Your WHITEFISH COMMUNITY FOUNDATION
Giving Together Creates Impact

LIST OF BOARD POLICIES

IRS RECOMMENDED POLICIES:

1. **Compensation Policy** Process by which the board determines the salary of the executive director and other key employees as well as annual salary review procedure.
2. **Conflict of Interest Policy** Written policy to address how a nonprofit can balance the interests of the organization and interests of the individuals involved in the organization
3. **Financial and Accounting Policy** Establishes policies and procedures for the financial management of the organization including roles and duties of employees and officers. Includes policies on reserves, endowments, investing, financial controls, capital expenditures and risk management.
4. **Document Retention and Destruction Policy** Provides guidelines for maintaining and documenting the storage and destruction of electronic and hard-copy files. Outlines backup procedures, archiving of documents, and regular check-ups of the reliability of the system.
5. **Whistle Blower Policy** Establishes procedures for the receipt, retention, and treatment of employee and board member complaints regarding suspected impropriety or misuse of the organization's resources
6. **IRS Form 990 Disclosure Policy** Details in what manner the organization's Form 990 is made available to the public for inspection.
7. **Confidentiality Policy** What information is not to be shared with others, how to handle sensitive information, and sanctions when policy is violated.
8. **Gift Acceptance Policy** States what gifts are accepted by the organization, the process for determining if a gift will be accepted, and how the gifts are handled once accepted.

OTHER POLICIES:

9. **Nomination and Election Policy**
10. **Guidelines of Activities Policy**
11. **Budgets for Programs and Events**
12. **Fiscal Sponsorship Policy**
13. **Public Advocacy Policy**
14. **Privacy Policy**
15. **Attendance of Board Members**
16. **Variance Policy**
17. **Nondiscrimination policy**
18. **Social Media Policy**

PERMANENT VS. QUASI ENDOWMENTS

Definitions of "True" (Restricted) and "Quasi" (Unrestricted) Endowments
A "true" or restricted endowment is one in which the gift amount is invested in perpetuity and not allowed to be spent. Instead, the earnings from the investment of the gift are available to be spent by the organization. A true endowment is established if a donor makes a gift specifically to the Endowment Fund, thus restricting its use. This type of endowment can only be created by a donor. If the nonprofit promotes its Endowment Fund and receives gifts of any size for the Fund, those funds are equally restricted. If a purpose is announced and donors give to an Endowment Fund for a named purpose, the distributions from the endowment fund are restricted as to purpose as well.

The board cannot impose a binding endowment restriction on unrestricted funds, but a board can decide to treat unrestricted funds as endowment—these funds are called 'quasi-endowment' or 'board designated endowment' or 'funds functioning as endowment'. If the nonprofit receives an unrestricted bequest, or receives funds from the sale of property, or if it has excess operating cash which the nonprofit's board decides to put into the Endowment Fund, those funds are called a "quasi" or unrestricted endowment. This part of the Endowment Fund can be spent down by the board within established distribution rules.

However, the board can always un-endow quasi-endowed funds—just as they unilaterally decided to impose a spending restriction, they can decide to change it. That being said, when quasi-endowed funds are created, it should be done with the understanding that the board intends for the funds to be added permanently and would only be withdrawn under extraordinary circumstances. This is because the funds are typically invested with a long-term investment strategy in mind, and short term withdrawals can be disruptive to that strategy and adversely affect earnings.

The Difference between the Types of Funds
Restricted endowments originate with a donor, or with a nonprofit that has identified its endowment fund as a "true" or restricted endowment to which donors gave.

Both the restricted portion and unrestricted portion of an endowment can be comingled for investment purposes, as long as they are accounted for separately. A common spending rule can be applied to both – usually a total return spending rule which draws down three to five percent of a rolling three-year average value of the fund.

The difference comes in the protection of the "corpus." The corpus, or spending power of the **restricted endowment**, is protected by the Uniform Prudent Management of Institutional Funds Act (UPMIFA) – a state law passed in 49 of 50 states. UPMIFA speaks to the restricted funds of all non-profit organizations. It defines what the law means by prudent investing and prudent spending, implementing a total return spending policy as the preferred means of making funds available for whatever purpose was defined by the donor or the fund. By this means the corpus is protected over time.

The corpus of the **unrestricted (or Quasi-) endowment** is protected only by whatever policies the nonprofit's board enacts. We suggest that distributions from the quasi-endowment follow the normal spending rule of the permanent endowment.

Sample Distributions Table

Avg. Balance	Distribution	Avg. Balance	Distribution
$15,000	$600	$250,000	$10,000
$50,000	$2,000	$500,000	$20,000
$100,000	$4,000	$1,000,000	$40,000