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**HISTORY AND RELATIONSHIP WITH THE COMMUNITY FOUNDATION**

**History**

The Community Foundation of Lorain County (CFLC) was the first community foundation in the country to hold endowments for local schools and has become a model for other communities throughout the U.S. and Europe.

1982 - James McGlamery (Lorain Schools Curriculum Supervisor) approached CFLC with a desire to create a source of funding that would not be subject to budget cut backs or legislative whims. The idea was to underwrite the things good teachers like to do but can’t depend on getting from general revenues. McGlamery realized that turning his idea into a systematic, well-managed program presented a challenge. He wanted careful monitoring, an assurance that the funds would remain separate from the district, and minimal administrative expense and demands. He engaged John Pavic (Lorain Schools Superintendent) to help him achieve his goal, and the two men approached The Community Foundation of Lorain County.

1983 - Lorain City Schools deposited $27,600 to create the Community Foundation’s first School Endowment Fund.

1984 - CFLC Executive Director Jep Carrell was now speaking with all the other local superintendents about the long-term potential of establishing & maintaining School Endowment Funds.

1985 - Legislation was proposed in the State of Ohio to allow schools to deposit a portion of their operating budget into an endowed fund for future support. This Bill (HB292) received support from Lorain County constituents because it would make it possible to grow the endowments at a much faster pace.

1988 - Thanks to much cooperative work between Jep Carrell and the local districts, five schools (Lorain ’82, Wellington ’83, Amherst and Oberlin’86, and Clearview ’88) had already established funds with the Community Foundation.

1988 - CFLC was one of ten community foundations in the U.S. to receive a grant of up to $500K as a 2:1 match from the Ford and MacArthur Foundations. The grant was awarded for CFLC’s proposal to spearhead a two part effort to both strengthen the capacity of Lorain County communities and to improve our local public schools. That two part effort included looking for a challenge match to encourage fundraising efforts and
helping to develop local committees that would continue to raise funds and award grants within each school district.

**1988 December** - The Community Foundation hired Phyllis DeMark to develop a program to actively build school endowments. Ms. DeMark met with school personnel all over the county and helped the Community Foundation convene a steering committee to conduct a survey of 1600 residents and act as advisor to the CFLC Board regarding how to deal with both perceptions and reality.

**1990** - House Bill #292 was finally passed, allowing schools to deposit .5% of their general funds with a community foundation and avoid the significant reporting requirements mandated by H.B. 486.

**1990** - With financial assistance from the Nord Family Foundation and other local funders, Peter Szanton was hired to conduct a comprehensive study of Lorain county residents’ perceptions of community needs. One of those needs, it was determined, was improvement of the educational experience of our youth.

**1991** – The Community Foundation received national recognition for the effort with an article in Foundation News & Commentary. At that time, Foundation Executive Director Carol Simonetti stated that she expected the school endowments held at the Community Foundation to total $4 million by the year 2000. In fact, by the time 2000 rolled around, the school endowments totaled almost twice that figure.

**1991 September 1** - Nord Family Foundation offered a dollar-for-dollar match of $25,000 to be raised within a five year period. All 14 districts, the Educational Service Center, and the JVS met the challenge.

**1992** - Information gleaned from both the steering committee survey and the Szanton study indicated a need for a systematic approach to improving the educational experience in Lorain County. The Center for Leadership in Education was created as an initiative of CFLC, and Phyllis DeMark was named Executive Director of the new organization.

**1997 September 1** - The Stocker Foundation offered a dollar-for-dollar match of $25,000 for a special endowment for fine arts programming to be raised within a five-year period. Twelve schools (Amherst, Avon, Avon Lake, Clearview, Elyria, Firelands, Keystone, Lorain, Lorain County Joint Vocational School, North Ridgeville, Oberlin, and Wellington) met that challenge and the remaining schools significantly increased the balance in their endowment for the arts.
1998 - The market value of the endowment for Lorain City Schools passed the $1 million mark.

1999 - The market value of both Amherst and the JVS passed the $1 million mark.

2000 - Wellington Schools Endowment Funds also reach the $1 million milestone. Norwalk City Schools become the first Huron County School District to establish an Endowment Fund through the Community Foundation.


2013 – School Endowment Fund assets top $15,000,000.

2014 – CFLC is able to use processes for Organization Endowment Funds with School Endowment Funds resulting in simplified processes for grantmaking.
Relationship with the Community Foundation

We depend upon each other for the benefit of both the School District and the Community Foundation. The grant review and recommendations you provide to the School Board ensure that dollars are best used in your district to augment student education. Our professional investment management, audit, and tax return services ensure a steady and growing stream of grant dollars for all future generations.

From a legal perspective, the assets of the School Endowment Funds are the property of the Community Foundation. Some key items to note:

- When your donors make gifts to the School Endowment Fund, they are actually making a gift to the Community Foundation with the stipulation that their gift is designated to benefit your school. It is the Community Foundation’s responsibility to provide substantiation and disclosure when appropriate; we need information from you in order to comply. (See Gift Acknowledgement on page 18)
- Annually, the Community Foundation of Lorain County Board of Directors approves the amount available for grants from all endowment funds to the School Districts. The School Board authorizes the Endowment Committee to award grants on its behalf.
- Further, it is the School Districts responsibility to monitor all grant recommendations for donor intent, laws/regulations governing grantmaking, and to maintain a “paper trail” of grants that are disbursed from each Fund. In an effort to meet this requirement, the Community Foundation will provide a written description of each Endowment Fund and the restrictions placed by the donors. Contact the Foundation with any questions concerning compliance with appropriate laws, regulations or donor intent.

It is critical that we maintain open lines of communication at all times in order to protect both the Fund and the Community Foundation from penalty by the IRS for any irregularities in raising, managing, or dispersing money on behalf of a School Endowment Fund.

School Endowment Fund Reference Booklet  •  Community Foundation of Lorain County  •  October 2014
Each year, we need for you to send us an updated list of Committee members including:

1. name
2. address
3. daytime phone number and/or e-mail
4. position held (e.g., President)

We need to be kept abreast of the actions taken by your endowment Fund committee. Minutes from committee meetings may be mailed, faxed 440.984.7399 or e-mailed schools@peoplewhocare.org to the Community Foundation.

Before you undertake any type of fundraising effort, please refer to the Fundraising Policy, work with your School District to comply with their policies, and contact the Community Foundation to notify us of your plans.

Whenever you have any questions about your School Endowment Fund, please do not hesitate to call us. It is our privilege to serve as your partner in providing enhanced educational opportunities for our students.
The Community Foundation holds approximately 120 endowment funds designated for grants and scholarships at local school districts. Based on legal opinion the CFLC will distribute endowment fund distributions to the School District, and the School District can approve grants and scholarships based on School Endowment Advisory Board recommendations. This process should provide for efficient decision making and granting. The Community Foundation will provide support, resources and professional development to both the School Districts and their School Endowment Advisory Boards.

School District

- Tax-exempt recipient for CFLC grant to award grants and scholarships within the district
- Approves and awards grants & scholarships (consistent with donor restrictions)
- Tax deductibility for gifts passed to CFLC
- Source of staff support, volunteers, ideas, communication, vehicles...

School Endowment Fund Advisory Board (committee or agent for School District)

- Reviews and recommends grants & scholarships to the School District (consistent with donor restrictions)
- Markets the School Endowment Fund
- Raises financial support for the schools endowment in accordance with appropriate laws & school policies
- Face of the School Endowment Fund

Community Foundation

- Establishes new Endowment Funds
- Tax deductibility for direct gifts
- Owns endowment assets
- Distributes grant dollars to the District
- Accountable to IRS & Attorney General
- Source of information on endowment building, planned giving, legacies, best practices...

DONORS

- Contribute either to the school or community foundation
- Expect good stewardship and accountability
- Source of volunteers, new advisory board members, additional gifts, bequests...

COMMUNITY

- Expect vigilance and accountability
- Source of volunteers, new advisory board members, gifts, bequests...

GRANT RECIPIENTS

- Expect clear criteria and fair process
- Source of good grant stories, volunteers, new advisory board members, payroll deductions, gifts, bequests...
SCHOOL ENDOWMENT ADMINISTRATION FAQs

How can we find out how much the Endowment Fund benefiting our school is worth and how much money there is available to grant?

- Review the School Endowment Fund’s monthly fund statement, it contains:
  - the current market value of the Fund
  - how much is available to grant
  - the investment activity for the month and year-to-date
  - a detailed listing of gifts that have been credited to the Fund
  - a detailed listing of grants that have been made from the Fund
- You can find the fund statement online at www.peoplewhocare.org by clicking “Fund Holders” on the homepage. Enter the case-sensitive Password (contact Theresa Eged at it@peoplewhocare.org for information regarding online fund statement access)

Note: the Community Foundation is on a calendar year, so “new” grant monies will be made available in late January of each year. A communication will be sent to your Superintendent notifying you of the total amount (the new amount, plus any remaining unused funds from the previous year) available to grant.

How do we request money to make a grant from the Endowment Fund?

- Request grant money by completing and submitting (either via email/fax/mail) a Grant Payment Request Voucher (page 14) to the Community Foundation. The Grant Payment Request Voucher must be submitted by the School Treasurer or other authorized Committee member such as the president or treasurer. You can find the voucher form online http://peoplewhocare.org/school-and-agency-resources.
- Please be sure to include any meeting minutes and other supporting documentation. If you have questions about the Grant Payment Request Voucher, call/email Cheryl McKenna, finance@peoplewhocare.org.
How do we send gifts to the Endowment Fund?

- A transmittal form (sample on page 15) is the preferred method for sending gifts to the Community Foundation for crediting to the Endowment. This way, we can accurately apply them to the General, Fine Arts, etc. Fund. Also, if any individual should be honored or remembered, you can include this information.
- The transmittal form can also be found on the website [http://peoplewhocare.org/school-and-agency-resources](http://peoplewhocare.org/school-and-agency-resources).

Note: Please do not endorse the back of the check. Checks may be made payable to either the School Endowment Fund or to the Community Foundation of Lorain County.

How do we get brochures advertising the School Endowment Fund?

- The Community Foundation is happy to help with publicizing the Endowment Fund. Upon request we will provide up to 250 color brochures annually, free of charge. Should you require more brochures, we can help with obtaining outside bids for printing services.
- Brochures are printed quarterly, be sure to contact us well in advance of when you need them. Allow extra time if the Fund brochure needs changes/updates.

Contact Lisa Rupple, Communications Coordinator, at communications@peoplewhocare.org for more information or to update your Fund brochure.

We are having a fundraiser. How should we handle this with the Community Foundation?

- Fundraisers initiated by the Endowment Committee should follow the policies of and be cleared with your school system. Remember that the Endowment Committee is formed under the authority of your Board of Education.
- While the Community Foundation is happy to share the experiences of other school endowments’ fundraisers, we really don’t become involved (nor do we have the staff to help) with your fundraiser. We will invest the proceeds of the fundraiser to Endowment Fund for the benefit of the students.
Some of our Committee members are worried about liability coverage. What can we do about that?

- Check with your Board of Education to see if their D&O policy has umbrella language that would extend to you.
- Often an individual’s homeowner’s coverage will provide liability protection for volunteering outside the home. Check with your agent.
ONLINE ACCESS & RESOURCES

The Community Foundation makes access to your Endowment Fund information easy and timely through our website:

www.peoplewhocare.org

The Community Foundation has streamlined online access to fund statements. Begin by clicking on the “FUND HOLDERS” button on the homepage. From there, you will be taken to the login screen where you will enter your Email Address and Password.

The Community Foundation has invited two individuals from your organization to have access to and to control usage of the online statements for your school (generally the District Superintendent and Endowment Fund Treasurer). These primary contacts have the ability to invite others to view the fund statements. Once invited, users select a password and may change their password at any time. Passwords are selected by the user and are never stored or seen by the Community Foundation or IT staff.

The website can be a ‘one-stop shop’ for most of your information needs, but please don’t hesitate to call us with any questions you may have. We are partners in building these Endowment Funds to benefit the students of our community.

Contact the Community Foundation by phone or at schools@peoplewhocare.org if you need assistance locating any of the following on the website:

- School Endowment Transmittal (Gifts) Forms
- Grant Request Vouchers
- School Endowment Fund Reference Book

School Endowment Fund Reference Booklet • Community Foundation of Lorain County • October 2014
## Reading the Financial Statement

### Sample School Endowment Fund

**Fund Statement: 08/01/2014 through 08/31/2014**

**Fund ID:** 9876  
**Fund Established:** 08/10/1995

### Endowment Contributions

- **Historical Contributions:** $90,529.28
- **Year-To-Date Contributions:** 2,248.00
- **Total Endowment Contributions:** $92,777.28

*Includes any/all payout reinvested*

### Fund Activity

#### Donor Contributions

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount 08/01/2014</th>
<th>Amount Y-T-D Through 08/31/2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Donor Tax-Deductible</td>
<td>$25.00</td>
<td>$2,248.00</td>
</tr>
<tr>
<td>(b) Donor Non Tax-Deductible</td>
<td>0.00</td>
<td></td>
</tr>
<tr>
<td>(c) Spendable Contributions</td>
<td>0.00</td>
<td></td>
</tr>
<tr>
<td>Total Contributions</td>
<td>$25.00</td>
<td></td>
</tr>
</tbody>
</table>

#### Investment Activity

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount 08/01/2014</th>
<th>Amount Y-T-D Through 08/31/2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>(d) Interest and Dividends</td>
<td>$56.74</td>
<td>$693.04</td>
</tr>
<tr>
<td>(e) Realized Gains (Losses)</td>
<td>18.71</td>
<td>1,580.15</td>
</tr>
<tr>
<td>(f) Unrealized Gains (Losses)</td>
<td>2,850.31</td>
<td>12,844.47</td>
</tr>
<tr>
<td>Total Investment Activity</td>
<td>$2,931.76</td>
<td>$15,117.66</td>
</tr>
</tbody>
</table>

#### Disbursements

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount 08/01/2014</th>
<th>Amount Y-T-D Through 08/31/2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>(g) Grants and Scholarships, Net of Returns</td>
<td>$0.00</td>
<td>$-4,955.44</td>
</tr>
<tr>
<td>(h) Investment and Consulting Fees</td>
<td>-68.05</td>
<td>-496.13</td>
</tr>
<tr>
<td>(i) Transfers</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>(j) Foundation Support Fees</td>
<td>-315.00</td>
<td>-1,292.00</td>
</tr>
<tr>
<td>Total Disbursements</td>
<td>$-383.05</td>
<td>$-6,883.67</td>
</tr>
</tbody>
</table>

### Available to Grant

- *Includes Current Year Payout Reinvested Totaling $0.00*

- **Market Value as of 08/31/2014:** $112,742.52  
  *Includes Current Year Payout Reinvested Totaling $0.00*
### Tax-Deductible and Spendable Contributions Received:

<table>
<thead>
<tr>
<th>Donor</th>
<th>Date</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>John Smith</td>
<td>08/10/2014</td>
<td>25.00</td>
</tr>
<tr>
<td>Total Gifts:</td>
<td></td>
<td>25.00</td>
</tr>
</tbody>
</table>

**No grants this period.**

The tax-deductible contributions received during the current reporting period. Information includes the donor’s name, date gift was received in CFLC office, and the amount.

Shows all the grants distributed during the current reporting period. Information includes the grant recipient, the date CFLC releases the payment, and the amount of the grant paid.
COMPLETING THE SCHOOL ENDOWMENT TRANSMITTAL

See next page for sample transmittal form.

Please complete the top section and include: the name of your school district, the date this form is completed, your name as submitter, and your phone number.

PART A
Please use one line for each gift or check.

- In the far left column, indicate the Fund to which you would like the donation applied (eg – General, Fine Arts, Athletics, etc.).

- Next column, indicate the total dollar amount to be applied to that Fund.

- Fill in the check number and the legal name(s) as printed on the check for each gift. Please print legibly as we use this information for our database, accounting and annual report.

- Indicate whether each gift is in Honor of someone living or in Memory of someone deceased. If applicable, legibly print the name of the person(s) being honored or memorialized.

- Total payroll deductions should be included on one line of Part A with indication of the amount to be deposited and to which Fund.

- Please subtotal the amounts contributed at the bottom of Part A.

PART B
Please use one line for each source of revenue (i.e., raffle, bake sale, auction, other fund raising, return of unexpended funds, etc.).

- In the far left column, indicate the Fund to which you would like the donation applied (eg – General, Fine Arts, Athletics, etc.).

- Next column, indicate the total dollar amount to be applied to that Fund.

- Fill in the check number and a description of the event or unexpended funds.
Cont. PART B

- Indicate whether each entry is in **Honor** of someone living or in **Memory** of someone deceased.
- If applicable, legibly print the name of the person(s) being honored or memorialized.
- Please subtotal the amounts contributed at the bottom of Part B.

**TOTALS**

- Add the subtotals from Part A and Part B. Enter the totals in the “Total Transmittal” box. Please note that unless specifically designated, all funds will be deposited into the General Endowment.
- Fill in the total number of enclosures accompanying your completed transmittal.
- Send in this completed transmittal with enclosures to the Community Foundation.
- The Community Foundation staff will check your totals, sign and date the completed transmittal, and return a copy to you for your records. Corrections will be indicated on the returned copy. The Community Foundation staff will contact the submitter regarding any discrepancies between the transmittal and enclosures.
### School Endowment Transmittal

**PLEASE PRINT CLEARLY**

<table>
<thead>
<tr>
<th>School District</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Submitter</td>
<td>Phone</td>
</tr>
</tbody>
</table>

#### PART A: CONTRIBUTIONS

<table>
<thead>
<tr>
<th>Fund Name</th>
<th>Amount</th>
<th>Check Number</th>
<th>Donor – legal name(s) as printed on check</th>
<th>In Honor or Memory</th>
<th>Name of person to be Honored (living) or Memorialized (deceased)</th>
</tr>
</thead>
<tbody>
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</tbody>
</table>

Subtotal Part A

#### PART B: PROCEEDS (raffles, other fundraising, return of unexpended funds, etc.)

<table>
<thead>
<tr>
<th>Fund Name</th>
<th>Amount</th>
<th>Check Number</th>
<th>Donor – legal name(s) as printed on check</th>
<th>In Honor or Memory</th>
<th>Name of person to be Honored (living) or Memorialized (deceased)</th>
</tr>
</thead>
<tbody>
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Subtotal Part B

### TOTAL TRANSMITTAL

<table>
<thead>
<tr>
<th>Number of Enclosures</th>
</tr>
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<tbody>
<tr>
<td></td>
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</tbody>
</table>

Receipt of the above described property under the terms of the established School Agreement is hereby acknowledged.

Community Foundation | Date | By |
----------------------|------|----|

Please retain the bottom copy for your records and submit the top two (2) copies to the Community Foundation of Lorain County, 9080 Leavitt Rd., Elyria, OH 44035. A signed copy will be returned to you.

CFLC: 8/08

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School Endowment Fund Reference Booklet • Community Foundation of Lorain County • October 2014

Page 17
GIFT ACKNOWLEDGEMENT

There are three general rules that charitable organizations need to follow in order to meet IRS’ requirements concerning gift acknowledgements:

- a donor is responsible for obtaining a written acknowledgement from a charity for any single (not cumulative) contribution of $250 or more before the donor can claim a charitable contribution on his/her federal income tax return, and

- a charitable organization is required to provide written disclosure to a donor who receives goods or services in exchange for a single payment that exceeds $75.

- cash contributions (versus check, stock, etc) of any amount require written acknowledgement

Further, the tax code stipulates that these written documents must be provided in a timely fashion - before the donor files a tax return for the year of the contribution. It is the responsibility of the Community Foundation, not the school, to provide both the acknowledgement and the disclosure statement for donations to the Endowment Fund.

Gifts of $250 or more are easily recognized by Foundation staff during the data entry process; and a written acknowledgement is prepared for the donor containing the name of our organization, a description and value of the contribution, and a statement that the donor received no goods or services in exchange for the contribution.

Disclosure statements are quite another issue. It is imperative that a School Endowment Fund representative call the Community Foundation about any gift of $75 or more for which some good or service was provided. Foundation staff would be unaware of instances when written disclosure statements should be prepared for gifts exceeding $75 for which goods or services were received in exchange.

IRS Publication 1771 Charitable Contributions - Substantiation and Disclosure Requirements
PAYROLL DEDUCTION GIFTS FROM SCHOOLS

All payroll deduction gifts shall be recorded as a contribution from the school district, as opposed to the individual employee of the school district. Therefore, transmittals from each school district need not provide detail regarding the employee deductions making up the gift and should include only one check from the school district for the total deductions.

At fiscal year-end, each school district will be asked for a listing of all payroll deduction participants by Fund for the current year. This will permit CFLC to include the names of these participants for each school district in CFLC’s list of the year’s donors.

When contributions are received from the school districts, they will be entered into gift history for the applicable School Endowment as one gift.

Sixty days prior to the end of the fiscal year, the Community Foundation will send communication to each school district requesting a list of all payroll participants for the year. The communication will list a deadline by which submissions must be made if the school district wants its participants included in CFLC’s donor lists for the year. Thirty days prior to the deadline, the Community Foundation shall send a second communication to all school districts that have still not sent in a participant list, warning them that the deadline is approaching.
PAYOUT NOTIFICATION FORM – GRANTS AND SCHOLARSHIPS

At the beginning of each calendar year a Notification Form for each Endowment Fund is emailed to the Superintendent’s office. It states the current dollar amount available for grantmaking and scholarships and asks which of the following the Committee recommends to the School District for action: Distribute, Hold for Later Distribution, or Re-investment. Use this form for requesting grant and/or scholarship distributions.

**Distribute**

One option is to have the entire spending allocation (or payout) distributed in one lump sum to the school. A check is cut for the entire amount and mailed to the school for grant and scholarship distributions. When monies are distributed from the Fund, the Fund’s asset value is diminished. This diminishes its pro-rata share of interest, dividends, and capital gains/losses.

**Hold in the Fund for Later Distribution**

Another option is for the spending allocation to remain in the “available to spend” category within the Fund until needed for grants and scholarships. Amounts remaining in this category do not earn interest while they await distribution (meaning the amount available for grantmaking itself does not change). However, the total asset value of the Fund is not diminished by a withdrawal, and therefore the Fund earns a larger pro-rata share of interest, dividends and capital gains/losses. Some Funds do request that we distribute a portion of the spending allocation and leave the balance for distribution at a later time, e.g. an amount now for grants, the balance later for scholarships.

**Reinvest**

The reinvest option sends the amount indicated to the principal of the Fund and is unavailable for future distribution.

**IMPORTANT:** The Payout Notification Form also requests an updated list of the Endowment Committee members and a summary of grants made with the prior year’s payout, if applicable. Please be sure to submit these as requested.
To: John Smith  
Sample School Endowment Fund  
jsmith@sampleschool.org

From: Cheryl L. McKenna  
Chief Financial Officer

Date: January 29, 2014

Subject: 2014 Income for Charitable, Educational, or Scientific Purposes Recommendation

Based upon the 4.875% payout as determined by the Board of Directors of the Community Foundation of Lorain County for 2014, the amount(s) below represent available to spend for 2014 and includes current year payout(s) and any remaining grant dollars shown at the bottom of your December 31 statement. You may recommend what is to be done with that available income by completing this form and returning it to my attention at the Community Foundation of Lorain County.

IMPORTANT: Also, we ask that when returning this form, you include an updated listing of your committee members and a brief synopsis of the uses of your 2013 distribution, if applicable.

If you have any questions, please feel free to contact me at the Community Foundation.

2014 Income for Charitable, Educational, or Scientific Purposes Recommendation Form

To: The Board of Directors of the Community Foundation of Lorain County

Pursuant to the terms of our Fund Agreement with the Community Foundation of Lorain County, we herewith recommend that the following be done with the income available to us by placing a checkmark in the appropriate box:

<table>
<thead>
<tr>
<th>FundID</th>
<th>FundName</th>
<th>Available-To-Fund</th>
<th>Distribute</th>
<th>Hold</th>
<th>Reinvest</th>
</tr>
</thead>
<tbody>
<tr>
<td>9876</td>
<td>Sample School Endowment Fund</td>
<td>$6,064.00</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

We understand that, in accord with IRS Regulations, the above is in the form of a recommendation, not a direction. Also, we understand that a report on how the funds were used will be submitted to the Community Foundation of Lorain County annually.

Signature of Duly Authorized Officer

Date
REQUESTING A GRANT/SCHOLARSHIP PAYMENT

If the School District opts to “hold” payout for distribution later in the year, Grant Payment Request Voucher Forms are used to request money to cover grants and scholarships recommended to the School District by the Endowment Committee from Funds held at the Community Foundation. The form can be faxed to 440-984-7399 or mailed to: 9080 Leavitt Road, Elyria, OH 44035.

Complete box 1 in entirety. Required information includes the date of the request, the name of the Fund from which monies are being requested, the Fund type, the purpose of the check, the endowment representative’s name, a phone number at which the endowment representative may be reached, and any comments or special instructions for the request.

Only needs to be completed if the check should be mailed to a School District department other than the treasurer’s office. Information includes the contact name and address.

Completed by CFLC staff

School Endowment Fund Reference Booklet • Community Foundation of Lorain County • October 2014
SAMPLE FUND AGREEMENT

THE COMMUNITY FOUNDATION
OF LORAIN COUNTY

AGREEMENT ESTABLISHING THE

[NAME OF FUND]

THIS AGREEMENT is made and executed on this [DAY] day of [MONTH], 20XX, by and between <<NameofDistrict>> (“Donor”), and The Community Foundation of Lorain County (“Foundation”) to evidence the absolute transfer by the Donor of certain property to the Community Foundation in order to establish a School Endowment Fund. In doing so, the Donor will remain the recipient district to which Foundation-authorized annual distributions shall be made. This Fund shall be administered in accordance with the provisions set forth below.

1. Name of the Fund. The name of the School Endowment Fund established with the property transferred shall be known as [NAME OF FUND] (“Fund”).

2. Contributions. The Donor hereby gives, assigns, and transfers to the Community Foundation for its public charitable, scientific, literary, and educational purposes the property described in EXHIBIT A attached hereto and made a part hereof. The ultimate purpose of such property transfer is to create a permanent endowment of at least $10,000 with opportunity for the Donor and/or other supporters to make further contributions to the established Fund at any time.

3. Administration. The Community Foundation hereby accepts the property transferred and affirms that it will hold such and any additional property transferred to the Fund on the terms and subject to the conditions set forth by this Agreement. The guidelines and procedures for administering such Funds are described in the Community Foundation’s governing instruments, including its Articles of Incorporation and Code of Regulations, as amended from time to time, and any resolutions and procedures from time to time in effect. The Community Foundation will assess a reasonable administrative fee beginning the first full calendar quarter upon reaching the one-year anniversary of the establishment of the Fund.

4. Asset Management. Control over the investment or reinvestment of such property and the asset management of the Fund will be exercised exclusively by the Community Foundation.

5. Distributions and Purpose. In accordance with the spending policy in effect as set by the Board of Directors of the Community Foundation, the Community Foundation will annually distribute to the Endowment Fund Committee a percentage of the market value of the Fund. The total amount to be distributed will be computed at the beginning of each fiscal year, communicated to the Endowment Fund Committee at that time, and sent to the Committee upon its written recommendation. All grants made by the Community Foundation from this Fund will acknowledge this Fund as their source.

School Endowment Fund Reference Booklet ● Community Foundation of Lorain County ● October 2014
purpose of charitable distributions from this Fund will be to assist the Donor in fulfilling its general public charitable goals. The Endowment Fund Committee will, in accordance with their Bylaws, exercise discretionary power in making decisions about how such distributions may best be used. However, in accordance with its legal “power of variance,” the Community Foundation’s Board of Directors bears responsibility for redirecting distributions from this Fund if the original Donor’s stated intent becomes unnecessary, in capable of fulfillment, or inconsistent with the charitable needs of the local community. In all cases, the Community Foundation Board of Directors will seek an alternative use consistent with the original Donor’s charitable goals.

6. **Fund Not a Separate Trust.** The assets of the Fund shall be the assets of the Community Foundation and not a separate trust. The Fund shall be organized and administered so that the Federal Income Tax status of the Community Foundation as a public charitable organization under Section 501(c)(3) of the Internal Revenue Code, as amended, will not be adversely affected. This Agreement will be interpreted in a manner consistent with the Federal Income Tax provisions and regulations that govern the operation of the Community Foundation, and it may be amended from time to time by the Community Foundation’s Board to conform to such provisions and regulations.

7. **Irrevocable Gift.** The Donor understands and declares that this donation is absolute and irrevocable and that, after the execution of this instrument, the Donor has no right, title, interest, or incidents of ownership in the property described in EXHIBIT A or any additional property contributed to this Fund. The Donor and its representatives shall have no unilateral right to alter, amend, or terminate this Agreement.

IN WITNESS WHEREOF, this instrument has been executed by the Donor’s duly appointed representatives and on behalf of the Community Foundation on the day and year first above written.

On behalf of the Donor:

_________________________________
[NAME OF SUPERINTENDENT], District Superintendent

_________________________________
[NAME OF ENDOWMENT COMMITTEE PRES], President

Received for The Community Foundation of Lorain County by:

_________________________________
Brian R. Frederick, President/CEO
EXHIBIT A

Property contributed by:

[NAME OF DONOR]

Donor

to the:

[FUND NAME]

of The Community Foundation of Lorain County

Pursuant to Establishment of Fund Agreement executed the [DAY] day of [MONTH], 20XX.

Property Description:

$[VALUE OF INITIAL GIFT]
DESCRIPTION OF PROPERTY DONATED]
[DATE PROPERTY RECEIVED]
The Community Foundation of Lorain County will distribute an annual amount to the school district. XXX School District agrees to distribute school funds in accordance with the following criteria.

EXHIBIT B

PROCEDURES AND GUIDELINES FOR ADMINISTRATION OF THE [NAME] SCHOLARSHIP FUND

1. **Purpose of the Fund**: XXXXXX

2. **Projected Number of Scholarships and Amount(s)**: XXXXXX

3. **Criteria of Eligibility**:
   A. Lorain County residence requirement
   B. Level of study supported (undergraduate or graduate)?
   C. Renewable beyond one year? Maximum number of renewals?
   D. Field or fields of study and / or career guidelines?
   E. Need based, merit based, both or neither?
   F. Limitations on place of study? (within Ohio? Within continental U.S.A.?)

4. **Selection Committee**:
   A. Selection committee will be named by the XXXXXXXX Schools Endowment Fund Advisory Board.

5. **Assurances**
   A. Subject to the Pension Protection Act of 2006, founding donors and their family members cannot comprise nor appoint a majority of the selection committee, and cannot act as the Chair of that committee.
   
   B. Family members of both founding members and selection committee members will be ineligible for competitive scholarships.
   
   C. Selection committee members will disclose all conflicts of interest and abstain from voting on any applications for which they have a conflict.
   
   D. Selection decisions will be fair and impartial based on the criteria above, and every eligible student’s application will be considered.

Received and approved by:

_______________________________ ______________
NAME, Superintendent Date

School Endowment Fund Reference Booklet • Community Foundation of Lorain County
• October 2014
FUNDRAISING

The Community Foundation is committed to assisting the schools in building their Endowment Funds. Below is an excerpt from our Fundraising Policy, defining the role(s) of staff and committees in various fundraising efforts. It is always a good idea to contact the Community Foundation prior to undertaking any public fundraising efforts intended to benefit the Endowment Funds, as our staff make every effort to stay current on related state and federal legislation.

The following policy (excerpted) was designed to protect all of us, and we appreciate your cooperation in following these guidelines:

FUNDRAISING/PROMOTION

Thank you for establishing a Fund with The Community Foundation of Lorain County (the “Foundation”). We value your confidence and strive to provide you with the best possible service. These policies and guidelines have been developed to help assure the success of our component Funds and to ensure that the Community Foundation meets all federal, state, and local legal requirements.

Occasionally groups want to increase the visibility of a particular Fund at the Community Foundation by undertaking some form of marketing, promotion, or fundraising. This might take the form of, but is not limited to, brochures, posters, information sessions, request of money through an appeal letter to friends and associates, or events such as golf tournaments, auctions, or dinners. The development office of the Community Foundation is staffed to raise endowments through acquisition of major and planned gifts. The Community Foundation is not equipped to operate or assist in public fundraising events such as, but not limited to, golf tournaments, auctions, or dinners in order to raise money for Funds held at the Community Foundation.

While the Community Foundation appreciates your interest and motivation in raising money for a component Fund, we are unable to assist event organizers with any kind of public fundraising event that relies upon the use of the Community Foundation’s tax-exempt status in order to offer contributors a charitable tax deduction for their participation.
There are other ways that you may promote a Fund at the Community Foundation. To help you understand what is permissible and to clarify the role of the Community Foundation, we provide the following information.

I. Solicit direct, tax-deductible gifts to the Fund

- You may promote a fund through various forms of “passive” marketing such as, brochures, posters, information sessions, or a request of money through an appeal letter to friends and associates.
- In response to those marketing efforts, a donor may make a gift directly to the Fund. In that case, he/she should make the check payable to “Community Foundation of Lorain County,” write the name of the Fund on the memo line, and send the gift directly to the Community Foundation (the Community Foundation also accepts gifts of other types of assets and credit card donations).
- The donor will receive a gift acknowledgement letter from the Community Foundation indicating that the gift is tax deductible. As fund holder, you will be notified upon receipt of the gift.

II. Offer promotional materials

- The Community Foundation must approve, in advance of printing or production, all written or spoken materials (including letterhead, brochures, website content and radio and television announcements) related to solicitations to promote a Fund.
- All materials and logos must clearly state that the Fund is “a component fund of The Community Foundation of Lorain County.”
- If contributors will be allowed to use credit cards for payment, a statement that “Your credit card purchase will be listed on your statement as a charge by The Community Foundation of Lorain County” must be placed close to the location for the credit card number and expiration date.

III. Host a fundraising event

**Sponsored by a School District:**

- School districts use their own federal tax-exempt status to sponsor a fundraising event or solicitation promoting their organization. The net proceeds are to be deposited into a Fund that has been established for their benefit at the Community Foundation.
• The district issues its own acknowledgement letters, and the donors receive a charitable tax deduction for their gifts because the sponsoring organization has its own charitable tax-exempt status. [refer to “Gift Acknowledgment” regarding Disclosure Statement requirements for those gifts for which goods or services are received]

• If publicly stating the proceeds will be deposited into a Fund at the Community Foundation, all printed and spoken material must clearly state that the Fund is “a component fund of The Community Foundation of Lorain County.”

Fundraising items/issues to keep in mind:

☐ Raffle tickets are not tax-deductible and are illegal to sell by mail.

☐ Instant bingo requires a state license.

☐ Games of chance (casino nights, for example) have multiple state regulations

☐ Consider insurance coverage for your events

☐ Contributed services, while appreciated, are generally not tax-deductible.

☐ Tax withholding may be required for raffle prizes, based on the value of the prize – generally required if the winnings are at least 300 times the amount of the raffle ticket and exceed $5000 (applies even if the prize is a car or other item versus cash).

☐ “Quid Pro Quo” disclosure requirements (acknowledgement of a gift for which goods or services were received in exchange) include the following:

  ✓ Donor’s complete name and address
  ✓ Date and amount of contribution
  ✓ Whether contribution was in cash or property; if property, a description of the property
  ✓ Fair market value of the goods/services
**OHIO GAMING LAWS - SUMMARY**

Some rules to keep in mind related to the gaming laws (see the Attorney General’s website for complete information - www.ag.state.oh.us)

**Raffles**

- May only be run by qualified charitable organizations: 501(c)(3), (4), (7), (8), (10), (19)
- A 501(c)(3) can keep all the proceeds – other exempt organizations must distribute at least 50% to an agency of the federal gov’t, state, or any political subdivision or a 501(c)(3), veterans, fraternal, or volunteer firefighters organization
- May run as many raffles as you’d like (Note: reverse raffles are not considered raffles, unless approved by the Attorney General’s office)

**Games of Chance**

- May only be run by 501(c)(3) Must be a part of a festival
- May only be conducted twice a year per EIN
- May only be on premises owned by the 501(c)(3), by a governmental unit, a fraternal or a veterans organization
- Cannot include craps, roulette, lottery, slot machine
- Must be a religious, educational, veterans, fraternal, sporting, service, nonprofit medical, volunteer rescue service, volunteer firefighter, senior citizens, historic railroad educational, youth athletic, amateur athletic, or youth athletic park organization

**Instant Bingo**

- Need to be a 501(c)(3) AND a religious, educational, etc. organization
- Need to be a 501(c)(7), (8), (10), (19) or (4) veterans organization
- MUST apply for and receive a license from the state

**NOTE:** an organization must keep records for three years for all fundraisers

(01/21/2011)
PRODUCTION OF BROCHURES

The Community Foundation of Lorain County creates brochures for school, agency, and named funds for both the Community Foundation’s advancement efforts and as a courtesy to our donors and supporters.

Schools and agencies should supply up to 500 words of copy and appropriate photos. The Community Foundation is happy to provide up to 250 color brochures annually per Fund.

Should a specific Fund require more than 250 brochures, the school, agency, or donor(s) will be asked to absorb the cost of printing without using payout from their Fund to do so. The Community Foundation will be happy to coordinate the printing process for the donor including obtaining bids for service and delivering camera-ready materials to the printer.

Brochures are printed on a quarterly basis. Please allow adequate time for the completion of brochures (4-6 weeks prior to printing).

For more information contact: Lisa Rupple, Communications Coordinator at communications@peoplewhocare.org or 440.984.7390
DIRECTOR AND OFFICER LIABILITY INSURANCE COVERAGE

Policy Language and Its Interpretation

Section II of the Community Foundation’s Non-Profit Organization, Director & Officer (D&O) Liability Policy states who is protected under the policy. The policy covers the Community Foundation itself, any subsidiary created or acquired by the Community Foundation, directors, officers, trustees, employees, volunteers, members and estate and legal representatives. The policy will only cover entities or individuals for which the Community Foundation has a legal liability. According to the underwriter, “volunteer” is defined as an individual over whom the Community Foundation has direction or control. Otherwise, there is no coverage.

Relationship Between the Community Foundation and the Committee

The Community Foundation has received copies of the Bylaws of every Endowment Committee. Typically, these Bylaws state that the Board of Trustees of the Endowment Committee is “formed under the authority of the Board of Education.” The only reference to the Community Foundation in the Bylaws is the section that states all donations will be forwarded to the Community Foundation, as the Community Foundation holds the assets of the Endowment Funds. The Endowment Committee then makes recommendations to the School District as to use of the distributions from those Endowment Funds. Under this language, there is no liability on the Community Foundation’s part for the activities of the various Committee members.

Options for Coverage

There are several coverage options for the Committees, which include, but are not limited to the following:

Coverage Under the Board of Education Policy – School Fund committee members may be protected under the D&O policy of the Board of Education they are affiliated with given the language in the Bylaws. Each Board of Education should review its policies with its insurance professional to determine possible coverage and limits.

Property Policy Coverage – Very often an individual’s, homeowner’s, or renter’s policy will provide liability coverage when the person volunteers in the community. Therefore,
committee members should review their policies with their insurance professional to determine possible protection and coverage limits.

**Purchase a D&O Liability Policy** – An Endowment Committee may be able to purchase a policy from an insurance professional even though it is an unincorporated entity. The premium for the coverage would depend on many factors which include, but are not limited to, the amount of coverage desired, number of committee members, previous losses, and the length of time the committee has been in existence.
SCHOOL ENDOWMENT BEST PRACTICES

Sample Agenda: Great Plains School Fund Committee Meeting
February 15, 20XX  Westside High School  6:00pm

I.  Call to Order  Janet Walden, President

II. Approval of Past Minutes  Sammy Simpkins, Secretary

III. Correspondence  Sammy Simpkins, Secretary

IV. Financial Report  Frank Sanchez, Treasurer

V. Introduction of/to Visitors  Janet Walden, President

VI. Committee Report
   1. Grant Applications and Review  Doreen Morris, Committee Chair
   2. Musical – October 15, 20XX  Vanessa Rivera, Committee Chair
   3. By-laws Committee (ad hoc)  Jackie Ralph, Committee Chair
   4. Fund Development  Ralph Sayers, Committee Chair

VII. Old Business
   1. Written Materials/Brochure  Janet Walden, President

VIII. New Business
   1. Fund Membership  Janet Walden, President

IX. For the Good of the Order

X. Next Meeting:  March 15, 20XX, 6:00pm  Foster Elementary School

XI. Adjournment
Explanation of Agenda Items

I. Board President begins the meeting by “calling the meeting to order.”

II. Secretary forwards the minutes from the previous meeting along with the next meeting agenda to all board members and superintendent approximately one week prior to the meeting so that all can prepare accordingly. At the meeting corrections or additions to the minutes are mentioned by board members. Once the membership has had an opportunity to review amendments corrections, the minutes are either approved as written, or updated with corrections and additions. Names of those present, absent, and guests should all be included in the minutes. It is improper to summarize matters discussed in the meeting minutes. Minutes are a record of what was done in a meeting not what was said.

III. A member of the committee should review any important correspondence.

IV. Treasurer should contact the Community Foundation or visit the appropriate website to acquire the updated group financials and share a financial report of organization with the Board. Once the report is given and questions are answered a motion to accept the report is needed.

V. Visitors can be presented at the beginning of the meeting or later. Some organizations prefer to invite guests to only certain parts of the meeting rather than the entire meeting.

VI. Standing and ad hoc committees should report to the board and make suggestions that will then be voted on by the board.

VII. Any ongoing issues can be discussed during “Old Business.”

VIII. New subjects can be introduced to the Board in “New Business.”

IX. Many Boards include a “For the Good of the Order” or “Open Session” to allow members the opportunity to introduce issues that are not Board business but could be important to the membership, such as: community events, news about other organizations, member accomplishments, etc. Including an open session to the agenda also aids in preventing any discussion that is out of order. If a member introduces a
discussion that does not coincide with the agenda or the matter at hand the President can direct the person to hold the item until the appropriate part of the meeting.

X. It is generally a good idea to inform the membership of the next meeting, date, and place, especially if the meeting place and dates are not fixed.

XI. A motion to adjourn will end the formal meeting.

**How to Properly Make a Motion**

1. A member is first recognized, and makes a motion.

2. Another member seconds the motion.

3. The presiding officer restates the motion to the members and asks if there is any discussion.

4. The members debate the motion.

5. The presiding officer asks for the affirmative votes & then the negative votes.

6. The presiding officer announces the result of the voting and instructs the corresponding officer to take action and introduces the next item of business.
Sample Bylaws

The following bylaws are intended as a sample for your organization to use in developing similar bylaws appropriate for your school district. Included below are sections that are applicable to, and should be included in, all School Endowment Fund bylaws – specifically: relationship to Board, member responsibilities and terms, disbursement policy, donor intent compliance, and grant application policy.

[NAME OF DISTRICT] ENDOWMENT FUND
BYLAWS

Statement of Purpose

The [NAME OF DISTRICT] Endowment Fund represents a long-term effort to provide a source of funding to stimulate and sustain creative co-curricular and extra-curricular programs which are supportive of the aims and goals established by the [NAME OF DISTRICT] Board of Education.

Chapter I – RECOGNITION

Authority

The Endowment Committee for the [NAME OF DISTRICT] Endowment Fund is formed under the authority of the [NAME OF DISTRICT] Board of Education. The Endowment Committee is authorized to manage, administer, and conduct activities for the Fund in accordance with these Bylaws. Said activities shall include, but not be limited to, the following: (1) recommend to the Board of Education for final approval such rules, regulations, and procedures as are necessary for the operation of the Fund; (2) schedule and conduct meetings; (3) appoint committees; (4) disseminate information; (5) elect their own officers; (6) raise money; and (7) make recommendations to the Board of Education relative to grant distributions from the Fund.

Relationship to Board

The Fund Endowment Committee, while exercising broad authority in all areas relative to the Fund, shall be subject to the prior approval of the Board of Education in matters of any solicitations made in the name of the Fund, distributions, changes in these Bylaws, and the establishment of any sub-categories of the Fund.

The Board of Education, while having the responsibility for the total operations of the schools, shall have no authority to permit any distributions from the Endowment Fund except upon the recommendation of the Fund Endowment Committee and the Superintendent. Should there be a divergence of opinion and/or need for clarification...
between the Board of Education and the Fund Endowment Committee, an ad hoc committee shall be appointed for the purpose of developing a resolution or clarification. This committee shall comprise five (5) members: two (2) appointed by the President of the Board of Education, two (2) appointed by the Fund Endowment Committee, and one (1) member agreed to by the other four.

Relationship to Superintendent
The Superintendent shall be invited to attend all regular and special meetings of the Fund Endowment Committee and shall act as the chief advisor to both the Fund Endowment Committee and the Board of Education. All recommendations from the Fund Endowment Committee to the Board of Education shall be through the Superintendent.

Endowment Committee Responsibilities
The responsibilities of the Fund Endowment Committee shall include but not be limited to (1) following appropriate district fund-raising procedures; (2) setting of grant application procedures; (3) acceptance of applications for grants; (4) review of grant applications; (5) recommendation of select applications for grants; (6) setting such time limits as necessary for the processing of application; (7) determining methods to evaluate the results of endowment supported activities; and (8) issuing of reports relative to the results of funded activities.

Meetings
The Fund Endowment Committee shall establish a regular time, date, and location for the meetings. Such meetings will normally be held at least quarterly. The Fund Endowment Committee may conduct such special meetings as they deem necessary for the conduct of Endowment Fund business. Formal and complete minutes of meetings will be recorded by the Vice President/Secretary. Special meetings may be called by the President of the Endowment Committee or by three (3) or more members of the Fund Endowment Committee. Notice of any special meeting shall be delivered to all Fund Endowment Committee members (or to their residence) at least forty-eight (48) hours before the special meeting.

A majority of the Fund Endowment Committee shall constitute a quorum at all regular and special meetings. To be eligible to vote, the member must be present at the meeting; and any actions require approval by a majority of those Endowment Committee members present. For purposes of these Bylaws, an Endowment Committee member shall be deemed to be "present " at any meeting if such member: (i) participates at the meeting by means of communications equipment that permits all members participating at the
meeting to hear and speak with each other, or (ii) is actually physically present at the meeting.

All members are expected to attend Endowment Committee meetings. Accordingly, any member missing more than four (4) consecutive meetings, without having been excused by the President, shall be subject to removal from the Endowment Committee upon a motion to remove duly passed by a majority of the Endowment Committee members.

CHAPTER II – SELECTION OF ENDOWMENT COMMITTEE MEMBERS AND TERMS
MEMBERSHIP

The Fund shall have not less than eleven (11) members and not more than fifteen (15). At least seven (7) of the members shall be residents of the [NAME OF DISTRICT] District or alumni/interested persons whose residence may be outside of the District

Endowment Committee (Standing Members) – Three-year terms
Two (2) standing members of the Endowment Committee shall be designated as annual appointments according to the following criteria:

1. One (1) member appointed by the President of the Board of Education the annual Organizational Meeting to serve as its representative on the Endowment Fund Endowment Committee, and

2. One (1) member appointed by the [NAME OF DISTRICT] Teachers Association.

Endowment Committee (Appointed Members) – Three-year terms (with exception of student rep)
The Endowment Committee shall appoint in June of each calendar year one high school junior to serve a two-year term on the Board. The remaining positions shall be filled by invitation of the Endowment Committee and shall be appointed for three-year terms to begin June 1 and end May 31. Selections shall be made by the second Tuesday in May prior to the terms that expire on the 31st. In making appointments, the Endowment Committee shall consider geographical distribution, representation of the various economic, ethnic, and social groups of the district, and insure that there is both female and male representation, and that there is a representative from the [NAME OF DISTRICT] teaching staff.

Vacancies
Other than the two (2) standing appointments, whenever an Endowment Committee position becomes vacant, the remaining Endowment Committee members shall select by majority vote a successor for the unexpired term.

**Officers**
Officers of the Endowment Committee shall include a President, Vice President/Secretary, and Treasurer. The President shall be responsible for scheduling all meetings of the Board and shall preside at same. The Vice-President/Secretary shall keep the Minutes of all meetings, shall preside at all meeting in the absence of the President, shall be President-elect, and automatically succeed to the office of President upon the expiration of the term of office of the current President. The Treasurer shall receipt all donations and forward them at least monthly to The Community Foundation of Lorain County. Such officers will work in cooperation with [NAME OF DISTRICT] personnel in matters regarding the Endowment Fund.

**CHAPTER III – DONATIONS**

**Acceptance**
All donations will be receipted and forwarded at least monthly to The Community Foundation of Lorain County by the Endowment Fund Treasurer. Contributions are deductible according to federal income, estate, and gift tax laws.

**Categories**
Donations may be directed to specific categories as established by the [NAME OF DISTRICT] Endowment Fund. Initially, categories were established for general classroom grants and fine arts programming but additional categories may be added upon the recommendation of the Endowment Committee.

**CHAPTER IV – DISBURSEMENTS**

**Income from Principal**
Disbursements will be made in accordance with the spending policy set by the Board of Directors of the Community Foundation of Lorain County (the “Foundation”). Said disbursements will derive from the income and appreciation earned by the principal of the Endowment Fund. Notification of the amount of money available for distribution will be communicated by the Community Foundation each year. The Fund Endowment Committee will make grant recommendations according to the specific category of donations received, thereby complying with the intent of donor contributions.

**Application Process**

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A standard application form, approved by the Fund Endowment Committee shall be utilized for all requests for grants. The application form shall include these items:

1. Name and qualifications of the individual(s) initiating the application
2. Student population to benefit from the proposed activities
3. A statement of the need to be addressed
4. Objective(s) and activities
5. Proposed budget for how the funds are to be spent
6. Means of evaluating the results of the program

Applications shall be submitted to the Endowment Committee and reviewed by them within the time frame set by the Endowment Committee. The Endowment Committee may, at their discretion, review all applications or establish one or more screening committees for the purpose of assisting in the review process. Quality applications which address the priorities as established by the Endowment Committee will receive first consideration for awards.

The Endowment Committee shall recommend, within each category, those applications they feel should be funded. Said recommendations will be within the budgetary limits of each category and shall be reported to the Board of Education by their representative on the [NAME OF DISTRICT] Endowment Fund and shall be presented to the Community Foundation of Lorain County for approval.

CHAPTER V – CHANGES

Changes in these Bylaws may be made upon recommendation of the Fund Endowment Committee and approval by the Board of Education and acceptance of the Community Foundation of Lorain County.

Approved by [NAME OF DISTRICT] Board of Education

____________________________________  ______________
Superintendent  Date

Approved by [NAME OF DISTRICT] Endowment Fund Endowment Committee

____________________________________  ______________
President  Date

Accepted by The Community Foundation of Lorain County

____________________________________  ______________
Brian R. Frederick, President/CEO  Date

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APPENDICES

- Sample School Endowment Fund Statement
- Grant Payment Request Voucher
- School Endowment Transmittal
- Payout Notification Form