



**Emergency  
Family  
Assistance  
Association**

## **Fundraising and Gift Acceptance Policy**

Emergency Family Assistance Association (herein referred to as “EFAA”) is a nonprofit entity organized under the laws of the State of Colorado and tax exempt pursuant to IRC §501(c)(3). EFAA encourages the solicitation and acceptance of gifts to the organization for the purposes that it will help EFAA fulfill its mission. This policy shall apply to all gifts received by EFAA for any purpose.

### **I) Purpose of Gift Polices and Guidelines**

The purpose of the Gift Acceptance Policy is to define the practices and policies governing the acceptance of gifts and to provide guidance to staff, board members, and other volunteers in obtaining gifts from individuals, businesses, corporations, foundations, faith congregations, and other sources for annual, capital, and endowment funds.

EFAA will accept only those gifts that are consonant with the mission, vision and values of the organization and which are deemed consistent with public laws, regulations, and public policy of the State of Colorado and the federal government.

### **II) Use of Legal and/or Financial Counsel**

EFAA may seek the advice of legal counsel in matters relating to acceptance of gifts when appropriate. Review by legal counsel is recommended for:

- A. Transfers of stock or other equity securities of closely-held entities that are subject to transfer restrictions, voting covenants, buy-sell agreements or other limitations;
- B. Gifts governed by contracts or other legal documents, such as gifts of real estate, bargain sales, partnership agreements, or other documents requiring EFAA to assume an obligation;
- C. Transactions with a potential conflict of interest. This may include use of Board members as sales agents in transactions, etc;
- D. Other circumstances in which the staff, Development Committee, or Board of Directors believe that use of counsel is appropriate.

All prospective donors are recommended to consult their own legal or financial counsel in matters relating to their gifts and the resulting tax and estate planning implications.

### III) Donor Relations

- A. **Guided by best practice:** All promotions and solicitations conducted by EFAA will be conducted in a manner that is both ethical and professional in accordance with the Association of Fundraising Professionals Code of Ethical Principles and Standards of Professional Practice (See Attachment A). EFAA is truthful in its solicitation materials and discloses important and relevant information to potential donors. EFAA endorses the Donor Bill of Rights created by the Association of Fundraising Professionals and its affiliates (See Attachment B).
- B. **General gift acknowledgement:** EFAA will properly acknowledge all gifts, including restrictions, in a timely manner and comply with current IRS requirements in acknowledgement of gifts.
- C. **Anonymity:** Requests for donor anonymity, by name, amount, or condition of any gift, will be honored, and donors who wish to remain anonymous may do so with every confidence.
- D. **Confidentiality:** Except as required by law, all information obtained from or about donors or prospects shall be held in strictest confidence by EFAA. Use of such information shall be restricted to that of organization purposes only. All electronic personal records are maintained in a secure database. Names and personal information of donors will not be provided by EFAA to other organizations, nor will any lists be sold or shared with other organizations.

### IV) Restricted or Designated Gifts

EFAA will accept restricted gifts and gifts designated for specific programs or purposes at the discretion of the Executive Director and provided that such gifts are consistent with its stated mission, purposes and priorities. To the maximum extent possible, restricted or designated gifts will be used for the stated purpose for which they were given and accepted. EFAA reserves the right to not accept any gifts that are too restrictive in purpose.

Where appropriate or when requested by the donor, EFAA shall enter into a written gift agreement with the donor, specifying the terms of any restricted gift of \$25,000 or more, which may include provisions regarding donor recognition. If specific restrictions are indicated and the donor's restrictions cannot be followed, the gift will not be accepted.

EFAA records each gift according to the designation indicated by the donor. Non-designated outright gifts of cash are attributed to EFAA's Annual Fund.

### V) Gifts Generally Accepted Without Review

- A. **Cash:** EFAA will accept unrestricted gifts of cash, provided that, for donations of \$150,000 or more, the identity of the donor has been vetted with respect to any reputational or policy issues. All unrestricted or non-designated gifts will be available for

use as determined appropriate by EFAA. Unrestricted gifts of cash are acceptable in any form. Checks shall be made payable to EFAA.

Gifts made through donor advised funds (often referred to as grants) can be designated for general operating support or for a specific project or program. Grants from donor advised funds cannot be used, in whole or in part, to purchase silent or live auction items, or to purchase a table or event sponsorship if the donor or his affiliates plan to attend the event through said donation.

- B. **Publicly Traded Securities:** Unrestricted marketable securities may be transferred to an account maintained by EFAA at one or more brokerage firms or delivered physically with the transferor's signature or stock power attached. All marketable securities shall normally be sold as soon as practical following receipt. In accordance with IRS regulations, the donor acknowledgement letter will describe the property, but not state a value.
- C. **Planned Gifts:** EFAA is able to accept deferred gifts through a number of channels. Donors are encouraged to contact EFAA to discuss any proposed planned gifts that include restrictions affecting the use of the gift once received by EFAA. Donors will be recognized as members of the EFAA Next Legacy Society at the time EFAA is notified of the planned gift. A deferred or planned gift will not be recorded until the gift is made irrevocable. When the gift is irrevocable, but is not due until a future date, the gift will be recorded in accordance with GAAP. In accordance with the EFAA Endowment Fund Policy, all otherwise unrestricted planned gifts are to be designated to the EFAA Centennial Endowment Fund held at The Community Foundation Boulder County.

Generally accepted planned giving vehicles:

- i. *Bequests:* Donors may make bequests to EFAA via their wills, trusts, life insurance policies, or retirement plan assets. Restricted bequests will be accepted only on the condition that, should the purpose for which the funds provided cease to exist, the Board of Directors shall allocate the income from those funds to purposes as near as possible to the original intent of the donor, as determined at the sole discretion of EFAA. Such provisions should be provided in wills and other gifting devises insofar as possible. EFAA reserves the right, in its sole discretion, to disclaim any restricted bequests whose restrictions do not align with the organization's mission, values, capabilities, or purpose.
- ii. *Retirement Plan Beneficiary Designation:* EFAA may accept designations as a beneficiary of donors' retirement plans.
- iii. *Life Insurance:* EFAA may accept designations as a beneficiary or contingent beneficiary and owner of a life insurance policy.
- iv. *Charitable Remainder Trusts (CRT):* EFAA may accept designation as remainder beneficiary of a CRT. EFAA shall not accept appointment as trustee of a CRT.

v. *Charitable Lead Trust*: EFAA may accept designations as income beneficiary of a charitable lead trust. EFAA shall not accept appointment as trustee of a charitable lead trust.

D. **In-kind Gifts**: EFAA may accept gifts of goods and services that are consistent with the mission, purposes, and priorities of the organization. EFAA reserves the right to determine whether or not to accept an in-kind gift and must consider, among other criteria, whether the terms, conditions, or purpose of a gift are consistent with state or federal law. The donor of an in-kind gift is responsible for providing written proof of the fair market value.

Tangible personal property is generally not accepted unless there is reason to believe the property can be quickly converted to cash. For non-cash gifts with a fair market value of \$5,000 or more, the donor must provide a qualified appraisal of the gift and IRS Form 8283 to EFAA. Personal property generally will be sold at the highest price possible as soon as practical after conveyance, unless the property is to be used in connection with EFAA's exempt purpose. EFAA discourages gifts that cannot readily be sold or which require unusual expenses prior to sale. If a lengthy selling period is anticipated, EFAA may refuse the gift or request that the donor cover the expenses with a cash gift.

E. **Corporate Support/Sponsorships**: EFAA may accept gifts from corporate supporters and for event sponsorships. EFAA reserves the right to decline partnerships that may not positively serve the mission, purpose, and priorities of the organization.

F. **Grant Support**: EFAA pursues and accepts only grant funding that is consistent with the mission, purposes, and priorities of the organization and for which proper resources are available for implementation. EFAA complies with all grant recognition, reporting, and other requirements dictated by grant agreements.

G. **Endowment Gifts**: Endowment gifts contribute to the long-term financial health of EFAA. Gifts are held and managed subject to the EFAA Endowment Fund Policy (attached herein). Endowment gifts will be directed to the EFAA Centennial Endowment Fund, EFAA's primary funded endowment.

H. **Pledges/Promises**: These are signed commitments reflecting a promise to give a specific dollar amount according to a fixed schedule. All pledges are recorded in EFAA's donor database. EFAA regularly provides reminders and statements to donors with outstanding pledge balances.

## VI) Gifts Requiring Review

A. **Real Estate**: Gifts of real estate, including undeveloped property, are subject to review by EFAA's Finance Committee. The donor is responsible for obtaining, and bearing cost of, an independent, disinterested, and qualified appraisal of the property. Donor must also provide EFAA with current owner's title policy or title commitment and substantiation of

zoning status. EFAA may seek an independent environmental assessment reflecting the environmental condition of the real estate prior to presentation to the Finance Committee. The Finance Committee's recommendation must be approved by the Executive Committee prior to gift acceptance.

- B. Oil, Gas, and Mineral Interests:** Gifts of oil, gas, and mineral interests are generally not accepted. However, proposed gifts of \$250,000 or higher may be brought by the Executive Director to the Board of Directors for consideration.
- C. Named Funds:** A donor, or group of donors, may contribute and name a new fund and restrict the use of the income or principal of the fund. Named funds require a minimum contribution of \$100,000 and are subject to Board of Directors approval like any other restricted gift. Named funds may be augmented by gifts from other individuals with similar interests once it is established.
- D. Closely Held Securities:** Non-publicly traded securities, including membership interests in limited liability companies or partnership interests may be accepted after consultation with EFAA's Finance Committee and legal counsel. Prior to acceptance, EFAA shall explore methods of liquidation for the securities through redemption or sale, as well as EFAA's potential liability exposure through its ownership of such equity securities. EFAA and its advisors will determine whether any restrictions on transfer exist, whether an exemption exists under applicable securities law allowing such transfer, and an estimate of fair market value. A qualified appraisal of fair market value is required where the closely held security are believed to be valued at \$10,000 or more (in accordance with IRS regulations).

## **VII) Unacceptable Gifts**

EFAA reserves the right to decline any gift at its sole discretion. Generally, the organization shall not accept gifts that:

- A. Violate any federal, state or local statute or ordinance
- B. Contain unreasonable conditions and/or are too difficult or expensive to administer
- C. Are made with the condition that the proceeds will be spent by EFAA for the personal benefit of a named individual
- D. Expose EFAA to liability or jeopardizes our 501(c)3 status
- E. Are for purposes that do not further EFAA's objectives and/or could damage the reputation of EFAA

## **VIII) Miscellaneous Provisions**

- A. Securing appraisals and legal fees for gift to EFAA:** EFAA will not accept a gift unless the donor is responsible for (a) the fees of independent legal counsel retained by the donor for completing the gift, (b) appraisal fees, (c) environmental audits and title binders (in the case of consideration of a real property gift), and (d) all other third-party fees associated with the transfer of the gift to EFAA.

**B. IRS filings upon sale of gifts:** EFAA shall file relevant IRS Forms upon the sale and disposition of any charitable deduction property sold in accordance with current IRS regulations.

**C. Conflict of interest:** The Board will assure itself that staff, Board and volunteers are circumspect in all dealings with donors in order to avoid even the appearance of any act of self-dealing, including material financial interests. Those soliciting gifts for EFAA shall not personally benefit by way of commission, finder's fees, salary or other benefits from any donor in the performance of their duties on behalf of EFAA.

**IX) Revisions to and Adoption of Gift Acceptance Policy**

Except as otherwise stated within these written policies, the Development Committee must approve any exceptions to policy provisions. The Development Committee will review this policy, and any related policies, including the EFAA Endowment Fund Policy, no less than every two years and make recommendations for revisions, subject to final approval by the Board of Directors.

This policy was adopted by the EFAA Board of Directors at a legal and duly minuted Board of Director's meeting on June 21, 2018.

Amended and adopted on November 21, 2019.

# A DONOR BILL OF RIGHTS

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## DEVELOPED BY:



Association of Fundraising Professionals (AFP)



Association for Healthcare Philanthropy (AHP)



Council for Advancement and Support of Education (CASE)



Giving Institute: Leading Consultants to Non-Profits

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**PHILANTHROPY** is based on voluntary action for the common good. It is a tradition of giving and sharing that is primary to the quality of life. To assure that philanthropy merits the respect and trust of the general public, and that donors and prospective donors can have full confidence in the not-for-profit organizations and causes they are asked to support, we declare that all donors have these rights:

## I

To be informed of the organization's mission, of the way the organization intends to use donated resources, and of its capacity to use donations effectively for their intended purposes.

## II

To be informed of the identity of those serving on the organization's governing board, and to expect the board to exercise prudent judgment in its stewardship responsibilities.

## III

To have access to the organization's most recent financial statements.

## IV

To be assured their gifts will be used for the purposes for which they were given.

## V

To receive appropriate acknowledgement and recognition.

## VI

To be assured that information about their donations is handled with respect and with confidentiality to the extent provided by law.

## VII

To expect that all relationships with individuals representing organizations of interest to the donor will be professional in nature.

## VIII

To be informed whether those seeking donations are volunteers, employees of the organization or hired solicitors.

## IX

To have the opportunity for their names to be deleted from mailing lists that an organization may intend to share.

## X

To feel free to ask questions when making a donation and to receive prompt, truthful and forthright answers.



# CODE OF ETHICAL STANDARDS

## ETHICAL STANDARDS (Adopted 1964; amended Oct 2014)

The Association of Fundraising Professionals believes that ethical behavior fosters the development and growth of fundraising professionals and the fundraising profession and enhances philanthropy and volunteerism. AFP Members recognize their responsibility to ethically generate or support ethical generation of philanthropic support. Violation of the standards may subject the member to disciplinary sanctions as provided in the AFP Ethics Enforcement Procedures. AFP members, both individual and business, agree to abide (and ensure, to the best of their ability, that all members of their staff abide) by the AFP standards.

### PUBLIC TRUST, TRANSPARENCY & CONFLICTS OF INTEREST

#### Members shall:

- 1 not engage in activities that harm the members' organizations, clients or profession or knowingly bring the profession into disrepute.
- 2 not engage in activities that conflict with their fiduciary, ethical and legal obligations to their organizations, clients or profession.
- 3 effectively disclose all potential and actual conflicts of interest; such disclosure does not preclude or imply ethical impropriety.
- 4 not exploit any relationship with a donor, prospect, volunteer, client or employee for the benefit of the members or the members' organizations.
- 5 comply with all applicable local, state, provincial and federal civil and criminal laws.
- 6 recognize their individual boundaries of professional competence.
- 7 present and supply products and/or services honestly and without misrepresentation.
- 8 establish the nature and purpose of any contractual relationship at the outset and be responsive and available to parties before, during and after any sale of materials and/or services.
- 9 never knowingly infringe the intellectual property rights of other parties.
- 10 protect the confidentiality of all privileged information relating to the provider/client relationships.
- 11 never disparage competitors untruthfully.

### SOLICITATION & STEWARDSHIP OF PHILANTHROPIC FUNDS

#### Members shall:

- 12 ensure that all solicitation and communication materials are accurate and correctly reflect their organization's mission and use of solicited funds.
- 13 ensure that donors receive informed, accurate and ethical advice about the value and tax implications of contributions.

- 14 ensure that contributions are used in accordance with donors' intentions.
- 15 ensure proper stewardship of all revenue sources, including timely reports on the use and management of such funds.
- 16 obtain explicit consent by donors before altering the conditions of financial transactions.

### TREATMENT OF CONFIDENTIAL & PROPRIETARY INFORMATION

#### Members shall:

- 17 not disclose privileged or confidential information to unauthorized parties.
- 18 adhere to the principle that all donor and prospect information created by, or on behalf of, an organization or a client is the property of that organization or client.
- 19 give donors and clients the opportunity to have their names removed from lists that are sold to, rented to or exchanged with other organizations.
- 20 when stating fundraising results, use accurate and consistent accounting methods that conform to the relevant guidelines adopted by the appropriate authority.

### COMPENSATION, BONUSES & FINDER'S FEES

#### Members shall:

- 21 not accept compensation or enter into a contract that is based on a percentage of contributions; nor shall members accept finder's fees or contingent fees.
- 22 be permitted to accept performance-based compensation, such as bonuses, only if such bonuses are in accord with prevailing practices within the members' own organizations and are not based on a percentage of contributions.
- 23 neither offer nor accept payments or special considerations for the purpose of influencing the selection of products or services.
- 24 not pay finder's fees, commissions or percentage compensation based on contributions.
- 25 meet the legal requirements for the disbursement of funds if they receive funds on behalf of a donor or client.



**ENDOWMENT FUND POLICY  
of the Emergency Family Assistance Association (EFAA)**

Whereas, EFAA staff and Endowment Planning Committee, in consultation with outside counsel, have been routinely meeting to develop the endowment policy recommendations contained herein, and have worked through numerous drafts and scenarios;

Whereas, the EFAA Board of Directors approved the Endowment Definition on September 21, 2017 (see Appendix A) which provides direction, vision, and definition of the endowment that informed the development of the proposed endowment policy;

Whereas, the proposed endowment policies have been reviewed and vetted by both The Community Foundation and EFAA's Finance Committee;

Whereas, the adoption of this policy positions EFAA for a successful endowment campaign and the future stewardship of the fund;

**Therefore, be it resolved, that the Board hereby adopts the Centennial Endowment Fund Policies for the purpose of guiding the administration of EFAA's Centennial Endowment Fund:**

**EMERGENCY FAMILY ASSISTANCE ASSOCIATION  
Centennial Endowment Fund Policies**

This policy exists for the purpose of guiding the administration of EFAA's Centennial Endowment Fund. EFAA's Legacy Fund, established in 2002, is hereby renamed the Centennial Endowment Fund. This policy supersedes all existing policy pertaining to the Legacy Endowment Fund.

**A. Purpose and Intent of the Fund**

The purpose of the Centennial Endowment Fund (hereinafter referred to as the "Fund") is to fulfill the mission of the Emergency Family Assistance Association: to help those in our community whose immediate needs for food, shelter and other basic necessities cannot be adequately met by other means, and to support their efforts toward financial stability or self-sufficiency.

*As approved by the Board of Directors on October 19, 2017.*

The Fund will help ensure that EFAA will:

- 1) Respond to the community's needs in times of crisis or urgent need.
- 2) Expand opportunities for families, seniors and individuals with disabilities living in poverty.
- 3) Provide careful stewardship of its housing for children and families.

EFAA's Fund exists to support EFAA in the deliverance of its mission. The intent of the Fund is to provide a flexible resource to serve as the safety-net of the safety-net and to ensure EFAA can seize opportunities to improve the long-term outcomes of families living in poverty. As an endowment, the Fund is set up to protect the majority of gifts in perpetuity, while also ensuring access to a meaningful sum of the funds to deliver on the purpose outlined above in times of distinct need. EFAA will invest on an ongoing basis in the Fund's growth through a combination of careful investment, fundraising activity, and financial policies.

The Fund shall be EFAA's primary funded endowment. Gifts to the endowment are made directly to EFAA before being distributed to the Fund. The Fund shall be held and managed by The Community Foundation Serving Boulder County (hereinafter referred to as "TCF"). The Fund is referred to by TCF as EFAA's Agency Fund.

#### B. Management and Oversight of the Fund

An Endowment Committee shall be created for the purpose of providing oversight and ongoing stewardship of the Fund. EFAA's Board of Directors remains the ultimate authority of the endowment.

The Endowment Committee will offer recommendation to EFAA's Board of Directors as it relates to the Fund and its policies. Specifically, the Endowment Committee functions to:

- a) Consider proposals for fund withdrawals and their alignment with Fund intent
- b) Review the performance of the Fund as managed by TCF
- c) Determine investment strategy recommendations based on TCF fund options
- d) Identify and recommend endowment policy revisions as required
- e) Review and ensure compliance with the endowment policy
- f) Seize opportunities for fundraising to the endowment

The Endowment Committee shall meet and discuss the Fund at least twice annually. The Endowment Committee shall report, at a minimum, annually to the EFAA Board of Directors, at which time the Endowment Committee may make recommendations to the Board as it pertains to the Fund. Any motion or resolution concerning the Fund requires a two-thirds majority vote by a quorum of EFAA's Board of Directors.

The Endowment Committee shall consist of a minimum of five members, one of whom shall be the past president of EFAA's Board of Directors. There are no term limits on Endowment Committee service.

*As approved by the Board of Directors on October 19, 2017.*

The Development and Finance Committees shall provide support to the Endowment Committee as relevant. EFAA's Director of Development will serve as staff liaison to the Endowment Committee. The Executive Director and Director of Finance will also attend Endowment Committee meetings.

The Finance Committee Chair shall work with EFAA's Director of Finance in maintaining and coordinating complete and accurate accounts for the Fund. The Executive Director and Board President shall both sign for any withdrawals and all other necessary documents in furtherance of the purpose of the Fund. The financial records of the Fund shall be included as part of the annual EFAA audit by a certified public accountant. The fiscal year of the Fund shall be the same as the fiscal year for EFAA.

EFAA, at the expense of the Fund, may obtain and secure professional counseling on investments or legal matters as it deems to be in the best interest of the Fund.

Management and investment of the Fund is the responsibility of TCF and their investment advisors, as recommended by the Endowment Committee and approved by the EFAA Board of Directors. TCF shall furnish EFAA with an annual statement of the Fund, which shall include a determination of the Fund balance.

#### C. Contributions to the Endowment

All gifts to the endowment are subject to the EFAA Fundraising and Gift Acceptance Policy, the EFAA Endowment Policy, and any EFAA Board approved Financial Policies.

EFAA will not accept restricted and/or named gifts to the Fund. Any requests for a named fund would have to be considered outside the Centennial Endowment Fund and in accordance with the EFAA Fundraising and Gift Acceptance Policy.

All otherwise unrestricted planned gifts<sup>1</sup> are to be designated to the Fund. Additionally, the Board of Directors can designate any net operating surpluses to the Fund and requires a two-thirds majority vote by a quorum of EFAA's Board of Directors. The Director of Finance shall include a report on any gifts accepted to the Fund, including unrestricted planned gifts, as part of its routine finance report to the EFAA Board of Directors.

#### D. Spending Policy

EFAA will forego any automatic annual distribution from the Fund. Funds may be withdrawn from the endowment with a resolution of the Board and a specific case for the withdrawal, pursuant to the purpose of the Fund. The Executive Director must present a proposal for withdrawal to be reviewed by the

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<sup>1</sup> Pursuant to EFAA's Fundraising and Gift Acceptance Policy, generally accepted planned gifts include bequests, retirement plan beneficiary designations, gifts of life insurance, Charitable Remainder Trusts, or Charitable Lead Trusts.

*As approved by the Board of Directors on October 19, 2017.*

Endowment Committee and presented to the Board of Directors for approval. Requests can be made any time in the fiscal year. The Executive Director may request multiple withdrawals in any given fiscal year as long as the cumulative withdrawal amount does not violate the limits outlined below. A two-thirds majority vote of a quorum of the Board of Directors is required for all withdrawals.

Spending from the Fund will be metered in a way to ensure that 70 percent of the Corpus donations to the Fund remain in the Fund in perpetuity. The mechanism used to meter spending is dependent on a number of important definitions:

**CORPUS** - Is the total of all donor gifts ever received in the Fund not including unfunded pledges from donors.

**WITHDRAWAL** - Amounts distributed from the Fund for the specific purpose of the Fund.

**FUND BALANCE** - Is the sum total of the entire Fund inclusive of all donations, gains and losses both realized and unrealized, and withdrawals. The Fund Balance at the beginning of the fiscal year is measured and reported by The Community Foundation.

**CORPUS FLOOR** – Is initially established as \$700,000. Effective June 30, 2019, the Corpus Floor will be calculated at the beginning of every fiscal year as 70 percent of the Corpus.

Annually, the maximum withdrawal available in any fiscal year may not exceed 30 percent of the Fund Balance at the beginning of the fiscal year and may not reduce the Fund Balance below the Corpus Floor.

#### E. Amending the Policy

Any amendment to this policy requires a two-thirds majority vote by a quorum of EFAA's Board of Directors.

#### F. Disposition or Transfer of the Fund

In the event Emergency Family Assistance Association, Inc. ceases to exist either through merger or dissolution, the disposition or transfer of the Fund shall be at the discretion of the EFAA Board of Directors in conformity with the approved EFAA mission, vision, and bylaws.

#### G. Acknowledgement

A copy of this document will be provided to any endowment fund manager employed by the Board of Directors, and they must return a signed copy to the Board of Directors acknowledging that they have read the document and will abide by the directions contained herein.

#### H. Adoption of the Resolution

This resolution was adopted by the EFAA Board of Directors at a legal and duly minuted Board of Director's meeting on October 19, 2017.

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**Appendix A:**

**EFAA Board Resolution Approving the Centennial Endowment Definition**

*Passed unanimously September 21, 2017*

Whereas, the Board of Directors of EFAA approved a resolution to Launch a 100 Year Centennial Endowment Campaign on April 2017 and established an Endowment Planning Committee to provide guidance to its design and implementation.

Whereas, EFAA staff, Endowment Planning Committee, with considerable support from retained campaign counsel are drafting and will provide recommendations to the Board for detailed policies surrounding the Endowment for consideration during their October, 2017 Board meeting.

Whereas, EFAA staff and Endowment Planning Committee require additional direction, vision, and definition from the Board to complete development of detailed policies.

Whereas, EFAA staff and Endowment Planning Committee in consultation with outside counsel have been routinely meeting to consider key elements of vision and definition for the Centennial Endowment Campaign necessary to support future policy recommendations.

Whereas, EFAA staff and Endowment Committee recommend Board approval and adoption of The Centennial Endowment Definition.

**Therefore, be it resolved, that the Board hereby approves the Centennial Endowment Definition as EFAA's vision of the purpose and structure of the endowment, and directs the staff and Endowment Planning Committee to provide recommendations for more detailed, formal endowment policies based on this vision:**

EMERGENCY FAMILY ASSISTANCE ASSOCIATION

**Centennial Endowment Definition**

*For Internal Uses Only*

This document was created to summarize the purpose and structure of the Endowment. A more detailed endowment policy will be created to supplement this directional document.

The purpose of the Centennial Endowment is to fulfill the mission of the Emergency Family Assistance Association for the next 100 years: to help those in our community whose immediate needs for food, shelter and other basic necessities cannot be adequately met by other means, and to support their efforts toward financial stability or self-sufficiency.

The Centennial Endowment will help ensure that EFAA will:

- 1) Respond to the community's needs in times of crisis or urgent need.
- 2) Expand opportunities for people living in poverty, including children, families, seniors, and people with disabilities.
- 3) Provide careful stewardship of its housing for children and families.

*As approved by the Board of Directors on October 19, 2017.*

The Centennial Endowment will be launched with an initial corpus of \$1 million secured through the Centennial Campaign. Thereafter, EFAA will invest on an ongoing basis in the Endowment's growth through a combination of careful investment, fundraising activity, and financial policies.

The Centennial Endowment will build upon EFAA's existing endowment and will remain at The Community Foundation Serving Boulder County. The Community Foundation supports EFAA in its structuring of its endowment as a quasi-endowment, which functionally serves the endowment purpose as outlined above. This decision also supports the Community Foundation and its work to improve the lives of all residents of Boulder County.

Our existing endowment agreement with The Community Foundation stipulates that withdrawals above the typical 5% annual distribution requires a two-thirds resolution from EFAA's Board. To advance the proposed purpose of EFAA's endowment, funds from the Endowment will not be automatically distributed on an annual basis, but may be withdrawn for a specific purpose with a two-thirds resolution of the Board. The Endowment Policy will outline further restrictions on the amount that can be withdrawn in a given time period. The intent is that the endowment corpus would be protected to the extent that still supports the endowment purpose and use.

All gifts to the Endowment will be unrestricted. Donors will be recognized for their donations, but no portion of the Endowment will be named in recognition of a gift.

EFAA commits to growing its endowment through planned gifts, as is common for many organizations. The Endowment Policy will provide guidelines regarding the designation of planned gifts with the intention being that absent donor restrictions, planned gifts resulting from bequests will go into the endowment fund.

The Endowment Policy will address investment of the endowment.

The EFAA Board of Directors can review and change the Endowment Policy at any time.