

# *Anchor Bay Community Foundation*

## POLICY AND PROCEDURE MANUAL

Adopted: \_\_\_\_\_

Introduction:

As a matter of fundamental principle, the nonprofit community should adhere to the highest ethical standards. We should do so because public trust in our performance is the core of our legitimacy as a non-profit. Donors and volunteers support our interests because they trust us to carry out the stated mission of the Anchor Bay Community Foundation and to uphold standards of conduct.

It is up to the members of the Foundation to demonstrate their ongoing commitment to integrity, honesty, fairness, openness, respect and responsibility.

Adherence to the law is the minimum standard of expected behavior. Nonprofits must do more, however, than simply obey the law. Transparency, openness, and responsiveness to public concerns must be integral to our behavior.

Leadership of our Foundation must contribute a vision of what the community needs and can be. Because the work of the Foundation depends on trust, all those associated with the Anchor Bay Community Foundation must make a commitment to uphold the public trust. The development of trust includes:

- Accountability to the public is a fundamental responsibility of a non-profit.
- Openness and honesty in reporting, fundraising, and relationships with all constituencies are essential behaviors for organizations which seek and use public or private funds and which purport to serve public purposes.
- Commitment to the public good requires those who presume to serve the public to assume a public trust.
- Respect for the worth and dignity of fellow board members and individuals is a special leadership responsibility of philanthropy and voluntary organizations.

### **CODE OF ETHICS FOR THE ANCHOR BAY COMMUNITY FOUNDATION**

As we do our work based on these principles, the following standards of technical competencies and ethical values will help us best meet the public's trust.

Our ethical standards can be related to the following areas of Foundation activity: governance, management, grant making & scholarship, donor restricted funds, resource development, marketing and public relations, requirements for chairman, vice chairman and investment/finance committee members, conflict of interest, ethics and confidentiality, donor privacy policy and transparency and trust.

## **GOVERNANCE**

- The Foundation board will serve the public good and resolve all real and potential conflicts of interest.
- Board members will serve without compensation.
- Personal information about Board Members should not be included in the Minutes.
- Potential Board Member Applicant names can be added to a standing list for future review and discussion, but should not be included in the Minutes.
- Attendance Policy – A board member who has three (3) unexcused absences from meetings may be removed by a vote of the full Board.
- Board members will be informed of the legal requirement of the Foundation and accept responsibility for assuring that the Foundation meets its legal requirements.
- The Board will be representative of the demographics and interests of the community it serves.
- The Board will strive to have a member of the Anchor Bay School Board and/or the Anchor Bay Chamber of Commerce as a member of the Board.
- As noted in the Articles of Incorporation of October 31, 1995, the Board may provide for an honorary category of director emeritus. A director emeritus shall be entitled to attend meetings and offer comments concerning any matter but shall not vote and shall not be responsible for the acts of the Board of Directors concerning the management of corporate affairs while serving as an honorary director emeritus.

## **MANAGEMENT**

- Funds will be invested to meet the Anchor Bay Community Foundation goals and will not be driven by personal or business relations.
- Board members will be appointed to represent skills and competencies necessary to operate a community foundation. Continuous improvement of these skills will be considered as board members are added.
- Public records will be kept in accordance with regulatory requirements and accessible for public viewing.
- All decisions about grants and programs will be made in the best interest of the community.

## **GRANTMAKING & SCHOLARSHIP**

- Grant and scholarship decisions will be made in an objective manner.
- The process for applying for grants and scholarships will be open, accessible, broadly communicated, and easily understood by potential grantees. Board members will treat grantees with dignity and respect, viewing them as partners rather than as recipients.
- Grantees will be held to high standards of performance and accountability.
- Grant making should strive to impact diverse facets of the community's public needs and complement other community resources.
- Board members may not initiate grant or scholarship requests on behalf of other organizations, family members or persons known to them. All applicants must present completed application forms.

### **DONOR RESTRICTED FUNDS**

- An Endowment is a fund that is made up of donor gifts and bequests that are subject to a contractual requirement that the principal be maintained intact and invested to create a source of income for a designated purpose. Donors may set up an endowment to fund a specific interest or to fund the general operations of the Anchor Bay Community Foundation.
- Proposal agreements for *endowed* grant or scholarship funds administered by the Anchor Bay Community Foundation become fully endowed when they reach \$25,000 in cumulative donations. Once the fund is fully endowed, the income of the fund will be distributed at least annually for the grant or scholarship noted in the agreement. The grant or scholarship offering may be listed on published materials.
- Agreements for *temporary* grant or scholarship funds do not accrue interest and are not intended to be endowed. The principal of the fund will be awarded annually until exhausted with the balance of the fund awarded as the final grant or scholarship. The grant or scholarship may be listed on published materials.

### **RESOURCE DEVELOPMENT**

- Board members will provide stewardship of all accepted gifts regardless of origin, purpose, or size and will follow not only the technical requirements but also the spirit of donor intent with the donors' interest and welfare in mind.

### **MARKETING AND PUBLIC RELATIONS**

- Board members will actively seek the input and involvement of the community at large.
- All communications must protect the donors' rights to privacy, including anonymity.
- Board members will exercise discretion in use of information about the organizations and donors, respecting confidentiality and privacy of those we work with.

### **REQUIREMENTS FOR CHAIRMAN, VICE CHAIRMAN AND INVESTMENT/FINANCE COMMITTEE**

- The honesty, integrity, and sound judgement of the officers and investment team is fundamental to the reputation and success of the Foundation. In addition to the Code of Ethics stated above, the Chairman, Vice Chairman and Investment/Finance Committee members must:
- Act with honesty and integrity; avoid actual or apparent conflicts of interest in personal and professional relationship.
- Provide colleagues with information that is accurate, complete, objective, relevant, timely and understandable.
- Comply with applicable laws, rules and regulations of federal, state and local governments and other appropriate private and public regulatory agencies.
- Act in good faith, with due care, competence and diligence, without misrepresenting material facts or allowing independent judgment to be subordinated.
- Proactively promote ethical and honest behavior within the Anchor Bay Community Foundation environment.
- Assure responsible use of and control of all assets.

## **CONFLICT OF INTEREST**

1. The Foundation strives to maintain the highest ethical standards in all policies, procedures and programs and to avoid any conflicts of interest. We recognize however that volunteers play an active and vital role in the community. From time to time, potential conflicts of interest may arise. It is the Foundation's policy to deal with each conflict of interest in as open and appropriate way as possible.
2. A conflict of interest is considered an activity or interest that may cause bias. Any director with board delegated powers who has a direct or indirect financial interest or is affiliated with an organization seeking to request a grant from the Foundation could have a conflict of interest.
3. This could include any position held presently or in the recent past, investment in any business, or any other avocational activity that may result in a possible impartial opinion.
4. Annually, all Board members will be requested to complete a Conflict of Interest Disclosure Statement identifying any positions held by self or any immediate family member (parent, spouse, or child) and affiliations with any organization using the following guidelines:
  - A. Any role (significant donor, volunteer, advocate or advisor) held by self or immediate family member with any charitable or community organization currently or within the past three years.
  - B. Ownership or investment interest held by self or immediate family member with any entity currently or within the past year that the Foundation has or is negotiating a transaction or arrangement.
  - C. Any consulting work or other affiliation with organizations that may create an interest or bias with respect to the Foundation's actions.
5. Any possible conflicts shall be disclosed before discussion of a particular grant, scholarship or program begins. The minutes of the meeting shall reflect this disclosure. After acknowledging the potential conflict, the interested person may briefly address the other members regarding the matter and may answer pertinent questions since personal knowledge on the issue may be of assistance to the other members. The interested person will abstain from voting on the issues. For grant making decisions where conflicts exist, the Board will vote on each grant separately, noting conflicts at the time of each vote.
6. In order to avoid discouragement of participation in the Foundation's grant making or scholarship programs, family of board members, including family of volunteer members serving at the behest of the Board, may apply and be considered for and may receive a grant or scholarship award from the Foundation. This would not constitute either a private benefit or an excess benefit transaction if the applicant and any of the applicant's family members recuse themselves from the entire grant or scholarship nominating and award process (including all meetings, discussions, and votes) with respect to the pool of potential nominees in which the applicant is included. All recusals must be documented in the Minutes.

## **ETHICS AND CONFIDENTIALITY**

Discussions held during all Anchor Bay Community Foundation meetings shall be confidential. This includes any oral or written information gleaned from meeting information provided by Directors.

All communications with the Anchor Bay Community Foundation from grant seekers and scholarship applicants shall be made through the Foundation office, via e-mail, U.S. mail or other electronic transmission.

## **DONOR PRIVACY POLICY**

General Collection and Use of Personal Information:

The Anchor Bay Community Foundation collects and uses personal information such as: name, address, phone number, and e-mail address when a donor voluntarily provides it to us. In addition the Foundation keeps a record of each donor's giving history. This information is kept on file for IRS purposes.

The Anchor Bay Community Foundation does NOT sell, trade or share its donor list with any other organization.

## **TRANSPARENCY AND TRUST**

The Anchor Bay Community Foundation has voluntarily adopted numerous policies and procedures to guarantee that how we conduct our business is not only legal, but ethical.

### **Our policies and procedures include:**

**Record retention.** The destruction and/or retention of financial and other transactional records is important. Not only do we want to provide an open record of activities, we are committed to keep a donor's intent into perpetuity. Therefore we maintain a rigorous records policy which exceeds most standards for document storage including storage of hard copy of some documents and retention on the Foundation computer system.

**Audit.** Board members with strong backgrounds in accounting and finance work closely to oversee accounting and financial reporting processes as well as internal accounts.

**Investment review.** Investment/Finance Committee reviews investment performance each quarter and recommends changes in strategy and direction when necessary, with authorization from the Board to make investment decisions on behalf of the Board when necessary.

**Mileage reimbursement.** Mile reimbursement approved by the Board will reflect federal mileage rates.

**Event ticket procedure.** If a Board Member wishes to attend an event, at which the Anchor Bay Community Foundation is a sponsor or partner, or at which the Board Member may provide information or materials supporting the Foundation, the request for ticket purchase must be made at a regularly scheduled board meeting with approval from the Board.

PROCEDURES

ALL TO BE ADJUSTED TO SIX-WEEK SCHEDULE AS APPROVED IN NEW BY-LAWS.

<u>November</u>	Investment/Finance Committee Presentation and Review of Annual Budget
<u>December</u>	Approval of Annual Budget and Individual Scholarship Award Allotments Election of Officers – Bi-annual
<u>January</u>	Chairman’s Committees Presented/ Approval of Committee Chairs Chairman Presents Annual Goals and Objectives Presentation of Annual Calendar of Meetings Check Authorization/Signatory Approvals Conflict of Interest Disclosure Statement
<u>February</u>	Approval of Annual Goals and Objectives

Filename: Policy & Procedure Manual – October 2015

Presented by Committee: Steve Whittlesey, Kevin Woehler, Denise Mello & Lynne Hoover Musilli

Amended: Event Ticket Procedure, March 2018