the Glow Run!
- e. Cami and Aidan discussed Summer Youth Leadership Conference

XIV. New Business

- a. New YAC t-shirts were distributed!
- b. Racing For Dollars: Event will be held February 21, 2016. YAC will volunteer at all day event. We need to determine what we will donate. Typically we have donated basket for silent auction. Last year's basket included a Kindle. All YACers are encouraged to think of what we can donate for this event.
- c. Next meeting we will collect unwrapped toys to donate to Toys for Tots.
- d. Next meeting we will decorate Christmas cookies to donate. Cindy will check into 4 local assisted living communities and report back to YAC. Members will vote by ballot for which 2 will receive the cookies.

XV. Next meeting date Monday, December 7, 2015.

XVI. Adjourn 6:55 PM

Marketing and Fund Development Committee Minutes

Tuesday, December 1, 2015

12:00 pm – 1:30 pm, CEO's Office







- I. Call to Order made by Rider at 12:02 PM.
- II. Roll Call/Establishment of Quorum
 - a. Member present: Brennan Clark, Cindy Rider, Clay McAndrews, Rick Mills, Sarah Ermatinger, Sarah Richmond and RicWalton
 - b. Members absent: Jordan Levy and Dale Moretz
 - c. Staff present: Kelly Froedtert, Lisa McDaniel and Monica Moser
- III. Declaration of conflicts - None
- IV. October meeting minutes

MOTION: Walton made a motion to approve the minutes of October 6, 2015 Mills seconded. The motion passed unanimously.
- V. Policy Review
 - a. Gift Acceptance Policy – No changes were made to the existing Gift Acceptance Policy.
MOTION: Richmond made a motion to recommend re-approval of the Gift Acceptance Policy to the Board. Rider seconded. The motion passed unanimously.
- VI. Old Business
 - a. JAXPO – McDaniel reported that JCF participated in JAXPO on October 15, 2015. We held a drawing for a \$500 grant at the event which resulted in new contact information.
 - b. Annual Donor Meeting – McDaniel reported a date will be set soon. Greg Shupra has agreed to be the keynote speaker. In lieu of fee we will be purchase copies of his book An Unexpected Legacy which will also be used as a takeaway at the event. The committee recommended a current donor such as Jim Grace or Al Spiess also speak at the event. Staff will be strategically inviting Donors, Prospects, and Financial guests. This will be featured as an invitation only premier event at the County Club of Jackson.
 - c. Annual Giving Letter – McDaniel reported that the annual giving letter was mailed out mid-November. Letter focused on the Carter Wickwire history.
 - d. 2016 Sponsorship Letter – McDaniel reported that the sponsorship letter was sent out in October. After receiving feedback, the sponsorship section will be revamped and re-mailed.
 - e. Print Ads – Jackson Living, Giving Guide and Citizen Patriot – Committee reviewed hard copies of print ads recently published in the Giving Guide and Citizen Patriot. A website page was added for Teacher of the Year Award.
 - f. 2016 Gala – McDaniel reported Dr. Kevin and Katie Lavery have agreed to host the Gala at their home on Browns Lake the date will be Friday, September 9, 2016.
- VII. New Business

- a. 2016 Chair Succession – Moser reported Richmond has been approved by the Board to serve as Chair of the Marketing and Fund Development Committee beginning in January 2016. The committee thanked Rider for her leadership.
- b. Future Policies to be reviewed
 1. Fund Raising Policy Draft – McDaniel discussed the draft policy. The policy will need to be in place for the upcoming National Standard accreditation. The Committee recommended the policy be reviewed by Trustee and Attorney Phil Moilanen. A draft policy be available at the February 23, 2016 meeting.
 2. Communications Plan – McDaniel, Moser and Richmond scheduled an upcoming meeting to discuss a Marketing and Communication Plan for 2016. The plan will be presented at the next committee meeting.
 3. Social Media Policy – Moser stated National Standards will be requiring a Social Media Policy. A sample policy was distributed. Staff will be creating a policy and will work with Committee for review and recommendation to the Board for approval.

VIII. Confidentiality Reminder

IX. Next meeting dates for 2016 (Note: Notification of cancelled meetings will be made via email unless committee member specifically has requested a telephone notification)

-  Tuesday, February 23
-  Tuesday, April 26
-  Tuesday, June 28
-  Tuesday, August 30
-  Tuesday, October 25
-  Tuesday, December 6

X. With no further business, the meeting adjourned at 1:10 PM.

Youth Advisory Committee

Date December 7, 2015

- I. Call to Order made by Bellew at 5:58 PM.
- II. Roll Call
 - a. Member present: Alicia Schneider, Hayden Macfarlane, Sikander Khan, George Campau, Emily Beaman, Eric Emerson, Sara Crisenbery, Nik Harwood, Cami Emerson, Karen Carroll, Zachary Newhouse, Melany Rochester, Rylee Dreffs, Emma Grace, Libby Grace, Corey Anulewicz, Nolen Froedtert, Kiersten Stoddard
 - b. Staff present: Cindy Bellew
 - c. Others present: Mlive Photographer
- III. Old Business
 - a. Form Completion: Several YACers returned Photo Release Waiver.
 - b. Racing for Dollars: Members decided to donate money in order to purchase a FitBit basket for the silent auction. The basket will possibly include the Fitbit, weights, sporting goods store gift cards, protein bars, etc.
- IV. New Business
 - a. Members donated 16 Toys for Tots items. Cindy will deliver to the Toy House 12/8/15.
 - b. Members decorated 216 cookies! Voted to donate the cookies to the John George Home and Greenleaf Care Home. Cindy will deliver on 12/8/15.
 - c. Discussed possibility of participating in the Hunger Bowl sponsored by the Jackson Community Food Pantry. Will discuss in January. Most YACers were not sure if their schools have already committed to participate.
 - d. Grant Review: 2 mini-grants to review.
 - 1. Jackson High School, Project United, \$300
Jackson High School Members were asked to leave the meeting room during discussion of this grant (per Executive Counsel). Members unanimously voted to fund this project as it helps low-income students with academic endeavors. Because this is a brand new project, funding is conditioned upon them raising the remaining \$1,700 to start the program.
 - 2. Parma Elementary School, News Cast Team, \$230 - Members unanimously voted to fund this project. Impressed with detailed budget.
- V. Other Business

At 6:45pm Advisor had to ask two members to leave the meeting for disruptive behavior. All JHS students were asked to leave the meeting room during the JHS mini-grant review. A YAC member informed this group when the review was over and that they could re-join the meeting for the second mini-grant review. George Campau and Hayden Macfarlane did not return to the meeting room. Advisor then went to inform them they need to return to meeting. Again, they did not return. After another 5 minutes, while other YAC members were reading and reviewing the second grant, George and Hayden were located in the building by the Advisor and asked to leave. When members are asked to leave a meeting due

to disruptive behavior, YAC member rules require a meeting between the Advisor, the YAC member and their parent/guardian in order to return to future YAC meetings.

VI. Next meeting January 11, 2016

VII. Meeting adjourned 7:05pm

Audit Committee Minutes

December 8th, 2015

12:00 – 1:30 pm

One Jackson Square, CEO Office

- I. Call to Order made by Purvis at 12:01 PM.
- II. Roll Call
 - a. Member present: Randy Purvis and Jeff Karmol
 - b. Members absent: Paul Buchholz, Jennifer Kelly and Rick Davies
 - c. Staff present: Lori Grace, Kelly Froedtert, Monica Moser and Rita Rochester
 - d. Others present: Katie Thornton, Plante Moran by teleconference

**A Quorum was not established.*
- III. Declaration of conflicts – None
- IV. Approval of September meeting minutes – A Ballot will be emailed due to lack of quorum.
- V. Pre Audit Meeting with Plante Moran
 - a. Pre-audit discussion – Thornton reviewed the Audit Timing schedule. The final audit letter to management should be completed by March 8, 2016. The key areas that will be reviewed are JCF's cash, investments and related activities, grants payable and related expenses, net assets, private gifts, grants, and contracts including beneficial interest in trust and expenditures. Thornton asked if any members or staff knew of any fraud to report which they did not. Thornton asked the biggest area for potential risk. Purvis stated possible expense reports and reimbursements. With current processes in place including financial statement and the internal controls checklist review, mishandling of funds has been minimized. With the addition of another staff member, Moser stated she is confident in the separation of duties and oversight within the office. Thornton stated that the Audit this year is projected to be business as usual.
 - b. Discussion of significance: a significant issue, estimate or judgement that:
 - a. creates controversy among members of the management team, or between management and the internal or external auditors.
 - b. has or could have a material impact on the financial statements, including definition of a material impact.
 - c. is or could be a matter of public interest or exposure.
 - d. may be reported in an external release of financial information when management is unclear of undecided on its presentation. (This may include the annual report, federal, state or local filings, funder reports, and any bond filings.) – relates to the application of an accounting standard in a way that is not consistent with the general practice or represents the application of a new accounting standard – (Financial information is included in the Annual Report which is first

reviewed by Finance Committee and Audit Committee. The 990 which is available upon request is also reviewed by both committees).

e. relates to key controls over financial information that are being designed or redesigned, have failed, or otherwise are being addressed by the organization.

- c. Discussion of unique transactions and financial relationships
 - a. Use of derivative financial instruments – currently none.
 - b. Use of securities lending transactions – currently none.
 - c. Relationships with legally separate entities created by JCF – currently none.
 - d. Joint ventures with governments or organizations – currently none.
 - e. Significant contributions or services provided by contracts with trustees – Individually Managed Funds.
 - f. Other – currently none.

VI. Pre approve any non-audit services to be provided by the external auditors (not including tax services which are included in our agreement). A ballot for approval will be emailed due to lack of quorum.

VII. Old Business

- a. Financial Statements – The Financial Statements were reviewed and there were no comments.
 - a. Aug 2015
 - b. Sept 2015
 - c. Oct 2015
- b. Internal Control Checklists – The Internal Control Checklists were reviewed and there were no comments.
 - a. Aug 2015
 - b. Sept 2015
 - c. Oct 2015
- c. Policy and Committee Dashboard (handout) – Audit Committee is responsible for the oversight of policy review. Committee recommended Individually Managed Funds Policy to be reviewed at the January Finance Committee Meeting. The committee recommended policies currently listed as Staff Review should be assigned to the appropriate committees.
- d. Confirm annual review of SOC-I of the payroll processor for deficiencies – Grace completed the annual review and stated there were no issues to report.
- e. Audit Committee Charter - Approved by Board of Trustees at its November meeting.
- f. Conflict of Interest Policy - Approved by Board of Trustees at its November meeting.
- g. Confidentiality Policy - Approved by Board of Trustees at its November meeting.
- h. Review of 2015 Audit Committee Calendar – Grace has updated calendar. No reported issues of outstanding items.

VIII. New Business

- a. Annual Whistleblower tracking – Purvis contacted Moser prior to meeting and confirmed there has been no complaints. Purvis recommended it be as an agenda item for each meeting.
- b. Approval of the 2016 Audit Committee Calendar – Due to lack of quorum, ballot for approval to be emailed.
- c. Confirmation of receipt of all committee members Conflict of Interest forms and Confidentiality Forms – Froedtert reported that two committee members have yet to return completed forms. Anticipate collecting completed forms no later than December 31, 2015.
- d. Conflict of Interest Sample Policy (handout) – The committee reviewed the sample policy from National Standards. They liked the format and requested staff to update with JCF language and present at the March 8, 2016 meeting.
- e. Recommendations for additional committee member – Moser stated there is one vacant position on the Audit Committee. Members will email possible candidates prior the Board Development Committee meeting on December 14, 2015.

IX. Confidentiality Reminder

X. Next four meeting dates (Note: Notification of cancelled meetings will be made via email unless committee member specifically has requested a telephone notification)

- 🐦 March 8, 2016
- 🐦 June 14, 2016
- 🐦 Sept. 13, 2016
- 🐦 Dec. 13, 2016

XI. Additional Executive session if called for by any member - None

With no further business, the meeting adjourned at 12:55 PM.

Board Development Committee Minutes
Monday, December 14, 2015, 12:00 – 1:30 pm
One Jackson Square, CEO Office

- I. Call to order made by Oxley at 12:01 PM.
- II. Roll Call
 - a. Member present: Kevin Oxley, Jerry Booth, Carlene Walz Lefere and Jim Serino
 - b. Members absent: Georgia Fojtasek and Ron Griffith
 - c. Staff present: Kelly Froedtert and Monica Moser
 - d. Others present: None
- III. Declaration of conflicts - None
- IV. Approval of the minutes of October 12, 2015

MOTION: Serino made a motion to approve the minutes of October 12, 2015. Booth seconded. The motion passed unanimously.
- V. New Business
 - a. Recruitment of Community Members – The Committee reviewed the 2016 Standing Committee Roster and discussed vacancies on each committee. Tanya Scherer resigned December 13, 2015 from the Finance Committee adding one additional vacancy.
 - 1. Audit Committee – Recommended nominees:
 - a. Eric Rett, Senior Manager at Willis & Jurasek, P.C. - Butterfield
 - 2. Board Development Committee – Recommended nominees:
 - a. Marty Mercer – Emeritus Trustees – Booth and Lefere
 - b. Gary Krupa, Owner of Krupa’s Boat Mart – Emeritus Trustee-Booth
 - 3. Finance Committee – Recommended nominees:
 - a. Carl Spaeth – Butterfield
 - b. Dennis DeCosta, President of Commonwealth & Associates Inc. - Moser
 - 4. Grant Committee – Recommended nominees:
 - a. Karen Richards, Owner Culvers – Oxley
 - b. Rich Walicki, General Manager of Jim Winter Automotive Group – Serino
 - c. Cheri Lyn Deary, Co-owner of Great Lakes Caring - Lefere
 - 5. Marketing and Fund Development Committee – Recommended nominees:
 - a. Kirk Mercer, President and Owner of R.W. Mercer Co. – Booth
 - b. Ron Ellison , President of American Title Company – Serino

Staff will email the Board of Trustees the potential committee member candidates for comment. If no concerns are brought forth within seven days, a motion will be sent to

the Board to approve the nominations of community members. Once the motion is approved, the candidates will be contacted for interest and potential interview.

VI. Policy Review

- a. Board Development Committee Charter Review – The committee reviewed the policy. As a matter of procedure “All committee members serve at the pleasure of the Jackson Community Foundation’s Board of Trustees for a term of up to 3 years. Committee members may serve consecutive terms after review and re-nomination by the Board Development Committee and approval by the Board of Trustees.” Staff will generate term renewal letters of commitment for Emeritus Trustees and Committee Members currently serving.

MOTION: Booth made a motion to recommend approval of the Board Development Committee Charter to the Board, including generating term renewals for Emeritus Trustees and Community Members who have served more than three years. Lefere seconded. The motion passed unanimously.

VII. Confidentiality Reminder

VIII. Next meeting dates (Note: Notification of cancelled meetings will be made via email unless committee member specifically has requested a telephone notification)

- 🐦 February 1, 2016
- 🐦 May 2, 2016
- 🐦 August 1, 2016
- 🐦 November 7, 2016

IX. With no further business, the meeting adjourned at 1:10 PM.