



Community Foundation of the Dan River Region

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AGENDA

FINANCE COMMITTEE

May 22, 2023

12:00 p.m. in person and Zoom

Welcome and Chairman’s Remarks.....Scott Barnes, Chairman

Investment Analysis Review and Discussion.....Seth Lynn, Dahab and Associates

February 20, 2023 Minutes.....Kathy Milam, Executive Director

Old Business.....Scott Barnes

Financial Report.....Vince Kania, Treasurer

Cash Availability.....Kendra Floyd, Bookkeeper

Fiscal Year 2023-2024 Proposed Budget Review.....Scott Barnes

Contributions Allocation Adjustment.....Scott Barnes

Policy Review.....Scott Barnes

- Credit Card Policy
- Gift Acceptance
- Financial Policy and Procedure/Banking and Finance Resolutions

AdjournmentScott Barnes

Next meeting is scheduled for August 28, 2023



Finance Committee Meeting Minutes
February 20, 2023
12:00 PM
In-person and Virtual Meeting

Present: Scott Barnes, Kerri Burchett, Bill Riddle, Vince Kania, Jr., Jennifer Hiltwine, Kendra Floyd, Seth Lynn, and Kathy Milam

Absent: Lisa Johnson-Knight, Angeles Atkinson, Nina Beth Thornton, and Kunal Patel

Welcome and Introductions: Scott Barnes, Chairperson, called the meeting to order at 12:00 PM.

Minutes from the November 21, 2022 Finance Committee meeting were presented. There were no revisions or omissions, and on a Kania/Riddle motion, they were approved by all.

Financial Report: Vince Kania, Treasurer, referred to the December 31, 2022 financial statements. He said the reports look good. He commented the year-to-date should be much better at the end of January 2023, as the portfolio is up significantly. Expenses are in line. Financials are in good order. We will continue to watch and monitor. On a Riddle/Burchett motion, all approved the financial report.

Investment Analysis: Seth Lynn, DAHAB Consultant, thanked Scott for his updates to the Performance Review provided by DAHAB ASSOCIATES. Pages 7 & 10 are improved.

Seth pointed out The Foundation's total portfolio performance, net of fees, at December 31, 2022, was 6.9% (Quarter), -15.4% (One Year), 4.2% (Three Years), and 5.1% (Five Years). He said we did okay for the quarter in the foundation space as we kept to a consistent, steady course.

He spoke briefly about the history of our investment strategy. Ten years ago, he said we held a heavily managed portfolio with high fees. We moved to being more granular with goals and opportunities. Our goal for returns on our investments is 8.5%. We want an attractive environment for people to give money to The Foundation.

The economy presently has a lot of uncertainty due to inflation, the election cycle, and war. However, we were up in the 4th quarter 6.9%.

Seth applied the "5x5 Rule," which is, "Don't spend more than five minutes on something that won't matter in five years."

Seth thinks we are starting to recover. From his experience, things usually get better within about a year. The majority of our investments are in equities, which are long duration. Long duration is best.

Seth referred to his 4Q2022 Performance Comments, which were emailed to the committee members.

Scott said in the Performance Review, page 7, he looks at the five-year number the most.

Seth said sometimes money managers have challenges. He asked, "How important is it to have active money managers?" Peregrine looks for companies with free cash flow/large cap stocks. Seth wants to ensure they continue to do things the same way. They are not cheap. The success of our portfolio is the index funds we hold; they make a difference with a solid return. We are starting a conversation about whether we stay or go from Peregrine. Scott suggests everyone take another look at the Peregrine report. Seth suggests seeing Peregrine through first quarter, then evaluate. Vince added that based on Board run management of CFDRR, index funds are best.

Seth said Private Equity has dried up to some degree. Liquidity is not there and there is not much opportunity. Scott asked if we need to rethink our Private Equity target at 10% as our percent investment in that allocation is 2.4% and has been there for the last five years. We also need to review our International and Emerging Market targets versus investments. Seth said he will run an asset mix again with five or six options before the May meeting. He said the goal is to improve chances of success to get to the 8.5% target. The asset allocation gives a framework.

Scott asked if you have money to invest, where do you put it right now. Seth said to put it in International and Emerging Markets, right now.

Scott asked if there were any questions about the report.

Old Business: Scott revisited the following:

- Corrections/edits to the last DAHAB report
- \$500,000 was moved out of fixed income (AMNB) for cash needs
- We got and processed the capital call from Boyd Watterson
- We retained Harris Harvey Neal for the next audit

Cash Availability- Kendra presented this document. She said \$280,000 is needed by quarter end. This will come from the AMNB endowed money market, which has sufficient funds. We received a recent \$500,000 gift.

Policy Review- Statement of Investment Policy is reviewed annually. Scott said that on page 6, section C., and page 7 at the top, the words Investment Committee should be changed to Finance Committee. Staff will make these revisions. On a Kania/Riddle motion to modify the document to say Finance Committee rather than Investment Committee and approve the document, all approved.

2023-2024 Spending Policy- Kendra reminded that 3.75% is the approved payout amount. This document tells what is available to spend on July 1, 2023. Temp Funds are highlighted red and new funds are highlighted green.

Scott said we will write an operating procedure for the Spending Policy to help clarify when changes will be made to the Spending Policy, the steps involved in that change, and who is responsible.

On a Riddle/Hiltwine motion, all approved the 2023-2024 Spending Policy.

Boyd Watterson Proposed Amendment- Scott summarized five items listed on a proposed amendment to our agreement with Boyd Watterson. Seth got answers to several questions Scott had from Boyd Watterson. He found there is nothing that causes concern. Because we are not going to issue an objection, we do not need to do anything.

Marshall Estate Update- For the benefit of people who are newer on the Board, Scott read a prepared Marshall Estate Summary, for a better understanding of the history and issues related to the lawsuit involving Bobby Marshall's Estate.

Scott adjourned the meeting at 1:25 PM.

Respectfully Submitted,



Scott Barnes
Chairperson

CFDRR Allocations	Approved June 22, 2015	Target
Large Cap Equity		20%
Mid Cap Equity		15%
Small Cap Equity		10%
International Equity		20%
Emerging Markets		10%
Private Equity		10%
Real Estate		5%
Fixed Income		10%

Creating and Updating the Spending Policy

Each year the board will approve a spending policy for the next fiscal year related to available grant amounts. An excel spreadsheet is prepared to support this decision by the board. A 20-quarter average value is determined for all endowed funds in existence at December 31 within the FIMS software. This average value is the basis for the calculation. **Each endowed fund will receive the Spending Policy code of SH when set up in FIMS.**

January/February

1. Check all new funds in the Funds module to ensure that the proper Spending Policy code has been applied. Be sure to include any acorn funds that have become fully endowed during the year.
2. Within any module in FIMS, enter the View menu. Click on Spending Policy and then Spending Policy Calculation. This will allow you to choose parameters for the calculation. Choose the following parameters with updated values for the GL year and Year to Apply drop down lists:

FIMS - Spending Policy Calculations

Calculation Source: G/L FACTS Pool Market Value

G/L Year Calculation is based: 2018 Print Quarter Detail?

Year to Apply Spending Policy: 2019 Standard Compare

Evaluation Method 1: 1. Average Quarterly Balance

Rounding: Dollar Penny Ten Dollars One Hundred Dollars

Funds From: [] Thru: ZZZZZZ

Spending Policy From: SH Thru: SH

Types From: [] Thru: ZZZ

G/L Accounts

Account From	Account Through	+
11000	29999	+

Export Quarter Detail? File: []

OK Cancel Help

Ending Balance: 72.00CR

3. Click OK.

4. For initial review by the Finance Committee, the average quarterly balance determined by FIMS should be transferred to the Grants Available Comparison excel spreadsheet.
5. Using the 20-quarter average balance, excel will generate the spending policy for each fund based on the current policy (i.e., 3.75%) using cell formulas.
6. Add new funds as necessary. Only add funds that have been fully endowed. Add any funds pending full funding to the second sheet of this file.
7. To update temporary funds, run a trial balance in FIMS for account 13000 as of December 31 and update the temporary fund amounts available using these balances.
8. Review any new or recently endowed funds for consistent application of the spending policy. FIMS will average each quarter's value (i.e., a \$10,000 gift to establish a fund will be reported as \$3,333) which can affect the 20-quarter average. Adjust funds as needed.
9. Using the third sheet entitled "Investment Policy," compare the 20-quarter average balance for each endowed fund to the required minimum (\$10,000 for endowed, \$25,000 for scholarship). If any fund falls below 80% of the required minimum balance, notify the Executive Director of these funds.
10. Obtain approval of the Spending Policy report from the Finance Committee and then the Board (February/March meetings).

June/July

1. At the end of the fiscal year, review new funds established and acorn fund endowed since January 1, making sure that the spending policy code of SH has been applied in the Funds module. Add any new endowed funds or recently endowed acorn funds to the approved spending policy spreadsheet.
2. Update any temporary funds to June balances.
3. Rerun the calculation as set up above in the Spending Policy menu in FIMS. If all is correct, click Ok, then Create Spending Policy. This posts the figures into the Spending Policy module but not yet to the GL.
4. Return to the Spending Policy menu under the View menu and navigate to Manually Adjust SP amounts. Here you will make any manual adjustments deemed necessary on the spending policy spreadsheet such as those mentioned in step 8.
5. Run the Cash Requirements report in the Spending Policy menu. Total cash requirements amount in the first column should agree to the endowed grant amounts on the spreadsheet.
6. Clear the current Fund Balance 3 balances using the steps outlined below.
7. Return to the Spending Policy menu under the View menu. Click on Create Recurring Entries in the Spending Policy menu. Choose the following parameters: Spending Policy, GL Entries, Fiscal Year (current year), Funds with Spending Policy code SH, Debit 35000 and Credit 36000. Click Run Report.
8. Make sure there are no errors or warnings and that the total of the report agrees back to the spreadsheet.
9. Click Create Entries and then Ok.

November/December

1. Communicate with CFDRR staff (Grant and Scholarship Administrator) during November to verify all new funds being added to the Spending Policy for approval in March. This verification is significant for scholarships, in particular, to ensure any new opportunities are updated on the Awards Management scholarship application portal, which opens January 1 each calendar year. Updates to the opportunities list should be made by December.

To clear current balances in Fund Balance 3 (run before Spending Policy is posted to GL)

Certain Spending Policy functions available in FIMS (such as up-to-date remaining spending policy amounts throughout the year) are driven by the balance found in Fund Balance 3 for each fund. Therefore, at the beginning of the next fiscal year, any residual spending policy from the prior year must be moved out of Fund Balance 3 and placed in Fund Balance 2. This will prepare the Fund Balance 3 for the posting of the Spending policy.

1. In the GL module, click on the Journal Entry tab.
2. Choose Allocation and Entries and then Run Process.
3. Base the allocations on the GL from June 30 of the previous year to June 30 of the previous year. The Apply date should be June 30 of the previous fiscal year (this is very important).
4. Choose Base allocations on Fund Balance 3.
5. The percentage to allocate should be 100%.
6. Debit should be to 36000 and credit to 35000.
7. Choose only those funds with Fund Class 00 Endowed. This will make sure the Admin fund and any temp funds are not included in this report.
8. Run the report; verify the information is correct and post the journal entries.
9. When completed, the Fund Balance 3 accounts for Endowed funds should be 0 at the beginning of the next fiscal year. This will allow the spending policy to show true available amounts once posted.

Financial Statement Consolidated
Community Foundation of the Dan River Region
Balance Sheet
Statement of Financial Position
March 31, 2023

	March 2023	June 2022	March 2022
ASSETS			
Petty Cash	100.20	24.47	100.00
Checking	160,964.95	156,134.48	153,060.26
Credit Card Checking	710.46	1,453.03	3,069.76
Money Market Checking	2,665,078.73	2,707,911.38	2,752,425.85
Certificates of Deposit	107,831.72	110,324.02	108,141.24
Life Insurance	16,963.21	15,954.26	15,954.26
Investments in Equity Pool	44,353,155.01	42,751,855.36	46,478,517.12
Prepaid Expenses	26,098.98	13,031.49	21,982.39
Furniture and Equipment	33,779.02	33,779.02	39,687.52
Accum. Depreciation-Furniture	(33,349.11)	(32,847.99)	(38,565.41)
Computer Software	21,334.29	21,334.29	37,241.99
Accum. Amortization - Software	(18,224.23)	(16,687.57)	(32,083.09)
Real Estate - Office	323,014.18	323,014.18	323,014.18
Accum. Depreciation - Office	(194,027.10)	(184,857.45)	(181,800.71)
Real Estate - Faith Home	0.00	0.00	1,254,700.00
Accum. Depreciation - Faith Home	0.00	0.00	(767,888.00)
Accrued Interest Rec.	34,615.66	30,257.17	32,362.42
Total Assets	47,498,045.97	45,930,680.14	50,199,919.78
LIABILITIES			
Grants Payable	5,000.00	0.00	0.00
Accounts Payable	0.00	0.00	7,500.00
Total Liabilites	5,000.00	0.00	7,500.00
FUND BALANCES			
Fund Balance - Historic Gifts	40,851,541.33	39,929,909.54	38,853,902.39
Fund Balance - Net Earnings	5,123,707.39	4,550,668.45	9,860,916.16
Fund Balance - Available	1,517,797.25	1,450,102.15	1,477,601.23
Total Fund Balances	47,493,045.97	45,930,680.14	50,192,419.78
Total Liab & Fund Balances	47,498,045.97	45,930,680.14	50,199,919.78

Financial Statement Consolidated
Community Foundation of the Dan River Region
Profit & Loss Statement
Statement of Activities
For the nine months ending March 31, 2023

	Current Month	YTD Current	YTD - Prior Year
REVENUES			
Gifts & Bequests (Historic)	1,270.00	868,921.75	1,013,922.75
Gifts & Bequests (Avail)	15,125.00	280,801.45	350,135.75
Inter-fund Gifts (Historic)	5,063.85	6,532.29	11,912.00
Inter-fund Gifts (Avail)	4,356.50	72,422.50	67,395.60
Special Grant Income	0.00	14,399.44	2,400.00
Ordinary Income	0.00	5.00	87.00
Interest/Dividend Income	119,846.28	1,022,742.32	887,761.45
Realized Gain/Loss	6,267.22	(61,754.63)	1,897,434.03
Unrealized Gain/Loss	404,699.04	1,597,824.83	(3,604,535.25)
Admin Fees	2.50	374,889.59	398,109.63
Total Revenues	556,630.39	4,176,784.54	1,024,622.96
TRANSFERS			
Spend Pol Trans-Net Earn	0.00	1,518,739.00	1,381,623.00
Spend Pol Trans-Avail	0.00	(1,518,739.00)	(1,381,623.00)
Transfers - Hist Gifts	0.00	(46,177.75)	0.00
Transfers - Avail	0.00	46,177.75	0.00
Total Transfers	0.00	0.00	0.00
EXPENSES			
Grants Voted	170,175.00	1,830,600.97	1,591,647.60
Investment Mgt. Fees	9,713.71	93,351.51	105,165.07
Administrative Fees	2.50	365,406.99	390,137.45
Salaries	21,370.53	140,812.98	116,702.23
Employee Benefits	2,892.29	24,598.51	21,309.36
Insurance	0.00	5,196.00	5,336.86
Utilities and Fuel	306.91	3,842.16	3,096.72
Telecommunications	277.33	2,492.27	2,589.88
Legal & Consult. Services	0.00	225.00	200.00
Accounting Services	3,154.67	39,027.10	37,547.77
Office Supplies	56.44	1,641.71	1,715.11
Mailing Expense	0.00	3,304.66	2,573.81
Building Maintenance	100.00	2,392.37	1,635.00
Project Grant Expense	897.00	15,296.47	2,400.10
Promotion	1,062.10	21,382.29	19,182.90
Printing & Reproduction	351.61	2,259.69	1,074.46
Dues & Subscriptions	637.00	3,522.00	3,210.00
Software/Comp/Web Maint.	1,871.21	39,264.71	35,279.91
Meetings	(430.73)	1,307.00	901.71
Board Development	576.97	576.97	0.00
Staff Training	2,700.00	2,700.00	0.00
Conference and Travel	0.00	794.00	126.56
Other Expenses	551.17	1,679.82	3,563.20
Depreciation Exp	1,245.27	11,207.43	11,279.70
Total Expenses	217,510.98	2,612,882.61	2,356,675.40
Furniture & Equip	0.00	1,536.10	506.48
Net Activity	339,119.41	1,562,365.83	(1,332,558.92)

Financial Statement Consolidated
Community Foundation of the Dan River Region
Adminstrative Budget vs. Actual Monthly
Statement of Activities
For the nine months ending March 31, 2023

	Current Month	YTD Actual	Annual Budget
REVENUES			
Gifts & Bequests Available	0.00	4,967.02	15,000.00
Interfund Gifts Available	4,356.50	22,422.50	23,066.00
Grant Income	0.00	14,399.44	0.00
Ordinary Income	0.00	0.02	0.00
Interest and Dividend Income	3,225.96	18,461.13	10,000.00
Realized G/L	29.85	(290.54)	0.00
Unrealized G/L	1,917.69	4,947.44	0.00
Admin Fees	2.50	374,889.59	364,264.00
Total Rev	9,532.50	439,796.60	412,330.00
trans			
Total Transfers	0.00	0.00	0.00
EXPENSES			
Salaries	21,370.53	140,812.98	195,620.00
Employee Benefits	2,892.29	24,598.51	36,400.00
Insurance	0.00	5,196.00	5,300.00
Utilities & Fuel	306.91	3,842.16	4,600.00
Telecommunications	277.33	2,492.27	4,160.00
Legal & Consult. Services	0.00	225.00	5,000.00
Accounting Services	3,154.67	39,027.10	47,450.00
Office Supplies	56.44	1,641.71	2,200.00
Mailing Expense	0.00	3,187.74	3,500.00
Building Maintenance	100.00	2,392.37	3,000.00
Project Grant Expense	897.00	15,296.47	0.00
Promotions	1,062.10	21,382.29	34,250.00
Print & Reproduction	(121.39)	1,786.69	2,350.00
Dues & Subscriptions	637.00	3,522.00	3,400.00
Software/Comp/Web Mt Exp	1,871.21	39,264.71	50,100.00
Meetings	(430.73)	1,264.15	1,500.00
Board Development	576.97	576.97	1,500.00
Staff Training	2,700.00	2,700.00	3,600.00
Conference and Travel	0.00	794.00	2,000.00
Furniture and Equipment	0.00	1,536.10	5,000.00
Other Expense	91.27	1,333.46	1,400.00
Total Expenses	35,441.60	312,872.68	412,330.00
Net Activity	(25,909.10)	126,923.92	0.00

	April 30, 2023
	<u>Current Balance</u>
<u>Cash Available Non-Endowed</u>	
American National Bank-Checking	\$ 263,985.01
Edward Jones-Certificate of Deposit 3.3% interest, matures 8/18/2025, balance as of 03/31/2023	\$ 107,831.72
American National Bank Plat. Money Market-non-endowed	
Administrative fund	\$ 543,718.42
Emergency fund	\$ 157,671.10
Temporary funds	\$ 172,435.08
Endowed funds - restricted	\$ 1,039,073.97
Endowed funds - unrestricted	\$ 753,576.59
First Citizens Credit Card Checking 03/31/2023	\$ 710.46
Total Non-Endowed Cash Available	\$ 3,039,002.35

	<u>Current Balance</u>
<u>Cash Available Endowed</u>	
American National Bank-Endowed Money Market	\$ 802,291.17
AMNB Investment Management Account Cash & Equivalents 03/31/2023	\$ 131,091.25
BOA Trust Cash/Currency cash balance as of 03/31/2023	\$ 48,175.75
Total Endowed Cash Available	\$ 981,558.17

Estimated Endowed Upcoming Cash Needs

June grants and scholarships (paid in July)	\$ 531,000.00
July quarterly fees	\$ 120,000.00
Total Endowed Upcoming Cash Needs by June 30	\$ 651,000.00

**Community Foundation of the Dan River Region
2023-2024 Administrative Budget**

	2022-2023 Budget	Year-To-Date thru March 31, 2023	Projected thru June 2023	2023-2024 Budget	
REVENUES					
Gifts & Bequest (Available)	15,000	4,967	8,000	5,000	
Inter-fund Gifts (Available)	5,000	4,357	4,357	5,000	gifts from various funds
Grant Income					
Distribution from Board Endowment Fund	18,066	18,066	18,066	20,926	amount from spending policy
Interest/Dividend Income	10,000	18,461	15,235	15,000	
Realized Gain/Loss		(291)	(320)		
Unrealized Gain/Loss		4,947	3,030		
Miscellaneous Revenue		-			
Administrative Fees	364,264	374,890	489,946	360,034	admin fee 350,534, Daly Trust fee 9,500
Total Revenues	412,330	425,397	538,314	405,960	
EXPENSES					
Salaries	195,620	140,813	189,000	185,000	see attached payroll sheet
Employee Benefits	36,400	24,599	33,800	35,000	see attached payroll sheet; retirement, FiCA, dental/health; unemployment \$800
Insurance	5,300	5,196	5,200	5,500	life \$750, D&O \$1050, Crime \$500, Bldg, Business owners \$2600, workmans comp \$600
Utilities and Fuel	4,600	3,842	5,000	5,000	\$415/mo average
Telecommunications	4,160	2,492	3,400	3,460	telephone/internet \$3300, Zoom fee \$158
Legal and Consulting Services	5,000	225	225	5,000	state corp. comm., Marshall estate
Accounting Services	47,450	39,027	47,450	47,550	\$12,400 audit/Form 990, \$5,400 for Payroll Services, \$29750 bookkeeping
Office Supplies	2,200	1,642	2,200	2,200	office supplies; paper products
Mailing Expense	3,500	3,188	3,500	3,500	postage \$3500, includes postage for Annual Report and Annual Appeal postage
Building Maintenance	3,000	2,392	2,700	3,000	Squeaky Klean \$1,200, Fire Safe \$75, Four Seasons \$300, Raywood (snow removal) \$175, general repairs & maint., security monitoring \$220; HVAC maint. \$600
Promotion & Marketing	34,250	21,382	25,000	30,100	see attached spreadsheet
Printing & Reproduction	2,350	1,787	2,350	2,350	DocuSystems copies \$1200 (approx \$100/mo); letterhead/envelopes \$750; remittance envelopes \$400
Dues & Subscriptions	3,400	3,522	3,522	3,600	DP/Caswell/Halifax Chambers \$700; River District Assn. - \$100; VA Funders Network \$1000; newspapers/journals \$800; National Standards \$1000
Software/Computer/Web Maintenance	50,100	39,265	50,700	61,300	see attached spreadsheet
Meeting Expenses	1,500	1,264	1,264	1,500	misc. meetings
Board Development	1,500	577	577	1,500	
Staff Training	3,600	2,700	3,600	2,000	
Travel/Conference Expenses	2,000	794	2,000	2,000	monthly mileage; conferences
Furniture and Equipment	5,000	1,536	3,000	5,000	
Other Expenses	1,400	1,333	1,400	1,400	bank fees, misc. exp., equipment rental & maint., lic. & permits
Total Expenses	412,330	297,576	385,888	405,960	

Administrative Fund Balance at March 31, 2023 - \$1,153,649

CFDRR Benefits Package

(effective January 1, 2023)

Holidays

10.5 holidays OR
New Year's Eve - half day
New Year's Day
Martin Luther King Jr. Day
Memorial Day
Juneteenth
July Fourth
Labor Day
Thanksgiving
Thanksgiving Friday
Christmas Eve
Christmas Day

Full-time and part-time employees will receive pay for eight hours per Board approved holiday. If an approved holiday falls on a Saturday, the office will be closed on the prior Friday. If the holiday is on a Sunday, the office will close the following Monday.

Paid Time Off

Each full-time employee accumulates Paid Time Off according to the approved policy.

All paid time off must be approved in advance through the PTO/Holiday Time off request form.

Unpaid time off should also be approved in advance through the PTO/Holiday Time off request form, if possible. Unpaid time off for an emergency or crisis may also be requested. Repeated unpaid time off may reflect negatively on the employee's performance review.

Insurance

Each full-time employee receives **life** insurance at least equal to their annual salary.
Each full time employee receives paid **dental** insurance as approved annually by the Board.
Each full-time employee can choose from **health** insurance/other benefits through Outstaffing.

Retirement

The Foundation has a Simplified Employee Pension (SEP) Plan. Full-Time employees are generally eligible to participate in the Plan after one year of employment eligibility has been satisfied. The contribution is at the discretion of the Foundation but it has historically contributed 6% of salary for all eligible employees.

<u>MARKETING BUDGET</u>	2023-24 Budget	2022-23 Budget	2022-23 Actual thru 3.31.23	<u>Notes</u>
<u>Receptions</u>				
Halifax Grant Reception and Learning Event	\$ 500.00	\$ 500.00	\$ -	
Past Presidents Council	\$ -	\$ 200.00	\$ -	
Legacy Society Reception	\$ -	\$ 600.00	\$ -	
Grant Reception	\$ 600.00	\$ 600.00	\$ 364.28	
Scholarship Reception	\$ 1,200.00	\$ 1,200.00	\$ 47.39	
Open House/Learning Events	\$ -	\$ 1,500.00	\$ -	
Funders' Forum	\$ -	\$ 1,000.00	\$ 75.00	
Donor Hospitality/Learning Events	\$ 2,000.00	\$ -	\$ -	
Virginia Funders Network	\$ 500.00	\$ -	\$ -	
<u>Advertising</u>				
Danville Concert Association-Advertising	\$ 500.00	\$ -	\$ 500.00	
Social Media Promotions	\$ 200.00	\$ 200.00	\$ -	
Constant Contact Email Newsletters	\$ 550.00	\$ 550.00	\$ 484.00	
Foundation Promotional Swag	\$ 500.00	\$ 500.00	\$ 716.48	mints and pens
Staff photos	\$ 200.00	\$ 200.00	\$ 100.00	
Rack cards	\$ -	\$ -	\$ -	
Christmas cards	\$ 350.00	\$ 200.00	\$ 310.54	
Scholarship and grant instruction video	\$ -	\$ -	\$ -	
Danville Interchange Garden site	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	
Signage	\$ 300.00	\$ 300.00	\$ 183.00	
Doodle Polls Subscription	\$ 100.00	\$ 100.00	\$ 83.40	
Print Ads	\$ 1,500.00	\$ 4,000.00	\$ 1,010.00	
<u>Development</u>				
Professional Advisors (baskets)	\$ 200.00	\$ 200.00	\$ 129.15	
Business Expo registration	\$ -	\$ -	\$ -	
Estate Planning Teleconferences	\$ 1,500.00	\$ 1,500.00	\$ 885.00	
Development videos	\$ 1,000.00	\$ 1,000.00	\$ -	
<u>Annual Report</u>	\$ 8,500.00	\$ 8,500.00	\$ 8,322.15	FY 22-23 \$1,200 postage included in Admin Budget
<u>Quality of Life Annual Appeal</u>	\$ 900.00	\$ 900.00	\$ 664.00	FY 22-23 \$350 postage included in Admin Budget
<u>Appreciation Luncheon</u>	\$ 6,000.00	\$ 7,500.00	\$ 4,507.90	
Total Budget	\$ 30,100.00	\$ 34,250.00	\$ 21,382.29	

SOFTWARE/COMPUTER BUDGET**2023-24
Budget****2022-23
Budget****2022-23
Actual**

thru 3.31.23

Notes**Software**

FIMS software (paid to Fusion Labs)	\$	30,100.00	\$	26,100.00	\$	20,554.48
Grant/scholarship application software	\$	14,200.00	\$	10,800.00	\$	7,889.94
Network for Good online gifts	\$	950.00	\$	950.00	\$	948.00
Guidestar	\$	750.00	\$	750.00	\$	750.00
Last Pass	\$	200.00	\$	-	\$	37.32

Computer**Tekabyte**

<i>Server Management</i>	\$	3,000.00	\$	3,000.00	\$	2,241.00
<i>Desktop essentials / Laptop conference room</i>	\$	4,840.00	\$	540.00	\$	1,886.00
<i>Sabre backup license/server</i>	\$	1,200.00	\$	1,200.00	\$	900.00
<i>Sabre backup remote storage</i>	\$	450.00	\$	450.00	\$	337.50
<i>Cloud storage</i>	\$	-	\$	100.00	\$	36.00
<i>Email security</i>	\$	-	\$	100.00	\$	32.00
<i>Cloud signatures for Office 365</i>	\$	60.00	\$	50.00	\$	39.42
<i>Dark Web scan</i>	\$	-	\$	600.00	\$	199.80
<i>Firewall monthly</i>	\$	1,200.00	\$	1,136.00	\$	882.00
<i>Firewall VPN</i>	\$	50.00	\$	24.00	\$	28.00
<i>Service tickets</i>	\$	2,500.00	\$	2,500.00	\$	1,153.25

Website maintenance

Website hosting and maintenance (Justin Paul Drake)	\$	1,800.00	\$	1,800.00	\$	1,350.00
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Total Budget \$ 61,300.00 \$ 50,100.00 \$ 39,264.71



Credit Card Policy and Procedures: Receiving Gifts

(To Be Approved by the Board June 12, 2023)

All staff members will be trained in the acceptance of Community Foundation gifts using Network for Good.

Credit Card Processing

A bank's terminal credit card machine will not be used at The Foundation. If an individual (donor) wishes to utilize a credit card for their donation, this will be completed through CFDRR's website using the Network for Good portal.

Should a donor be unable to process their own donation using the Network for Good portal, office staff may process this transaction for them utilizing the Network for Good portal. This shall be completed either through a face-to-face transaction with the donor in the office, or over the telephone with the donor.

Processing and security measures regarding face-to-face or telephonic donations

1. No credit card information (credit card number/expiration date/CVV code/name on card) will be stored in The Foundation office. Network For Good will have the only records of transactions, except for the printed Network for Good receipt, which we will file with that day's deposit.
2. When a staff member receives donor information, it is recorded on a CFDRR Credit Card Processing Form and processed immediately. If the transaction is completed without the donor present, the lower section of the CFDRR Credit Card Processing Form must be completed.
3. Once the payment transaction is complete, the staff member must print the receipt from the Network for Good portal.
4. If needed to process the transaction, the lower section of the CFDRR Credit Card Processing Form must immediately be crosscut shredded to ensure that no credit card information is stored in the office.
5. Donor should be informed that they will receive an email confirmation of their donation from Network for Good.
6. If donor is present, they should receive a copy of the receipt and be told that a Gift Acknowledgement Letter will be mailed to them. If donor is not present, they should be told that a receipt and Gift Acknowledgement Letter will be mailed to them.
7. Any staff member who accepts a credit card gift must give the top section of the CFDRR Credit Card Processing Form along with the donation receipt to the Donor Services Manager.

CFDRR Credit Card Processing Form

The information below (top only) must be given to the Donor Services Manager, along with the Network for Good receipt, once the donation is confirmed.

Date: _____

Name of donor: _____

Address for credit card: _____

City/State/Zip Code for card: _____

Address of donor if different from credit card: _____

Phone or email address (if follow up is necessary): _____

Will donor cover the 3% transaction fee (circle)? YES NO

In honor or memory (circle) of name: _____

Address to send acknowledgement letter to: _____

If processing a phone order, the information below must be crosscut shredded immediately after Network for Good receipt is printed.

Type of credit card: _____

Credit Card Number: _____

Expiration Date: _____

CVV Security Code: _____



Community Foundation *of the* Dan River Region

541 Loyal St · Danville, VA 24541 · 434.793.0884 · www.cfdr.org

Gift Acceptance Policy

(For Board approval on June 12, 2023)

Purpose

The purpose of these fund and gift acceptance policies is to advance the Foundation's mission of connecting donor interests to community needs and opportunities utilizing community knowledge and leadership. By providing guidelines for negotiating and accepting various types of gifts for different types of funds, these policies are designed to serve the best interests of the Foundation, donors who support the Foundation's programs through charitable gifts, and a healthy and caring community. These policies are established to assure that each gift to the Foundation is structured to provide maximum benefits to the community, the donor, the Foundation and the beneficiaries of the Foundation's charitable programs and activities.

Scope

These policies address both current and deferred gifts, with an emphasis on specific types of deferred gifts and gifts of non-cash property. The goal is to encourage financial support for the Foundation without encumbering it with gifts which either generate more cost than benefit, or which may be restricted in a manner that is not in keeping with the Foundation's charitable purposes or applicable laws governing charitable gifts. These policies also describe the types of funds that the Foundation maintains.

Notwithstanding anything in this policy to the contrary, the Foundation reserves the right to waive any requirements herein with respect to acceptance of specific gifts.

Ethical Standards in Dealing With Donors

Every person acting for or on the Foundation's behalf shall adhere to those standards set forth in *A Donor Bill of Rights*:

http://www.afpnet.org/files/ContentDocuments/Donor_Bill_of_Rights.pdf

and the *Model Standards of Practice for the Charitable Gift Planner*:

<https://charitablegiftplanners.org/standards/model-standards-practice-charitable-gift-planner>

The Foundation is committed to the highest ethical standards of philanthropy and development. In all transactions between potential donors and the Foundation, the Foundation will aspire to provide accurate information and full disclosure of the benefits and liabilities that could influence a donor's decision, including with respect to the Foundation's fees, the irrevocability of a gift, prohibitions on donor restrictions, items that

are subject to variability (such as market value, investment return, and income yield), the Foundation's responsibility to provide periodic financial statements with regard to donor funds, and investment policies and other information needed by donors to make an informed choice about using the Foundation as a vehicle of charitable gifts. In addition, all donors will be strongly encouraged to discuss their gifts with their own financial and tax advisors before signing any gift agreement. The role of the Foundation's staff is to inform, guide, and assist the donor in fulfilling his or her philanthropic goals, without pressure or undue influence.

The Foundation recognizes the paramount role of donors and their gifts to the Foundation in executing its charitable mission. In carrying out the Foundation's development program, staff will recognize and acknowledge donors in appropriate ways, both publicly and privately, subject to the Foundation's Policy on Confidentiality. Donors reserve the freedom to determine the degree and type of recognition that they prefer and the Foundation respects the confidentiality of donors who do not wish to be publicly recognized.

Funds

The Foundation offers several different types of funds. These include:

Unrestricted Funds Gifts to these funds help the Foundation help our community. The Foundation makes distributions to support effective work of charitable organizations throughout the area we serve.

Field of Interest Funds These funds support a charitable purpose designated by the fund's donor or donors. Distributions are determined by the Foundation consistent with the fund's purposes. Where appropriate, the Foundation may create an advisory committee to make recommendations for distributions.

Designated Funds These funds support a charitable organization(s) designated by the fund's donor or donors. Distributions generally are determined by applying the Foundation's spending policy to the assets held in the fund.

Agency Endowments These funds are created by charitable organizations that designate themselves as the fund's beneficiary. Distributions generally are determined by applying the Foundation's spending policy to the assets held in the fund.

Scholarship Funds These funds provide financial assistance to students at schools, colleges, and universities. Scholarship funds can also support vocational training and assistance in paying for special courses. Donors recommend eligibility criteria but the Foundation Board reviews and recommends annual recipients.

Donor Advised Funds Donors recommend grants to charitable organizations.

Disaster Relief and Emergency Hardship Funds Contributions to these funds help people in time of need and help our community recover when disasters strike. The Foundation makes distributions from these funds to support effective organizations that provide assistance to individuals and community organizations.

Variance Power

Sometimes a fund just doesn't work anymore. Scientists discover a cure for polio. A charitable organization goes out of existence. The Foundation has the ability to address these situations through its variance power.

This power gives the Foundation's board the ability to make changes to a fund when its purpose is no longer necessary, can no longer be fulfilled, or has become inconsistent with the charitable needs of the community. This power to update funds helps protect donors by avoiding the need for complex and costly legal proceedings.

Authority to Accept Gifts

Acceptance by Officers & Designated Employees Any of the Foundation's officers or employees designated by the Foundation's Executive Committee may accept, for and on the Foundation's behalf, any of the following:

- Cash
- Checks
- Marketable securities

Acceptance by Gift Acceptance Committee All other gifts, including those listed below, will require review and, if appropriate, approval by the Foundation's Gift Acceptance Committee, comprised of the Executive Director, Treasurer and the Board President and other appointees as named by the Board. The following gifts require the Committee's review and approval:

- Closely-held and S corporation stock
- Partnership interests
- Limited liability company interests
- Accounts receivable (e.g., gifts of loans, notes, mortgages)
- Real property
- Gifts of intellectual property, mineral reserves, precious metals
- Artwork, coin collections, jewelry, etc.
- Life insurance and annuity policies

Emergency Gifts Notwithstanding the Gift Acceptance Committee's authority above, gifts requiring immediate action (such as gifts in late December) may be exempted from full Committee review if, in the Executive Director's judgment, in consultation with the Chair and Vice-Chair of the Executive Committee, that gift may be accepted without in any way jeopardizing the Foundation's exempt status.

Timing of Review Gifts requiring Committee review will be handled promptly. Foundation staff will immediately notify donors if a gift is not accepted.

Authority to Negotiate and Sign Gift Agreements

Subject to the Executive Committee's review and approval authority, the Foundation's Executive Director, will have the authority to handle inquiries, negotiate with donors, assemble documentation, retain expert and technical consultants, and execute agreements on the Foundation's behalf.

Purpose of Gifts

The purpose of each gift to the Foundation must fall within the Foundation's broad charitable purposes. The Foundation cannot accept any gift that will be directly or indirectly subject to any material restriction or condition by the donor that prevents the Foundation from freely and effectively employing the gift assets or the income from such assets to further its charitable purposes. In addition, the Foundation reserves the right to

reject any gift that might place the other assets of the Foundation at risk or that is not readily convertible into assets that fall within the Foundation's investment guidelines. The Foundation may also decline a gift if it is not able to administer the terms of the gift in accordance with the donor's wishes.

Minimum Gifts

Subject to the policies set forth in this document, the Foundation may accept gifts to existing funds of any size. The minimum gift to endow a new unrestricted, donor advised or designated fund is \$10,000; minimums for scholarship funds are \$25,000. A new fund may be established with a lower minimum if the donor makes regular payments to bring the fund to the minimum level within three years. No grants may be made from any fund until the minimum is reached. Exceptions are subject to the approval of the Foundation's Executive Director.

Investment of Gifts

The Foundation reserves the right to make any or all investment decisions regarding gifts to it in accordance with its Investment Policy, as amended from time to time. In making a gift to the Foundation, the donor gives up all rights, title and interest to the assets contributed. In particular, the donor relinquishes the right to choose investments and investment managers, brokers, or to veto investment choices for the contributed assets.

Costs of Accepting and Administering Gifts

Generally, costs associated with the acceptance of a gift, such as the donor's attorneys' fees, accounting fees, and appraisal and escrow fees, are borne by the donor. The direct costs of administering gifts are generally paid out of the assets of the individual funds. Custodial, investment, and administrative fees are paid from the respective funds in accordance with the Foundation's guidelines and fee schedules. The Foundation reserves the right to assess a set-up fee.

Fundraising by Donors

Because the Foundation is legally responsible for all fundraising undertaken on its behalf, fundraising undertaken by donors in connection with funds of the Foundation must be approved in advance by the Foundation pursuant to the Foundation's policy on fundraising by donors. All such fundraising activities are also subject to the Foundation's supervision.

Excess Business Holdings

The Pension Protection Act of 2006 amended section 4943 of the Internal Revenue Code to limit ownership of closely-held business interest in a donor advised fund. A fund's holdings, together with the holdings of disqualified persons (donor, advisor, members of their families and businesses they control) may not exceed any of the following:

- 20% of the voting stock of an incorporated business;
- 20% of the profits interest of a partnership, joint venture, or the beneficial interest in a trust or similar entity;
- Any interest in a sole proprietorship.

These limitations do not apply if the donor advised fund holds an interest that does not exceed two percent of the voting stock and two percent of the value of the business.

Donor advised funds receiving gifts of interest in a business enterprise have five years from the receipt of the interest to divest holdings that are above the permitted amount, with the possibility of an additional five years if approved by the Secretary of the Treasury. To prevent a violation of these rules, it is the Foundation's policy to divest itself of such holdings within five years from the date the Foundation acquired the asset. If that is not possible, the asset will be transferred to a new or existing fund that is not an advised fund.

Types Of Gift Assets

Generally, gifted assets will be either 1) "liquid" assets such as cash or marketable securities, or 2) "illiquid" assets defined as everything that is not cash or marketable securities. With respect to non-cash assets, it is the Foundation's general policy to liquidate all gifts promptly. On occasion, the Finance Committee may decide that it will not liquidate certain gifts immediately. Factors the Committee will consider include:

- Market conditions – a gift may be retained for a reasonable period of time if the likely sales price would be substantially less than the asset's real value. Similarly, a large block of stock might be sold over a period of time in order not to artificially depress the price.
- Use by the Foundation – the Foundation may elect to keep gifts that it will employ directly in furtherance of its exempt purposes. For example, the Foundation might keep real property that it will use as its offices.
- Desirability as an investment – on rare occasions, the Foundation may be given property that it wishes to retain as an investment. Considerations in this decision include the projected return and how the asset fits into the Foundation's investment portfolio.

If a fund's illiquid assets do not generate a sufficient return to permit grantmaking that is consistent with the assets' value, the Foundation will seek an additional gift of cash or marketable securities to allow the fund to begin making distributions.

Subject to Board approval, the Foundation may accept the following types of gifts:

Liquid Assets

Cash

The Foundation accepts gifts of cash

- In currency of the United States;
- By checks made payable to the Foundation or the component fund; or
- By credit cards or wire transfer to the Foundation's account(s).

Publicly-Traded Securities

General The Foundation accepts gifts of marketable, publicly-traded stocks and bonds. As a general rule, publicly-traded stocks and bonds contributed to the Foundation will be redeemed or sold as soon as practicable.

All proceeds from such redemption or sale less commissions and expenses are then credited to the component fund to which the stocks or bonds were originally contributed. The Foundation may accept gifts of publicly-traded stocks and bonds in any amount to any existing fund. However, gifts to establish a new component fund at the Foundation must meet the applicable minimum funding requirement.

Appraisal No appraisal is required so long as the stock or bond is not subject to any restrictions, including those imposed by contract or the Securities Exchange Commission. Where appraisal is not required, the value of the gift is determined by calculating the mean of the high and low prices of the securities on the date of the gift.

Illiquid Assets

Real Estate

General This policy applies to all gifts of real property, including outright gifts of residential and commercial property and farmland; bargain-sale transactions; and gifts of remainder interests in which the donor retains a life estate. The Foundation does not accept gifts of time shares.

Gifts of real property must be reviewed by the Gift Acceptance Committee. Subject to the Committee's approval, the Foundation may accept gifts of real property to any fund. Gifts to establish a new component fund at the Foundation must meet the applicable minimum funding requirement. In deciding whether to accept real property gifts the Foundation will:

- Determine whether the real estate gift is an acceptable minimum value.
- Confirm that the donor has legal capacity and is entitled to convey the property through copies of deed, title report, etc., provided by donor.
- Determine whether, if property is encumbered by debt, the debt is of a level that will not unduly burden the Foundation or adversely affect the marketability of the property.
- Perform a market and financial analysis prior to acceptance of the gift to determine whether the gift is a financially sound acquisition.
- Weigh its ability to manage commercial property for the time necessary to sell the property. For example, income producing property may subject the Community Foundation to unrelated business income tax and/or other types of expenses, including but not limited to, upkeep of land, maintenance of buildings and management of property.
- Evaluate whether any restrictions on the gift desired by donor will jeopardize the classification of such gift as charitable.

Appraisal Each gift of real property giving rise to a charitable deduction of more than \$5,000 must be appraised in accordance with federal tax law. The donor will be responsible for obtaining such appraisal.

Distributions Distributions from a component fund that consists entirely of real property are limited to the net income generated by the property less fees assessed by the Foundation and any unrelated business tax imposed thereon.

Liquidation The Foundation will generally seek to sell real property as soon as possible and generally will not accept gifts that cannot be liquidated within three years.

Procedures for Accepting Gifts of Real Property Donors will provide the information and documents requested in the Real Property Donation Checklist and the Real Property Inquiry Form at the earliest possible time prior to the acceptance of the gift. Copies of those forms are appended to this policy. The Foundation may request additional information or documents when necessary to its evaluation of the proposed gift.

Whenever possible, a member of the Foundation staff or an authorized representative will visit the property to determine its nature and type and to identify any potential problems not evident from information supplied by the donor that might hinder or prevent the foundation's sale of the property.

Environmental Assessment If the property type warrants, Donors will provide at least a Phase I Environmental Report with disclosure of any environmental problems or statement that none exists.¹

Closely-Held Stock and S Corporation Stock

General Gifts of closely-held and S corporation stock must be reviewed by the Executive Committee. Subject to the Committee's approval, the Foundation may accept gifts of closely-held or S corporation stock in any amount to any existing fund. Gifts to establish a new component fund at the Foundation must meet the applicable minimum funding requirement. The Foundation may accept gifts of stock in closely-held or S corporations that generate unrelated business income only if certain agreements are reached with the donor and/or the corporation. These include an agreement by the donor that the taxes on the unrelated business income and the Foundation's associated administrative expenses (e.g., accounting and tax return preparation) will be charged against the fund holding the contributed stock. Further, the donor should agree to contribute additional cash to the fund to pay the foregoing taxes and administrative expenses to the extent there is insufficient cash in the subject fund balance to cover such taxes and expenses.

Appraisal Each gift of closely-held or S corporation stock giving rise to a charitable deduction of more than \$5,000 must be appraised in accordance with federal tax law. The donor will be responsible for obtaining such appraisal.

Distributions Distributions from a component fund that consists entirely of closely-held or S corporation stock are limited to the income generated by the securities less fees assessed by the Foundation and any unrelated business tax imposed thereon.

Liquidation The Foundation will generally seek to redeem or sell closely-held or S corporation stock contributed as soon as possible and generally will not accept gifts that cannot be liquidated within three years.

Procedures for Accepting Gifts of Closely-Held or S Corporation Stock

The following procedures apply to all proposed gifts of S corporation stock:

- The Foundation will review corporate governing documents to determine the rights and obligations associated with the stock and whether or not the Foundation should undertake such obligations in light of such rights.
- The Foundation will review the corporation's most recent tax returns and the donor's most recent K-1 to determine the nature of the income associated with the stock (e.g., unrelated business income, active versus passive business).

¹ Not every property will warrant an environmental assessment, however the Foundation reserves the right to require such assessment at Donor's expense.

- All proposed transfer documents must conform to the Foundation’s form or be approved by the Foundation’s counsel.
- As a condition for the Foundation’s acceptance of the gift, a written agreement between the donor and the Foundation should be in place that provides for the payment of administrative expenses and unrelated business income taxes generated by the stock to the extent there is insufficient cash in the fund to which the stock has been donated to cover such expenses and taxes. The agreement should also require the donor to indemnify the Foundation against all liabilities incurred by the donor on account of the stock up to the date of the gift.
- The donor shall provide the Foundation with all documents which outline, discuss or relate to the duties and liabilities which shareholders have, including Shareholder Agreements.

General Partnership Interests

The Foundation generally does NOT accept gifts of general partnership interests due to the unlimited liability of general partners.

Limited Partnership Interests

General Gifts of limited partnership interests must be reviewed by the Gift Acceptance Committee. Subject to the Committee’s approval, the Foundation may accept gifts of limited partnership interests in any amount to any existing fund. Gifts to establish a new component fund at the Foundation must meet the applicable minimum funding requirement. The Foundation reserves the right to carefully screen all proposed gifts of limited partnership interests to ensure that they place no undue risk upon the Foundation.

The Foundation generally does not accept gifts of interests in partnerships that carry on active business. Interests in passive, investment-type limited partnerships such as those holding real estate, stocks and bonds, are preferred.

The Foundation may accept gifts of limited partnership interests that generate unrelated business income only if certain agreements are reached with the donor. These include an agreement by the donor that the taxes on the unrelated business income and the Foundation’s associated administrative expenses (e.g., accounting and tax return preparation) will be charged against the fund holding the partnership interest. Further, the donor would have to agree to contribute additional cash to the fund to pay the foregoing taxes and administrative expenses to the extent there is insufficient cash in the subject fund balance to cover such taxes and expenses.

Appraisal Each gift of limited partnership interest must be appraised in accordance with federal tax law. The donor will be responsible for obtaining such appraisal.

Distributions Distributions from a component fund that consists entirely of limited partnership interests are limited to the income distributed to the Foundation by the partnership less fees assessed by the Foundation and any unrelated business income taxes imposed thereon.

Liquidation The Foundation will generally seek to redeem or sell limited partnership interests contributed to it within three years.

Procedures for Accepting Limited Partnership Interests

The following procedures apply to all proposed gifts of limited partnership interests:

- The Foundation will review the partnership governing documents to determine the rights and obligations associated with the limited partnership interest and whether or not the Foundation should undertake such obligations in light of such rights. If required, the donor should be asked to obtain the other partners' consent to the gift as a condition to the Foundation's accepting the gift.
- The Foundation will review the donor's most recent K-1 and the partnership's tax returns to determine the nature of the income associated with the limited partnership interest (e.g., unrelated business income, active versus passive business).
- All proposed transfer documents must conform to the Foundation's form or be approved by the Foundation's counsel.
- As a condition for the Foundation's acceptance of the gift, a written agreement between the donor and the Foundation should be in place that provides for the payment of administrative expenses and unrelated business taxes generated by the interest to the extent there is insufficient cash in the fund to which the interest has been donated to cover such expenses and taxes. The agreement should also require the donor to indemnify the Foundation against all liabilities incurred by the donor on account of the limited partnership interest up to the date of the gift.

Limited Liability Company Interests

The same considerations given to gifts of limited partnership interests apply to gifts of interests in limited liability companies.

Tangible Personal Property

General The Foundation accepts gifts of personal tangible property (e.g., artwork, coin collections, jewelry) only if: (i) the Foundation determines that the property will be used in furtherance of the Foundation's exempt purposes or (ii) the Foundation will be able to sell the property. If the property is to be sold, the Foundation will accept the gift only if it has sufficient value to justify the expenditure or resources required for such sale. The Foundation may accept gifts of personal tangible property in any amount to any existing fund. Gifts of tangible personal property to establish a new component fund at the Foundation must meet the applicable minimum funding requirement.

Appraisal Each gift of personal tangible property for which the donor expects a charitable deduction exceeding \$5,000 must be appraised in accordance with federal tax law. The donor will be responsible for obtaining and paying for such appraisal.

Procedures for Accepting Personal Tangible Property The following procedures apply to all proposed gifts of personal tangible property:

- The Foundation will review all prior appraisals and authentication documents, if any, relating to the property.
- If the property is to be sold, the Foundation will ascertain the market for such property and estimate the costs to be incurred in connection with the sale as well as the costs of holding the property prior to sale.

- All costs incurred by the Foundation in connection with the holding and sale of the property shall be charged against the sale proceeds, with the balance being credited to the fund to which the property has been contributed.

Life Insurance

General The Foundation may accept gifts of life insurance policies so long as: (a) the policy is not encumbered (*i.e.*, there is no outstanding loan against the policy); and (b) the Foundation is made the policy's owner and primary beneficiary. When premium payments can no longer be made because there is insufficient value in the policy to keep it in force, or because the Foundation chooses to discontinue premium payments, the policy will be surrendered. The Foundation may accept gifts of life insurance policies in any amount to any existing fund. Gifts of life insurance policies to establish new component funds at the Foundation must meet the applicable minimum funding requirement.

Appraisal Each gift of life insurance policy giving rise to a charitable deduction of more than \$5,000 must be appraised in accordance with federal tax law.

Additional Considerations For Acceptance Of Illiquid Assets

In connection with the acceptance of many types of illiquid assets, the Foundation may incur costs such as unrelated business income tax, fees or commissions associated with the sale or liquidation of assets, asset management and holding costs, consultant fees or other expenses outside the normal scope of the Foundation's administrative costs. Accordingly, as a condition of the Foundation's acceptance of the gift, the Foundation may require a pledge or other written agreement between the donor and the Foundation that provides for the payment of all or a portion of any such costs or expenses, including unrelated business income taxes, to the extent there is insufficient cash in the donor's fund to which the asset(s) have been donated to cover such costs.

Deferred Gifts & Planned Giving

These are gifts whose benefit does not fully accrue to the Foundation until some future time, or whose benefits are split with non-charitable beneficiaries. Foundation representatives are authorized to solicit direct charitable gifts through wills, as well as contributions to establish gift annuities or charitable trusts. The Foundation will work closely with donors and confer with financial advisors, at the request of the donors, to realize these gifts. In cases where the gifts are complex, the Executive Director may request review by the Gift Acceptance Committee.

Bequests

The Foundation accepts bequests from donors who have directed in their wills that certain assets be transferred to the Foundation and honors the wishes of the donor as expressed, but reserves the right of refusal as necessary and appropriate. Sample bequest language for restricted and unrestricted gifts is available from the Foundation, to donors and/or advisors, upon request. Future fund agreements may be signed and placed on file. The Foundation may not be named as Executor for a donor in his/her will and will not serve if named. The Foundation may create a named fund in memory of the donor, if there is no stipulation for anonymity.

A will or trust should include the following information:

- The name of The Community Foundation of the Dan River Region, a Virginia nonprofit corporation located at 541 Loyal Street, Danville, VA 24541.
- The name of the fund assets should be applied to. This may be a new or existing fund. In the case of a new fund, the purpose of the fund should be defined unless the fund is to be unrestricted.
- Unrestricted bequests that do not specify an existing or new fund will be placed in the Foundation's Board Endowment Fund.

Retirement Plans or IRA Accounts

Donors may make lifetime gifts of retirement assets or name the Foundation as the beneficiary of their plan. Retirement plans include, but are not limited to, Individual Retirement Accounts (IRA), 401(k), 403(b), and defined contribution plans.

Life Income Gifts

The Foundation will work closely with donors to implement planned giving options that provide income to a donor or his/her designees, as well as financial benefit to the Foundation (split-interest gifts). Options include:

Charitable Remainder Trusts (CRT) This trust makes payments to one or more beneficiaries for their lifetimes, or for a fixed term, or a combination of both. Assets are put into a trust, beneficiaries are paid, and when the trust term ends, the remainder in the trust passes to the Foundation for its charitable purposes. The donor names a Trustee to manage the trust and determines whether the payout will be fixed (a charitable remainder annuity trust (CRAT)) or variable (a charitable remainder unitrust (CRUT)). Trusts can be set up during the donor's lifetime or by will. The Foundation encourages donors to consult their own legal counsel and tax advisors to create a charitable remainder trust. At the donor's request, the Foundation will confer with his/her advisors to assist in establishing the trust from which it will ultimately benefit. The Foundation will not serve as Trustee of the trust.

Charitable Lead Trusts (CLT) This trust first makes distributions to the Foundation for a specified period, with the remainder reverting to the donor or another beneficiary at the end of the period. It may be set up during one's lifetime or in a will. The Foundation will work closely with the donor and/or his advisor to create the trust, but will not serve as Trustee.

Life Estates A donor may wish to contribute a personal residence or farm to the Foundation and retain the right to use the property until death. Upon the donor's death, the Foundation owns the entire interest in the property.

Real Property Donation Checklist

1. Exact legal name of donor and federal identification number.
2. Description of property (copy of deed).
3. Description of any buildings or other structures located on the land.
4. Boundary survey of property with location of all structures, easements, and encumbrances appearing on the face of the survey.
5. Information regarding existing zoning status.
6. Information on all ingress/egress for the property.
7. Description of prior use of the property.
8. Description of use of surrounding property, with specific disclosure of any storage tanks or potential environmental factors affecting the property.
9. Disclosure of any contemplated or anticipated condemnations, right-of-ways or other actions by municipalities that may affect the subject property.
10. Phase I environmental report on the property, including environmental report on any structures located on the real estate.
11. Evidence of title, such as title examination and report, title insurance commitment, or schedule describing any liens, encumbrances, or title matters affecting the property.
12. Copy of appraisal showing the fair market value of the property current within sixty days.
13. Disclosure of amount of existing real estate taxes, insurance premiums, and assessments attributable to the property.
14. Discussion with proposed donor regarding any special arrangements for donor's fund or other sources to address ongoing expenses for taxes, insurance, assessments, maintenance, grass cutting, security, utilities, and similar items.

Real Property Inquiry Form

I. General Information

Owner(s)	Phone
Address	
Property Location	
Land area (acres or square feet)	
Building area (sq. ft. each floor)	
Zoning	
Replacement cost of building	
Current property insurance coverage	
Date of acquisition/form of acquisition	
Current cost basis (includes improvements)	
Principal balance of mortgage	Current fair market value
Assessed value for real estate taxes	
Real estate taxes	
Land value	Building value
Most recent appraisal (date)	Appraised value
Appraiser	
Occupancy status after transfer of title to charity	
Unimproved (no buildings)	
Unoccupied (building, but not occupant)	
Occupied (building with occupants)	

Please indicate by checking "yes" your awareness of any condition or problem which may affect the title or marketability of the property. Use Section VII to provide additional information.

II.	Title/Zoning	Yes	No
A.	Title	_____	_____
B.	Zoning variances, violations or special permits	_____	_____
C.	Zoning violations	_____	_____
D.	Restrictions or easements	_____	_____
E.	Survey available	_____	_____
III.	Condition of Building	Yes	No
A.	Foundations/slab	_____	_____
B.	Basement water/dampness/sump pump	_____	_____
C.	Roof leaks	_____	_____
D.	General structural	_____	_____
E.	UFFI (formaldehyde insulation)	_____	_____
F.	Asbestos	_____	_____
G.	Lead paints	_____	_____
H.	Termites/ants/pests	_____	_____
I.	Swimming pool	_____	_____
J.	Radon	_____	_____
K.	Building systems	_____	_____
1.	Plumbing	_____	_____
2.	Electrical	_____	_____
3.	Heating	_____	_____
4.	Air conditioning	_____	_____
5.	Hot water	_____	_____
6.	Water supply	_____	_____

7.	Sewage; type	_____	_____
8.	Other fixtures	_____	_____
IV.	Rental/Condominium/Cooperative	_____	_____
A.	Building systems	_____	_____
1.	Leases	_____	_____
2.	Rental arrears	_____	_____
3.	Last month's rent/security deposit	_____	_____
B.	Common area fees in arrears	_____	_____
C.	Building or sanitary code violations	_____	_____
D.	Operating/capital budget	_____	_____
V.	Environmental	Yes	No
A.	History of property		
1.	Property has prior or current use for industrial, commercial, agricultural, manufacturing, waste disposal or any other non-residential purposes	_____	_____
B.	Condition of property		
1.	Stressed or denuded vegetation or unusual barren areas	_____	_____
2.	Discoloration, oil sheens, or foul/unusual odors in water	_____	_____
3.	Storage drums	_____	_____
4.	Above or underground storage tanks; vent or filler pipes	_____	_____
5.	Evidence of oil or other chemicals in soil	_____	_____
6.	Evidence of PCBs	_____	_____

- 7. Evidence of toxic air emissions _____
- C. Adjacent properties
 - 1. Properties adjacent or close to subject have conditions requiring "yes" answer to any questions in (A) and (B) above _____
- D. Flood plain/wetlands/drainage _____
- E. Endangered plants or wildlife _____

Are you aware of any other information concerning any part of the land or buildings which might affect the decision of a buyer or affect value of property or affect use by buyer? _____

VI. Property Expense Budget

To hold this property as a Foundation asset, the following income and expenses are anticipated:

- A. Income **Annual**
 - 1. Rent _____
 - 2. Other _____

- B. Expenses _____
 - 1. Real estate taxes:
 - First payment due _____ (date) _____
 - Second payment due _____ (date) _____
 - 2. Utilities:
 - Gas _____
 - Oil _____

Electric _____

Water/sewer _____

Other _____

3. Services:

Caretaker/property manager _____

Landscaping _____

Heating/cooling service contract _____

Snow removal _____

Pool services _____

Common area charge (condominium) _____

Security _____

Other _____

4. Maintenance/Repairs _____

5. Insurance _____

Total Expenses

Net Income (Loss)

VII. Additional Information on Sections II through VII

VIII. Acknowledgments

Owner(s) hereby acknowledge that the information set forth above is true and accurate to the best of my (our) knowledge

Owner

Date _____

Owner

Date _____



FINANCIAL POLICIES AND PROCEDURES

Board Approved June 13, 2022

Governance

The organization is governed by a Board of Directors which meets quarterly to assist the **Executive Director** in operating the organization. The **Treasurer** and **Finance Committee** review financial matters and advise the Board.

Deposit Accounts

The organization currently maintains four bank accounts - an operating checking account, a general “deposit” account, a “credit card” checking account, and an endowed flow thru account.

1. The “operating” account, an interest bearing checking account, is used to pay operating/administrative expenses, including payroll deductions for the paid staff. Checks on this account require two authorized signatures, usually the **Executive Director** and members of the **Executive Committee**.
2. The “deposit” account is used for all general gifts and deposits. No checks are written on this account. Transfers are made to the “operating” account and/or endowed flow thru account when necessary to cover expenses.
3. The “credit card” checking account receives gifts made by credit card, whether in person or online gifts through Network for Good. The **Donor Services Manager** is authorized to write a check for the **Executive Director’s** approval and signature from this account to the “deposit” account as needed to transfer funds in excess of \$200.
4. The “endowed flow thru” account is used for all deposits and withdrawals from the endowed funds. No checks are written on this account. Transfers are made by the **Donor Services Manager** or **Executive Director** to the “operating” and/or “deposit” account when necessary to rebalance the funds. Receipt of investment earnings distributions and capital call requests require approval from the **Executive Director**.

5. The **Donor Services Manager** can rebalance as needed between the four bank accounts, with approval from the **Executive Director**.
6. If the organization receives any special grant awards that require maintenance of a separate checking account, additional accounts will be opened.

Investment Accounts

Investment accounts may be maintained for longer-term investments and funds are transferred between accounts as authorized by the Finance Committee. The Executive Director and any one Authorized Officer as specified in the Foundation's Banking Resolution has Board authority to enter into new investments and to rebalance investment accounts as directed by the Finance Committee.

Receipt and Handling of Funds

The **Executive Director** or **Grant and Scholarship Administrator** receives the mail, sorts, and distributes it. The **Grant and Scholarship Administrator** records all checks, cash, and any other negotiable financial instruments received in a password-protected deposit log, notes any restrictions and any designations. When cash is received, the **Executive Director** and **Grant and Scholarship Administrator** will both be present to record the receipt. The **Donor Services Manager** makes deposits and enters donations into the computerized accounting software (FIMS) using the printed deposit log. In the absence of one of the staff members, the other two staff members will perform those duties. The **Donor Services Manager** makes copies of the checks received and enters receipts into the computerized accounting software (FIMS). Checks are listed on the proper deposit form. The completed deposit slip, daily log, and checks are forwarded to the **Executive Director** for review. One copy of the deposit record is made for accounting. The **Donor Services Manager** takes deposits to the bank at least weekly. The **Donor Services Manager** prepares acknowledgments and any additional correspondence to supporters. The **Executive Director** reviews email correspondence from an online donor vendor for any contributions received electronically. When contributions are received online, the **Executive Director** forwards them to the **Grant and Scholarship Administrator** who will record them, note any restrictions and any designations, and print the donor information form to give to the **Donor Services Manager** for entry in FIMS and an acknowledgment to the donor.

Disbursements and Purchases

Prior authorization of all routine operating expenditures in excess of \$1,000 shall be supported by written documentation.

Payments: The **Donor Services Manager** receives invoices from vendors and prepares checks for routine and recurring expenses and without additional specific authorization from the Board. The **Executive Director** reviews all invoices and signs checks, and an Authorized Officer

as specified in the Foundation's Banking Resolution signs checks. Unbudgeted disbursements above \$1,000 are considered and approved by the Executive Committee.

Facsimile Signatures: Pursuant with the Banking Resolution adopted by the Board of The Community Foundation of the Dan River Region at its June 21, 2021 meeting, the Board approves the use of facsimile signatures for any ONE Authorized Officer (one signature must be the actual signature of one Authorized Officer) as required to complete a financial transaction in accordance with the current Banking Resolution. The Authorized Officer whose signature is being affixed to the financial transaction must provide in advance, written authorization for use of his/her facsimile signature for that transaction. The use of facsimile signatures is NOT permitted for check disbursements as specified in the "Payments" paragraph of the Financial Policies and Procedures.

Tracking: The **Donor Services Manager** is the custodian of the operating and grants checks. The **Grant and Scholarship Administrator** posts the grant applications in preparation for the **Donor Services Manager** to process. The **Donor Services Manager** processes all checks in the accounting software for signature. Supporting documentation for disbursements is required. Documentation is attached to check stubs prior to submitting checks for signature. The **Donor Services Manager** inputs disbursement information into the computerized accounting software (FIMS) while preparing the checks. The supporting documentation and check stub are then filed by vendor. Similar supporting documentation is maintained for all online drafts. An expense reimbursement form is available for those seeking reimbursement. No blank checks are issued.

Capital Asset Purchases: The **Executive Director** and the **Chair of the Finance Committee** shall make or authorize purchases of Capital Assets for the organization. Given the organization's limited resources, efforts are made to ensure acquisitions are at the lowest cost for the best quality. Several bids will be obtained prior to the purchase of Capital Asset (\$5,000 value) to ensure price analysis, quality assurance, and competitive bidding of vendors. Capital Assets costing \$5,000 or more are capitalized for the depreciation schedule. Property control is maintained through records that include asset description, cost, purchase date, source of funding, location and condition. A physical inventory of property is conducted annually. Organization office building is locked to protect against theft.

Credit Cards: The organization maintains a credit card, which is held by the **Executive Director**. Prior approval of all expenditures and use of the organization credit card is granted by the **Executive Director**, per established guidelines of the organization as outlined in these financial policies and procedures. A receipt must be presented for purchases when the credit card is returned to the **Executive Director** so that purchases may be entered in FIMS by the **Donor Services Manager**. Credit card statements are monitored monthly to match purchase receipts with total statement charges. Personal purchases using the organization credit card are not allowed.

Travel: Travel expenditures for the **Executive Director** shall be approved by a member of the Executive Committee. Advance approval by the **Executive Director** in writing is required for all

business-related travel. Travel expenditure reimbursement requests are submitted to the **Executive Director** for review and approval using a travel reimbursement form (requires reporting type, purpose, mileage, meals and lodging information) to ensure that only necessary and reasonable expenses are incurred. Receipts must be attached for all expenses for which reimbursement is requested. Travel expenditures incurred by the **Executive Director** are submitted to the **Donor Services Manager** using these same procedures. Any exceptions to these standards must be justified and receive prior approval by the **Executive Director**.

Mileage: The Board of Directors may choose in the annual budget to provide a mileage reimbursement for employees expected to incur driving expenses. Mileage will be reimbursed at the rate set annually by the Internal Revenue Service.

Employee Reimbursements: It is the policy of the Organization to reimburse employees for expenses incurred on behalf of the organization. All requests for reimbursement should be itemized on a reimbursement request and accompanied by associated receipts. Employee use of personal funds for organizational expenses, however, is discouraged. An organization credit card or advance check obtained from the **Donor Services Manager** should be used for organization expenses, if possible.

Special Grant Awards: When the Organization receives a special grant award, funds will be deposited according to the grant's requirements. Costs are allocated to budgeted categories/subcategories and charged directly. The financial report and associated requests for reimbursements on reimbursement type grants is completed monthly, upon the **Executive Director's** review of expenses and according to grant standards.

Staff and Payroll

The Organization's staff is comprised of the **Executive Director** and other staff members. Payroll administration and documentation is contracted through a third party payroll processor. The paid staff members receive paychecks every other Friday after submitting time sheets before the pay date.

An employee orientation is conducted for new hires. It includes 1) completion of a W-4, VA-4, and I-9 which are kept in their personnel files; 2) instruction on time attendance documentation; and 3) review of any employee policy manual maintained and available in **Executive Director's** office. Employees complete new W-4's as needed when withholding changes.

All employees complete a payroll time sheet, recording daily hours worked and noting any leave time (paid time off) used, if the employee has been approved for paid time off. The employee signs as certification of accuracy and the **Executive Director** approves. The **Executive Director** periodically compares employee time sheets with corresponding payroll records.

The **Donor Services Manager** submits payroll hours to the payroll processor to prepare payroll drafts from the operating account. Foundation employees are co-employees of the payroll

processor who makes the payroll tax deposits as required and prepares the required quarterly reports for state and federal payroll taxes. The payroll processor also completes any annual federal and state payroll reports and prepares W-2's and any 1099's after the final December paychecks for distribution in January.

Financial Information Processes

The Foundation may either employ or contract with a third party Accountant to prepare daily, monthly, quarterly and annual accounting services as needed:

Daily: The **Accountant** maintains the General Ledger to ensure that all revenue and expense transactions are recorded properly within the funds; provides support to staff with regards to handling gifts and grants; processes transfers and checks as needed; monitors the budget on an ongoing basis; and works with the payroll processor to ensure compliance with applicable state and federal employment laws.

Monthly: The bank statements (with images of cleared checks) are sent directly to the **Executive Director, Treasurer, Donor Services Manager, and Accountant**, who reconciles the bank statements to the computerized general ledger balances and prints a copy of the reconciliation reports. The reconciliations are reviewed and initialed by the **Executive Director** and the **Donor Services Manager**. The total receipts per the deposit log are reconciled with the receipts per FIMS each month. Calls are made to the recipients of any checks that have not cleared the bank after three months to determine if the check has been received (**Grant and Scholarship Administrator** will follow up on grant checks and **Donor Services Manager** will follow up on expense checks). If the organization has received the check, a request is made to deposit the check so that it may clear. In the occasional event when a check has not been received, the check is voided in FIMS and a new check is issued. If necessary, the **Donor Services Manager** will contact the bank to stop payment on the lost check.

Available monthly investment information is received by the **Executive Director**. The statements and monthly transaction information is then given to the **Accountant**, who reconciles the investments to the information in FIMS. The reconciliations are reviewed and initialed by the **Executive Director** and **Donor Services Manager**.

The **Accountant** submits to the **Executive Director, Treasurer** and **Finance Committee Chair** the following monthly reports 1) a statement of financial position reflecting ending account balances for assets, liabilities, and net assets, 2) a statement of operating activities that reflects the monthly revenues and expenses per line item as they correlate to the budget along with year-to-date amounts, and 3) an administrative actual versus budget statement. The Finance Committee and Executive Committee review and approve the quarterly financials before presentation to the Board.

Quarterly: The **Accountant** reconciles and adjusts the investment information in FIMS to the quarterly report from the investment consultant to record unrealized and realized gains or losses and dividends earned. The Finance Committee reviews the quarterly investment report.

Annually: An annual audit is arranged by the Finance Committee. The **Accountant** prepares the schedules and other information for the annual audit and information tax return (Form 990) to assist the CPA firm. The CPA firm presents the audit report to the Finance Committee for review and recommendation to the Board.

Budget

The **Executive Director**, along with the **Accountant**, prepares a draft of the annual budget and presents the budget to the Finance Committee for approval and recommendation at the final fiscal year-end Board meeting. The approved budget is then presented at the Executive Committee and Board meetings. Financial reports (statement of financial position and statement of operating activities), prepared by the **Accountant** and approved by the Finance Committee are presented at the Executive Committee and Board meetings. The actual revenues and expenditures are shown compared to budgeted amounts to provide for budget analysis and variance explanation.

Insurance Coverage

The Foundation carries the following insurance coverage – Directors and Officers Liability Insurance, Commercial Crime Insurance and Business Owner’s Liability and Property Insurance. The Finance Committee reviews the renewals of the policies annually. The Finance Committee shall make recommendations for any changes in coverage to the Executive Committee for final approval by the Board.

Consultants and Subcontractors

Evaluation of in-house capability is conducted prior to obtaining external assistance. Requests for contractual services specify the nature and scope of activities and are solicited to ensure competitive bidding and reasonable costs/fees. Contracts for consulting services are approved by the Board of Directors.

Financial Policy and Procedures Amendments

Either the Executive Director or the Finance Committee may propose amendments to the policy with amendments being first considered and approved by the Finance Committee and then forwarded to the Executive Committee and Board.

Acknowledgment:

Adapted from policies developed by Harry D. Dickinson, PhD, CPA, and Bishop, Farmer & Co., LLP (formerly known as Bowling, Franklin & Co, LLP). Used with permission.

COMMUNITY FOUNDATION OF THE DAN RIVER REGION

June 21, 2021

The Board of Directors of The Community Foundation of the Dan River Region (the "Foundation"), at a duly convened meeting of the Board, hereby adopt these resolutions.

Banking and Finance Authority

RESOLVED, that the Executive Director, President, Treasurer, Vice President, and the Chairperson of the Finance Committee (each, an "Authorized Officer"), with any two acting together, are hereby authorized and empowered on behalf of the Foundation to establish and maintain accounts (including custodian accounts, safe-deposit and night depository facilities) for the Foundation in its name or under any other appropriate designation or title, in any one or more banks, trust companies or savings and loan associations (each such institution hereinafter also referred to as a "depository") which they shall from time to time designate, as depositories of the funds, securities or other property of the Foundation;

FURTHER RESOLVED, that any two of the Authorized Officers acting together are hereby further authorized and empowered, on behalf of the Foundation, to draw and sign checks, drafts, instruments and other orders upon or with respect to any funds, securities or other property of the Foundation on deposit in any accounts of the Foundation now or hereafter established in any depositories; nevertheless, any one Authorized Officer, acting independently, is hereby further authorized and empowered to make internal transfers of funds between existing accounts of the Foundation;

FURTHER RESOLVED, that any two of the Authorized Officers acting together are hereby authorized and empowered on behalf of the Foundation, to authorize the issuance of checks, drafts, instruments and other orders upon or with respect to any accounts of the Foundation now or hereafter established, over the facsimile signature of any one of the said Authorized Officers (one signature must be the actual signature of one Authorized Officer), and that each depository which is so notified in writing shall be entitled to honor and to charge the Foundation with checks, drafts, instruments and other orders bearing an authorized facsimile signature, regardless of by whom or by what means the actual facsimile signature may have been affixed thereto, provided that such facsimile signature resembles the facsimile specimen certified to such depository bank, from time to time, by the Authorized Officers;

FURTHER RESOLVED, that any two of the Authorized Officers acting together, are hereby authorized and empowered to terminate any accounts of the Foundation now or hereafter established, to revoke or limit the authority of any person now or hereafter authorized to draw and sign, manually or by facsimile signature, checks, drafts, instruments or other orders upon or with respect to any accounts of the Foundation, and to revoke or limit the authorization of any facsimile signature now or hereafter certified to it;

FURTHER RESOLVED, that any two of the Authorized Officers acting together, are hereby fully authorized and empowered to transfer, convert, endorse, sell, assign, set over and deliver any and all shares of stock, bonds, debentures, notes, subscription warrants, stock purchase warrants, evidences of indebtedness or other securities now or hereafter standing in the name of or owned by the Foundation, and to make, execute and deliver any and all written instruments of assignment and transfer necessary or proper to effectuate the authority hereby conferred;

General

FURTHER RESOLVED, that the officers of the Foundation be, and they hereby are, authorized and directed to take such further actions as any two of the Authorized Officers acting together shall determine to be necessary and appropriate in furtherance of the foregoing resolutions; and

This Banking Resolution shall be effective as of the date first set forth above.



Executive Director



President



Secretary

[Remainder of page intentionally left blank]

THE COMMUNITY FOUNDATION OF THE DAN RIVER REGION
Banking and Finance Corporate Resolution: List of Authorized Officers

I, the undersigned Felicia T. Hairston certify that I am the Secretary of the The Community Foundation of the Dan River Region ("The Foundation"). The following list of "Authorized Officers" were elected by the Board of Directors of The Foundation, at a duly convened meeting of the Board held on June 21, 2021.

Katherine W. Milam

Katherine W. Milam, Executive Director

Brian Wilson

Brian Wilson, President

Richard Jones

Richard Jones, Treasurer

Richard Camp

Richard Camp, Vice President

Scott J. Barnes

Scott J. Barnes, Chairperson of the Finance Committee

Witness my hand this 25th of June, 2021:

BY: Felicia T. Hairston

Sign Name

Felicia T. Hairston

Print Name