



EDMONDS COLLEGE FOUNDATION

POLICY MANUAL



EDMONDS COLLEGE FOUNDATION

POLICY MANUAL

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Policy #: B001

BOARD MEMBERSHIP ROLES & RESPONSIBILITIES

**BOD APPROVED:
JANUARY 14, 2022**

A. Mission Statement

The Edmonds College Foundation supports access, success, and excellence for students, faculty, and staff at Edmonds College.

B. Roles

Members of the Edmonds College Foundation Board of Directors provide guidance and insight toward the development of the Foundation's policies and operations and assist in the cultivation of resources that enable the Foundation to enhance College programs. They are committed to Edmonds College as one of the most important institutions in South Snohomish County and embrace an overall goal of promoting a standard of excellence in the delivery of resources to the College and its students. Board members are advocates for the College and serve as liaisons between the College and the community, promoting the activities of the College and Foundation.

C. Membership

1) Residence

Members may reside anywhere – within or outside of the College's service area – as long as they can meaningfully contribute to and meet expectations of board service.

2) Terms of Service and Service Dates

New members join once each year at the start of the fiscal year in July for a three-year term of service. New members commence orientation in their first month of service.

3) Membership Renewal and Leaving the Board

Prior to the end of a member's term, the member's participation will be reviewed by the Chair of the Board and the Executive Director of the Foundation. Together, the member, the Board Chair or the Board Chair's designee, and the Executive Director will meet to discuss the potential for renewed service or retirement from the board.

The Chair of the Board Operations Committee will conduct an exit interview with board members within 30 days of their departure from the board.

D. Responsibilities

1) Governance

Utilizing the guidance of the Edmonds College Foundation's mission, bylaws and the College-Foundation Agreement, the Board works together to provide leadership in



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the Foundation's governance. Board members contribute to governance of the organization in several ways:

- a) Review and accept the mission of Edmonds College and the Edmonds College Foundation as the guiding principles of service on the Board of Directors.
- b) Apply their personal knowledge and expertise toward the advancement of the Foundation's mission and that of Edmonds College.
- c) Suggest changes to the Foundation's by-laws, policies and procedures, annual goals, operational budgets, etc., that might improve its capacity to fulfill its mission.
- d) Remain abreast of the educational needs of the community and other factors that might impact the operations of the foundation.

2) Time

- a) **Board meetings and annual retreat:** Board meetings take place six times per year, including one extended planning retreat in January. Members are expected to attend meetings having reviewed meeting materials in advance and prepared to participate. Absence from more than two meetings per year may result in review by the Board Operations Committee.
- b) **Committee Service:** Members must serve on at least one standing committee of the board. Committees meet six times per year. Members are expected to attend meetings having reviewed meeting materials in advance and prepared to participate. All members, especially first-year board members, are encouraged to serve as a reader of scholarship applications.
- c) **New Members/New Member Stewardship:** Upon joining the board, new members will be assigned a peer mentor for their first year or service to help orient them to the processes and current priorities of the Foundation. When asked to serve as mentors, existing members are asked to be proactive in their outreach to their mentee, and to make themselves available to their mentee as needed.
- d) **College and Foundation Events:** Attend College and Foundation events such as fundraisers, impact receptions, board trainings, college festivities, etc.
- e) **Community Cultivation:** Cultivate peers in the community, make introductions, and work with the Foundation staff to solicit gifts. Annually, host or assist in the development and execution of at least one impact event intended to steward existing supporters and cultivate new supporters, or foster board teamwork. Assist in the recruitment of new board members.



3) Give and Get

The Edmonds College Foundation relies on board members as a cornerstone of its financial strength and sustainability. The Foundation should be one of each board members' top charitable commitments. Each member's annual giving and participation in special fundraising campaigns should reflect this commitment. In addition to providing stability to the organization's finances, members' example in this area makes it more likely that other donors and grant makers will also support the Foundation.

Board Members are expected to make an annual unrestricted gift that meaningfully reflects their commitment to the college and their capacity to give. The member, working together with the Foundation's staff and Development Committee, will develop a plan for achieving their annual fundraising goal which can include their personal gift as well cultivating and obtaining gifts from others.

E. Board and Committee Leadership

The board is led by officers (Chair, Vice Chair, Secretary, and Treasurer) whose terms of service, roles and duties are outlined in the Foundation's bylaws. At the end of the Board Chair's two-year term of service, it is the expectation that the Vice Chair assumes the role of chair for a new two-year term of service.

The standing committees, as outlined in the bylaws, include:

<ul style="list-style-type: none"> ● Audit and Policy ● Board Operations ● Development 	<ul style="list-style-type: none"> ● Executive ● Finance ● Program
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Each standing committee is led by a Chair and a Vice Chair. The selection of committee Chairs and Vice Chairs is at the discretion of the Chair and the Vice Chair of the Board as outlined in the Foundation's bylaws. Either the Chair or Vice Chair of each committee should be willing to serve as an officer of the Board if asked. Chair and Vice Chair positions will be reviewed every two years to correspond with the transition of two-year terms of the Chair and Vice Chair of the Board.

The Executive Committee is comprised of the officers of the Board, the immediate past Board Chair, and the Chairs of the standing committees as outlined in the bylaws (committee Vice Chairs are encouraged to also attend Executive Committee meetings). The Chair of the Board chairs the Executive Committee.

All committee meetings are open to all members of the Board.



F. Expectations

Board members can expect to devote a minimum of four hours per month to Foundation activities. Members who step into leadership roles at the officer, committee, sub-committee, or ad-hoc committee level can expect to spend additional time managing Foundation business.

Members can also expect to experience the joy of philanthropy and the reward of making a positive contribution to the continued success and growth of Edmonds College, and to the many students who benefit from the Foundation's support.

This policy will be reviewed annually by the Board Operations Committee.

G. Adoption

This policy was approved by the Board of Directors on JANUARY 14, 2022 and supersedes the policy previously approved on May 11th, 2021.

Libby Lewis
Secretary
Edmonds College Foundation Board of Directors

A. Introduction

Unethical, immoral, and illegal actions or the appearance of unethical, immoral or illegal actions will not be tolerated under any circumstances. The policies and reputation of the Edmonds College Foundation depend to a large extent on the commitment and compliance by all Foundation board members and employees with the following considerations.

B. Ethical Practices

Each board member and employee must apply their own sense of personal ethics, which should extend beyond compliance with applicable laws and regulations in business situations, to govern behavior where no existing regulation provides a guideline. It is each board member employee's responsibility to apply common sense in business decisions where specific rules do not provide answers or guidance.

In determining whether a contemplated actions is in compliance with this standard in specific situations, board members and employees should ask themselves the following questions:

- 1) Is my action legal?
- 2) Is my action ethical?
- 3) Does my action comply with Foundation policy?
- 4) Am I sure my action does not appear inappropriate?
- 5) Am I sure that I would not be embarrassed or compromised if my action became known within the Foundation or publicly?
- 6) Am I sure that my action meets my personal code of ethics and behavior?
- 7) Would I feel comfortable defending my actions in the press?

Each board member and employee should be able to answer "yes" to all these questions before taking action.

The Executive Committee is responsible for the activities of the Board of Directors. The Executive Director is responsible for the activities of the staff. Board members and management must weigh carefully all courses of action suggested in ethical as well as economic terms, and base their final decisions on the guidelines provided by this policy as well as their personal sense of right and wrong.

C. Compliance with Laws, Regulations, and Organization Policies

Edmonds College Foundation does not tolerate the willful or knowing violation of any Federal, state, or local law by a board member or employee. The Foundation does not tolerate the disregard or circumvention of Edmonds College Foundation policies or involvement in unscrupulous dealings. Board members and employees should not attempt to accomplish by indirect means, through agents or intermediaries, that which is directly forbidden.

Compliance with the provisions of this policy is one of the standards by which the performance of directors and employees will be measured.

D. Adoption

This policy was approved by the Board of Directors on JANUARY 14, 2022 and supersedes the previous policy approved on May 14th, 2019.



Libby Lewis
Secretary
Edmonds College Foundation Board of Directors



CONFLICTS OF INTEREST

**BOD APPROVED:
JANUARY 14, 2022**

A. Introduction

In the course of business and decision-making situations may arise in which an Edmonds College Foundation board member or employee has a conflict of interest, or in which the process of making a decision may create an appearance of a conflict of interest.

All board members and employees have an obligation to:

- 1) Avoid conflicts of interest, or the appearance of conflicts, between their personal interests and those of the Foundation
- 2) Disclosure any real, apparent, or potential conflicts of interest to the Board Chair or Vice Chair, and
- 3) Refrain from participation in any decisions or matters that involve a conflict of interest or the appearance of a conflict.

B. What Constitutes a Conflict of Interest

A conflict of interest arises when a board member or employee involved in making a decision is in the position to benefit, directly or indirectly, from their dealings with the Foundation or person or entity conducting business with the Foundation.

Examples of conflicts of interest include, but are not limited to, situations in which a board member or employee of the Foundation:

- 1) Negotiates or approves a contract, purchase, or lease on behalf of the Foundation and has direct or indirect interest in, or receives personal benefit from, the Foundation or individual providing the goods or services;
- 2) Employs or approves the employment of, on behalf of the Foundation, a person who is an immediate family member of the director or employee;
- 3) Uses the Foundation's facilities, other assets, employees, or other resources for personal gain;
- 4) Receives a substantial gift from a vendor, if the board member or employee is responsible for initiating or approving purchases from that vendor.

Interests are considered reportable as a possible conflict under this policy if they exceed one-percent of the ownership or profits interests in a business or partnership. Indirect interests include those interests held by any relative or entity in which a board member or employee has any financial interest or expectancy.

C. Disclosure Requirements

The first step in addressing conflicts of interest is disclosure. A board member or employee who believes that they may be perceived as having a conflict of interest in a discussion or decision must immediately disclose that conflict to the Chair or Vice Chair. Most concerns about conflicts of interest may be resolved and appropriately addressed through prompt and complete disclosure.

In furtherance of that objective, the Foundation has adopted the following requirements:

- 1) On an annual basis, all board members and employees shall make a written disclosure to the Executive Director and the Chair of the Audit and Policy Committee of all potential or actual conflicts on the Conflict of Interest Disclosure Statement (see Policy B004);
- 2) Prior to the preparation of the disclosure statements, the accounting department shall distribute to the persons identified in the preceding step a list of all vendors with whom the Foundation has transacted business at any time during the preceding year, along with a copy of the disclosure statement;
- 3) The Executive Director shall review all forms completed by employees, and the Audit and Policy Committee shall review all forms completed by board members and the Executive Director and determine appropriate resolution in accordance with the next section of this policy.

D. Resolution of Conflicts of Interest

All real, apparent, or potential conflicts of interest shall be disclosed to the Audit and Policy Committee and the Executive Director of the Foundation.

The Audit and Policy Committee shall be responsible for making all decisions concerning resolutions of conflicts involving board members and the Executive Director. Should the conflict involve a member of the Audit and Policy Committee other than the Chair of the Audit and Policy Committee, the Chair shall be responsible for making all decisions concerning resolutions of conflicts involving the Audit and Policy Committee member. Should the conflict involve the Chair of the Audit and Policy Committee, the Chair of the Board shall be responsible for making all decisions concerning resolutions of the conflict.

Because Foundation staff, including the Executive Director, are employed by Edmonds College, the Audit and Policy Committee and Executive Director must notify the Human Resources Department of the College immediately regarding conflicts involving employees. Resolution may then be conducted exclusively by the College; in conjunction with the Foundation; or the Foundation may be asked to follow all policy and regulations

as outlined in College Policy C6.3.104 “Conflict of Ethical Conduct”.

A board member or employee may appeal a determination that an actual, apparent, or potential conflict of interest exists. The appeal must be directed to the Chair of the Board. Appeals must be made within 30 days of the initial determination. Resolution of the appeal shall be made by majority vote of the full Board of Directors. Board members who are the subject of the appeal, or who have a conflict of interest with respect to the subject of the appeal, shall abstain from participating in discussing or voting on the resolution, unless their discussion is requested by the remaining members of the board.

E. Violations of This Policy

Given the importance of resolving conflicts of interest, violations of this policy, including failure to disclose conflicts of interest, may result in termination of a board member. Violations by the Executive Director or an employee will be reported to the VP of Innovation and Strategic Partnerships for Edmonds College.

F. Disciplinary Action

Failure to comply with the standards contained in this policy will result in disciplinary action that may include, reprimand, suspension, termination, referral for criminal prosecution, and reimbursement to the Foundation or to the government, for any loss or damage resulting from the violation. As with all matters involving disciplinary action, principles of fairness will apply. Any employee charged with a violation of this policy will be afforded an opportunity to explain their actions before disciplinary action is taken.

Disciplinary action will be taken:

- 1) Against any board member or employee who authorizes or participates directly in actions that are a violation of this policy.
- 2) Against any board member or employee who has deliberately failed to report a violation or deliberately withheld relevant and material information concerning a violation of this policy.
- 3) Against any board member, or employee who attempts to retaliate, directly or indirectly, or encourages others to do so, against any board member or employee who reports a violation of this policy.

G. Adoption

This policy was approved by the Board of Directors on JANUARY 14, 2022 and supersedes the previous policy approved on May 14th, 2019.



EDMONDS COLLEGE FOUNDATION

Libby Lewis

Libby Lewis
Secretary
Edmonds College Foundation Board of Directors



Policy #: B004

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CONFLICTS OF INTEREST DISCLOSURE STATEMENT

**BOD APPROVED:
JANUARY 14, 2022**

CONFLICT OF INTEREST DISCLOSURE STATEMENT

It is the policy of Edmonds College Foundation that no member of the Board of Directors or staff shall, in the course of business; create a real, apparent or potential conflict of interest. A copy of the policy and a list of the Foundation's vendors and contractors have been provided to assist you in completing this disclosure statement.

No member of the Edmonds College Foundation Board of Directors or staff shall derive any personal profit or gain, directly or indirectly, by reason of their participation with the Foundation. Each individual shall disclose to the Foundation any personal interest which he or she may have in any matter pending before the Foundation and shall refrain from participation in any decision on such matter.

At this time, I am a member of the Board of Directors or an employee of the following organizations:

Now this is to certify that I, except as described below, am not now or at any time during the past year have been:

- A. A participant, directly, or indirectly, in any arrangement, agreement, investment, or other activity with any vendor, supplier or other party; doing business with Edmonds College Foundation which has resulted or could result in personal benefit to me.
- B. A recipient, directly or indirectly, of any salary payments or loans or gifts of any kind or any free service or discounts or other fees from or on behalf of any person or organization engaged in any transaction with the Edmonds College Foundation.



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Any exceptions of 1 or 2 above are stated below with a full description of the transactions and the interest, whether direct or indirect, which I have (or have had during the past year) with the persons or organizations having transactions with Edmonds College Foundation.

Print Name

Signature

Date Signed



Policy #: E001

CONFIDENTIALITY POLICY FORM

**BOD APPROVED:
JANUARY 14, 2022**

CONFIDENTIALITY POLICY FORM

It is the policy of the Foundation that volunteers and employees of the Foundation may not disclose, divulge, or make accessible confidential information belonging to or obtained through their affiliation with the Foundation, to any person, including relatives, friends, and business and professional associates, other than to persons who have a legitimate need for such information and to whom the Foundation has authorized disclosure. Confidential information includes personal identifying information such as names, addresses, student academic records and donation amounts.

Volunteers and employees shall use confidential information solely for the purpose of performing services as a volunteer or employee for the Foundation. This includes, but is not limited to, information concerning donors to the Foundation and students applying for Foundation scholarships.

This policy is not intended to prevent disclosure where disclosure is required by law.

Confidentiality Statement:

I understand that in the course of my activities with the Edmonds College Foundation, I may have access to documents, data or other information that may be of a personal or private nature. Further, I understand that such information is to be considered confidential whether or not it is labeled or identified as "confidential". I acknowledge that the confidentiality of such information is to be scrupulously protected.

I hereby acknowledge and will abide by the above confidentiality statement.

Print Name

Signature

Date Signed

This policy was approved by the Board of Directors at their regular meeting on JANUARY 14, 2022.

A. Introduction

The purpose of this document is to communicate the policy of Edmonds College Foundation regarding actions to be taken with respect to suspected misconduct committed, encountered, or observed by board members, employees and volunteers of Edmonds College Foundation.

Like all organizations, Edmonds College Foundation faces risks associated with fraud, abuse, and other forms of misconduct. The impact of misconduct may include, but not be limited to:

- 1) Financial losses and liabilities
- 2) Loss of current and future revenue and donors
- 3) Negative publicity and damage to the Foundation's good public image
- 4) Loss of employees and difficulty in attracting new personnel
- 5) Deterioration of employee morale
- 6) Harm to the Foundation's relationships with donors, vendors, bankers, and sub-contractors
- 7) Litigation and related costs of inventions, etc.

The Foundation is committed to establishing and maintaining a work environment of the highest ethical standards. Achievement of this goal requires the cooperation and assistance of every board member, employee, and volunteer, at all levels of the Foundation.

B. Definitions

For the purpose of this policy, misconduct includes, but is not limited to:

- 1) Actions that violate the Foundation's Code of Conduct or other accounting and financial policies.
- 2) Fraud, as defined to include, but not be limited to:



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- e) Theft, embezzlement, or other misappropriation of assets (including assets of or intended for the Organization, as well as those of our customers, subcontractors, vendors, contractors, suppliers, and other with whom the Organization has a business relationship).
 - f) Intentional misstatements in the Organization's records, including intentional misstatements of accounting records or financial statements.
 - g) Authorizing or receiving payment for goods not received or services not performed.
 - h) Authorizing or receiving payments for hours not worked.
 - i) Forgery or alteration of documents, including but not limited to checks, time sheets, contracts, purchase orders, and receiving reports.
- 3) Forgery or alteration of checks, bank drafts, documents or other records (including electronic records).
 - 4) Destruction, alteration, mutilation, or concealment of any document or record with the intent to obstruct or influence an investigation, or in relation to or contemplation of any such investigation, carried out by a department or agency of the Federal government or by representatives of the Foundation in connection with this policy.
 - 5) Disclosure to any external party of proprietary information or confidential personal information obtained in connection with service to or employment by the Foundation.
 - 6) Unauthorized personal or other inappropriate (non-business) use of the Foundation's equipment, assets, services, personnel or other resources.
 - 7) Acts that violate federal, state, or local laws.
 - 8) Accepting or seeking anything of material value from contractors, vendors or persons providing goods or services to Edmonds College Foundation. Exception: gifts less than \$75.
 - 9) Impropriety of the handling or reporting of money of financial transactions.
 - 10) Failure to report known instances of misconduct in accordance with the reporting responsibilities described herein.

It is the policy of Edmonds College Foundation to prohibit each of the preceding acts of misconduct on the part of Foundation's board members, employees, volunteers and others responsible for carrying out the Foundation's activities.



C. Reporting Responsibilities

It is the responsibility of every board member, employee, officer, and volunteer to immediately report suspected misconduct to the Executive Director, Finance Director, Chair of the Audit and Policy Committee, or Chair of the Board of Directors.

Any individual receiving a report of suspected misconduct, must immediately report such acts to the Chair of the Audit and Policy Committee or the Chair of the Board of Directors.

D. Whistleblower Protection

Any reprisal against a reporting individual because of that individual, in good faith, reporting a suspected act of misconduct in accordance with this policy, or providing to a law enforcement officer any truthful information relating to the commission or possible commission of a Federal offense, is prohibited and will, in turn, be considered an act of misconduct subject to the disciplinary procedures described herein.

E. Investigative Responsibilities

Proper handling of allegations is imperative. Due to the sensitive nature of suspected misconduct, employees should not, under any circumstances, perform any investigative procedures.

The Audit and Policy Committee and the Foundation Executive Director have the primary responsibility for investigating suspected misconduct involving employees below the executive director. Because Foundation staff, including the Executive Director, are legally employed by Edmonds College, the Audit and Policy Committee and Executive Director must notify the Human Resources Department of the College immediately to coordinate this investigation. The investigation may then be conducted exclusively by the College; in conjunction with the Foundation; or the Foundation may be asked to follow all policy and regulations as outlined in College Policy C6.3.107 "Procedures for Reporting State Employee Misconduct" as established by the State Employee Whistleblower Act under RCW Code 42.40.

The Audit and Policy Committee has the primary responsibility for investigating suspected misconduct involving the Executive Director and board members.

Investigation into suspected misconduct will be performed without regard to the suspected individual's position, length of service, or relationship with the Foundation.

In fulfilling its investigative responsibilities, the Audit and Policy Committee shall have the authority to seek the advice and/or contract for the services of outside firms, including but not limited to law firms, CPA firms, forensic accountants and investigators, etc.

Properly designated members of the investigative team (as authorized by the Audit and Policy Committee) shall have free and unrestricted access to all Foundation's records

and premises, whether owned or rented, at all times. They shall also have the authority to examine, copy and remove all or any portion of the contents (in paper or electronic form) of filing cabinets, storage facilities, desks, credenzas and computers without prior knowledge or consent of any individual who might use or have custody of any such items or facilities when it is within the scope of an investigation into suspected misconduct or related follow-up procedures.

Neither the existence nor the status or results of investigations into suspected misconduct shall be disclosed or discussed with any individual other than those who the Audit and Policy Committee determines to have a legitimate need to know in order to perform their duties and fulfill their responsibilities effectively.

F. Protection of Records – Federal Matters

It is Edmonds College Foundation's policy to prohibit the knowing destruction, alteration, mutilation, or concealment of any record, document, or tangible object with the intent to obstruct or influence the investigation or proper administration of any matter within the jurisdiction of any department or agency of the United States government, or in relation to or contemplation of any such matter or case.

Violations of this policy will be considered violations of the Foundation's Code of Conduct and subject to the investigative, reporting, and disclosure procedures described earlier in this Policy on Suspected Misconduct.

G. Disciplinary Action

Based on the results of investigations into allegations of misconduct, disciplinary action may be taken against violators. Disciplinary action shall be coordinated with appropriate representatives from the Edmonds College Human Resources Department for employee misconduct. The Audit and Policy Committee and Executive Committee of the Board of Directors will coordinate disciplinary action for members of the Board of Directors.

The seriousness of misconduct will be considered in determining appropriate disciplinary action, which may include:

- 1) Reprimand
- 2) Probation
- 3) Suspension
- 4) Demotion
- 5) Termination
- 6) Reimbursement of losses or damages
- 7) Referral for criminal prosecution or civil action

This listing of possible disciplinary actions is for information purposes only and does not bind the Foundation to follow any particular policy or procedure.

H. Confidentiality

All information received regarding suspected misconduct is to be kept confidential. Any director or employee who suspects dishonest or fraudulent activity will notify the Executive Director or the Audit and Policy Committee Chair immediately and should not attempt to personally conduct investigations or interviews/interrogations related to any suspected fraudulent act.

Great care must be taken in the investigation of suspected improprieties or irregularities so as to avoid mistaken accusations or alerting suspected individuals that an investigation is underway. Investigation results will not be disclosed or discussed with anyone other than those who have a legitimate need to know. This is important in order to avoid damaging the reputations of persons suspected but subsequently found innocent of wrongful conduct and to protect Edmonds College Foundation from potential civil liability.

A board member, employee or volunteer who discovers or suspects fraudulent activity may remain anonymous. All inquiries concerning the activity under investigation from the suspected individual(s), their attorney or representative(s), or any other inquirer should be directed to the Audit and Policy Committee or legal counsel. No information concerning the status of an investigation will be given out. The proper response to any inquiry is "I am not at liberty to discuss this matter." Under no circumstances should any reference be made to "the allegation", "the crime", "the fraud", "the forgery", "the misappropriation", or any other specific reference.

The reporting individual should be informed of the following:

- 1) Do not contact the suspected individual in an effort to determine facts or demand restitution.
- 2) Do not discuss the case, facts, suspicions, or allegations with anyone unless specifically asked to do so by the Edmonds College Foundation legal counsel or the Audit and Policy Committee.

I. Disclosure to Outside Parties

Allegations of and information related to allegations of suspected misconduct shall not be disclosed to third parties except under the provisions described in this policy (such as disclosure to outside investigators hired by the Foundation to aid in an investigation).

However, all known frauds involving the Executive Director, Finance Director or members of the Board of Directors, shall be disclosed by the Audit and Policy Committee to the Foundation's external auditors.



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J. Adoption

This policy was approved by the Board of Directors on JANUARY 14, 2022 and supersedes the previous policy approved on May 14th, 2019.

Libby Lewis
Secretary
Edmonds College Foundation Board of Directors



RECORDS RETENTION

**BOD APPROVED:
JANUARY 14, 2022**

A. Introduction

Edmonds College Foundation recognizes that the efficient and secure management of its records is necessary to support the Foundation's core functions, contribute to the effective overall management of the Foundation, and to comply with its legal and regulatory obligations. The State of Washington Records Committee's General Retention Schedule for Washington's Community & Technical College System (last revision 9/1998) and the AICPA Document Retention and Destruction Policy (2015) serve as guidelines. Longer retention requirements take precedence.

Therefore, the Foundation will retain records as required by law and destroy them when appropriate. Contained within this policy is a Records Retention Schedule, detailing the specific retention and archiving requirements for each type of record. This table will be updated as needed based on changes in legal requirements.

B. Records Retention Oversight

Oversight of the retention, archiving and destruction of records for the Foundation rests with the Executive Director, with specific management delegated to:

- 1) Foundation Finance Director will have oversight responsibility for records pertaining to:
 - a) Audit
 - b) Banking
 - c) Financial Statements and Records
 - d) Taxes: Federal and state reports and filings
 - e) Insurance
 - f) Plant, Property and Equipment
 - g) Contracts & Grants
 - h) Correspondence, Legal
 - i) Corporate Structure, Activities, Policies and Procedures
 - j) Fixed Assets

- 2) Program Coordinator will have oversight responsibility for records pertaining to:
 - a) Donor Records & correspondence
 - b) Meeting minutes for Board of Directors and committees
 - c) Correspondence
 - d) Grants and Assistance to the College and students



C. Retention and Archiving

Whether maintained electronically or in hard copy, the Foundation will maintain a log indicating the location of all retained and archived records. The log will be updated to record the date and initials of the individual authorizing the destruction. Unless otherwise noted in the Records Retention Schedule, records will be archived by fiscal year.

1) Electronic Files

When possible, records shall be retained and archived in electronic format. The staff is charged with the development and maintenance of procedures by which electronic files are archived and identified for destruction.

Databases storing information from Foundation operations such as accounting, donor records, scholarship applications and awards, and special events shall follow the retention schedules as outlined on the Records Retention Schedule.

2) Hard Copy Files

At a minimum, the most recently completed fiscal year of hard copy files will be archived within the Foundation's offices. Records older than one year that must be moved off site will be stored in the Archived Records Building at the Edmonds College, using the Edmonds College Archive label.

D. Records Retention Summary

Records Type/Name	Records Description	Retention Requirements/ Disposition	Retention Oversight
Audit	Audit reports: supporting papers, year-end adjustments, PBC items	Permanently	Finance Director
Banking	Bank Account Records: account applications, any correspondence, signature authorities	Permanently	Finance Director
	Bank Reconciliations & Statements	7 years	Finance Director
	Investment Accounts: statements, trade notifications, internal allocation schedules, fund make-up records	7 years	Finance Director
Financials	Accounts payable sub-ledgers/schedules, monthly	7 years	Finance Director
	Accounts Receivable sub-ledgers/schedules, monthly	7 years	Finance Director



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Records Type/Name	Records Description	Retention Requirements/ Disposition	Retention Oversight
	Check Register, monthly	7 years	Finance Director
	Financial Statements, audited	Permanently	Finance Director
	Financial statements, monthly internal (P&L, BS, Cash flow, Trial Balance)	7 years	Finance Director
	General Ledger, monthly	7 years	Finance Director
	Journal Vouchers	7 years	Finance Director
	Payroll records & summaries, allocation schedules	7 years	Finance Director
	Transaction reports (A/P, A/R, Cash Receipts with duplicate deposit slips)	7 years	Finance Director
	Vendor files (containing check stub & invoices)	7 years	Finance Director
Contracts, Grants	Expired Applications , award letters, reports, and any other documents for grants received by the Foundation and long-term contracts of any kind that have an expiration date.	7 years from the ending date of the grant or contract	Finance Director
	No Expiration Date Applications, award letters, reports and any other documents for grants received by the Foundation and long-term contracts of any kind with no expiration date	Permanently	Finance Director
	Fully executed lease & rental agreements, loan agreements	7 years	Finance Director
	RFPs, RFQs	7 years	Finance Director
	Records pertaining to the purchase & disposition of real property, all sales transaction documentation	Permanently	Finance Director
Correspondence	General, with customers & vendors (e.g. contracts, payments etc.)	2 years	Finance Director
	Legal and important matters	Permanently	Finance Director



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Records Type/Name	Records Description	Retention Requirements/ Disposition	Retention Oversight
Corporate Organizational records	Articles of Incorporation By-Laws Tax Exemption documents including application and IRS Determination	Permanently <i>(any modifications, along with acknowledgment letters from state and federal governments are to be maintained)</i>	Finance Director
	Policies: editable files, signed PDFs	Permanently	Finance Director
Donor	Gift instruments (any documentation recording the donor's intent or restriction in purpose or time), scholarship agreements,	Permanently	Program Manager
	Donor Correspondence, reports to donors	Permanently	Program Manager
	Donor database	Permanently	Program Manager
Employment Documents	Applications, personnel files, performance reviews, payroll records	Subject to retention schedule for Edmonds College	EDCC Human Resources
Fixed (Capital) Assets	Capital purchase receipts, description	Permanently	Finance Director
	Depreciation schedules	Permanently	Finance Director
Insurance	Policies (expired)	Permanently	Finance Director
	Accident reports, claims and the policies under which they occurred	Permanently	Finance Director



EDMONDS COLLEGE FOUNDATION

E. Adoption

This policy was approved by the Board of Directors on JANUARY 14, 2022 and supersedes the previous policy approved on May 14th, 2019.

Libby Lewis
Secretary
Edmonds College Foundation Board of Directors



EDMONDS COLLEGE FOUNDATION

Records Type/Name	Records Description	Retention Requirements/ Disposition	Retention Oversight
Board Operations	Board of Directors Executive Committee All other standing committees Sub-committees <i>- Minutes to meetings is usually the most accurate record of institutional history</i>	Permanently	Program Manager
	By-Laws, Board and Committee Charters, Board Resolutions	Permanently	Program Manager
Scholarships, Grants, Program Support	Applications	3 years	Program Manager
	Recipient Information, yearly summary reports <i>(includes names, address and contact information)</i>	Permanently	Program Manager
	Selection Committee Records, including selection criteria and documentation regarding process	3 years	Program Manager
	Award documents	3 years	Program Manager
Special Events	Donor database, registration records	Permanently	Program Manager
Taxes & Information Returns	State of Washington annual registrations IRS Form 990 and 990T, 1099-MISC filings <i>(includes all working documents and backup information)</i>	Permanently	Finance Director



Policy #: F001

ACCOUNTING OVERSIGHT

**BOD APPROVED:
JANUARY 14, 2022**

A. Organization

Edmonds College Foundation's Finance Director is primarily responsible for the management of all accounting functions and maintenance of the electronic accounting records. More specific responsibilities are outlined in each transaction type policy and the supporting procedures.

The Board of Directors, the Executive Committee, and the Executive Director of the Foundation, the Finance Committee and the Audit & Policy Committee have responsibilities for the oversight of financial activities.

B. Sources of Professional Guidance

The Foundation Finance Director relies on professional development workshops and conferences, AICPA, FASB articles and GAAP publications, the external audit firm and accounting consultants to keep up-to-date on changes in federal and state laws and regulations, accounting best practices, audit standards and reporting requirements.

The Financial Accounting Standards ("FAS") Board directs how the Foundation's assets are classified, accounted for, and reported. As such, the accounting system, General Ledger, and Chart of Accounts will be designed to be in accordance compliance with those regulations.

The American Institute of Certified Public Accounts ("AICPA") provides guidance in accounting and reporting for not-for-profit organizations.

The FAS Board takes precedence over the AICPA if conflicts or overlaps in rules or procedures arise.

The Uniform Prudent Management of Institutional Funds Act ("UPMIFA") is a uniform act that provides guidance on investment decisions and endowment expenditures for charitable organizations. Edmonds College Foundation maintains compliance by conducting an annual UPMIFA Fund review and providing summary results to the Finance Committee. In order to ensure compliance with donors' restrictions on the uses of their gifts, the Foundation maintains over 150 separate funds in endowed and non-endowed funds. While the Financial Accounting Standards Board determines the classification of these funds for financial reporting purposes, the Foundation classifies the following fund types in order to fulfil its regulatory and stewardship obligation:



EDMONDS COLLEGE FOUNDATION

- 1) Non-Endowed (named & un-named) Scholarship
- 2) Endowed Scholarship
- 3) Non-Endowed Program
- 4) Endowed Program
- 5) Unrestricted & Board Designated (quasi-endowment)
- 6) Title 3 Endowed
- 7) Trusts (split-interest charitable trusts where ECF is named as a beneficiary).

New funds are created under these classifications for uniquely named, purposed scholarships and programs that are consistent with EC's offerings. Care should be taken to avoid proliferating new funds that encompass comparable or identical purposes of already existing (un-named) funds.

C. Adoption

This policy was approved by the Board of Directors on JANUARY 14, 2022 and supersedes the previous policy approved on May 14th, 2019.

Libby Lewis
Secretary
Edmonds College Foundation Board of Directors



REVENUES POLICY

**BOD APPROVED:
JANUARY 14, 2022**

A. Introduction

The purpose of this policy is to identify the sources of revenue for the Edmonds College Foundation (“the Foundation”) and how they are to be recorded in the general ledger as well as the allocation of revenue from fundraising events for the purposes of fulfilling the Foundation’s mission to support access, success and excellence for students, faculty, and staff at Edmonds College (the “College”).

B. Revenue Recognition Policies

The Foundation receives revenue from multiple activities. Revenue from each of these activities is recognized in the financial statements of the Foundation in the following manner.

1) Contributions

The following definitions shall apply with respect to the policies described in this section:

- a) **Contribution** - A gift of cash or other assets to the Foundation for which the donor receives no consideration.
- b) **Condition** - A donor-imposed stipulation that specifies a future and uncertain event whose failure to occur gives the donor a right of return of the assets by the Foundation or releases the donor from its obligation to transfer its assets. An example of a condition would be a matching gift. The donor promises-to-give to the Foundation on the condition it raises a specified amount to match their contribution.
- c) **Restriction** - A donor-imposed stipulation that specifies a use for the contributed asset that is limited to either a specific future time period or a specific purpose. Restrictions on the Foundation’s use of an asset may be temporary or permanent. An example of a temporary restriction is a cash gift to be given for XYZ scholarship in the next academic year (both time and purpose restriction). An example of a permanent restriction is a gift to establish an endowed scholarship where the original gift is retained in perpetuity with only future earnings given as scholarships.

Contributions received without condition or restrictions are recorded at the time of receipt as unrestricted revenues into the Foundation’s general ledger



“Unrestricted Operations” account. Contributions received with conditions or restrictions are recorded at the time of receipt in a Fund established for that contribution and/or others like it, which identifies the condition or restriction. Funds are established based on the classification of assets identified in the “General Gift Acceptance Policy”.

2) Special Events

The Foundation conducts special fundraising events annually to raise money to further the mission of the Foundation and for specific campaigns. Revenues for events are received through sponsorships, sale of tickets to attendees, in-kind contributions, auction sales and unrestricted contributions. These types of revenues may be received in the form of cash or converted stocks into cash. Revenues from special events are recorded as special event revenue (including stock gifts) in the general ledger at the time it is received.

Special Event revenue may also be recorded in the general ledger as deferred income if the revenue is received in the fiscal year preceding the event.

Unrestricted revenues raised from Special Events shall be allocated across to the Foundation’s 5 expense categories: Scholarships, Programs, Grants, Emergency Assistance, and Event Expenses. Specific activities during the Special Event, such as “Raise the Paddle” at the annual Gala or “Ticket Sales” for the annual Scholarship Dinner shall be allocated among these categories based on the purpose of the activity. The Executive Director and Finance Manager shall review the allocation percentages on a yearly basis to ensure that each of the 5 expense categories is adequately funded.

3) Promise to Give (Pledges)

A promise to give is defined as a written agreement to contribute unconditional cash or other assets to the Foundation.

Pledges can be received as any of the contributions or special event definitions listed above. They are recorded in the general ledger as a pledge receivable and revenue in the appropriate fund and general ledger account.

Conditional (as defined above) promises (i.e. restricted) to give shall not be recorded as a receivable in the general ledgers until the conditions have been met.

C. Accounting for Contributions and other Revenues

1) Cash and non-cash contributions

The Foundation shall recognize contribution revenue in the period in which it is received as restricted or unrestricted assets from donors.



Contribution income shall be classified as increases in unrestricted, temporarily restricted, or permanently restricted net assets based on the existence or absence of such restrictions.

2) Promises-to-give (pledges)

- a) All promises-to-give must be in written form before they are recorded as revenue by the Foundation and shall be recorded as assets and increases in unrestricted, temporarily restricted or permanently restricted net assets of the Foundation in the period it is received, as long as written evidence that a promise to support the Foundation has been made.
- b) Unconditional promises-to-give that are made without a duration of payments indicated or without a set term or expiration will not be recorded as assets (example: Campus Giving Payroll Deduction pledges). Pledge payments will be recorded as assets and increases in unrestricted, temporarily restricted or permanently restricted net assets of the Foundation in the period it is received.
- c) Unconditional promises-to-give that are to be collected within one year shall be recorded at their face value, less any reserve for uncollectible promises, as estimated by management. Unconditional promises-to-give that are collectible over time periods in excess of one year ("long-term pledges") but with a set term shall be recorded at their discounted net present value. The interest rate that shall be used in calculating net present values of unconditional promises-to-give is the risk-free rate of return available to the Foundation at the time it receives a promise from a donor. The Finance Committee of the board of directors shall approve this rate.
- d) Reductions of discount on such promises-to-give shall be recorded as contribution income in each period leading up to the due date of the promise to give.

3) Volunteer Labor

Edmonds College Foundation does not have a traditional volunteer program and does not record the value of donated services from volunteers.

4) Contributed Professional Services: "In-Kind" Contributions

Edmonds College Foundation shall record as a non-cash contribution and expense the value of contributed professional services at the time such services are received, at the value documented by the professional providing said services, as long as the services meet the following three criteria.

- a) It is the type of service that would typically need to be purchased by the Foundation if it had not been contributed,



- b) It requires specialized skills (i.e. formal training in a trade or profession), and
- c) An individual possessing those specialized skills provides it.
- d) Examples of contributed services received and recorded as income and expense by the Foundation include legal, accounting and auditing, specialized consulting.

5) Contributed Tangible Assets: ‘In-Kind Contributions’

Contributions of non-cash assets (food, clothing, equipment, etc.) shall be recorded at fair market value as of the date of the gift.

- a) The donor shall determine the value assigned to such non-cash assets.
- b) It is the policy of the Foundation not to certify any valuation of non-cash assets provided by donors.

Further details on the acceptance of non-cash contributions by the Foundation for the Foundation or the College can be found in the Policy on Acceptance of In-Kind Contributions.

D. Receipts and Disclosures

Edmonds College Foundation and its donors are subject to certain disclosure and reporting requirements imposed under the Internal Revenue Code and federal regulations. To comply with those rules, the Foundation shall adhere to the following guidelines with respect to contributions received.

- 1) For any separate contribution received by Edmonds College Foundation, other than contributions from donor-advised funds, it shall provide a receipt to the donor.
- 2) The receipt shall include the following information:
 - a) The amount of cash received and/or a description (but not an assessment of the value) of any non-cash property received;
 - b) A statement of whether the Foundation provided any goods or services to the donor in consideration, in whole or in part, for any of the cash or property received by the Foundation from the donor, and
 - c) If any goods or services were provided to the donor by the Foundation, a description and good faith estimate of the value of those goods or services.



It is the policy of Edmonds College Foundation to comply with all current federal and state rules regarding solicitation and collection of charitable contributions, and the acknowledgement and receipting of such contributions whether specifically addressed in this manual or not, as well as all future revisions to those rules.

E. Disclosures of Promises-to-give

As stated earlier, Edmonds College Foundation shall record an asset and an increase in net assets for unconditional promises-to-give (pledges). In addition, in connection with its annual financial statements, the Foundation shall provide a schedule of unconditional promises-to-give that discloses the annual amounts to be collected in each of the next five fiscal years, and a total amount due thereafter, less the amount representing interest as a result of discounting long-term promises-to-give to net present value.

In connection with conditional promises-to-give, which shall not be recorded on the financial statements, Edmonds College Foundation shall nonetheless prepare a similar schedule of future payments for disclosure in the organization's annual financial statements.

F. Adoption

This policy was approved by the Board of Directors on JANUARY 14, 2022 and supersedes the previous policy approved on May 14th, 2019.

Libby Lewis
Secretary
Edmonds College Foundation Board of Directors



Policy #: F003

EXPENSE POLICY

**BOD APPROVED:
JANUARY 14, 2022**

A. Introduction

The Edmonds College Foundation (“the Foundation”) expense policy applies to expenses incurred or authorized by employees of the Foundation and Edmonds College (“the College”) in the process of conducting Foundation business.

B. General Policy

- 1) Expenditures must be a necessary and budgeted expense for the Foundation. Exceptions must be approved by the Executive Director of the Foundation.
- 2) Expenses must be reasonable and appropriate under the circumstances and in moderation and good taste. Expenses must support a business reason for, or direct benefit to, the Foundation.
- 3) All expenses must be fully documented to be eligible for payment to a vendor or reimbursement to an employee.
- 4) All expenses must be authorized by the Executive Director of the Foundation.

C. Expense Categories

1) Entertainment and Hospitality

a) College Hosting:

State law prohibits the spending of public funds for most forms of hospitality expenses; therefore for the Executive Management of the College to conduct business in this manner the Foundation provides an annual budgeted allowance to the College President and Vice Presidents. These funds can be used for:

1. Entertainment of business associates before and after a bona fide business discussion.
2. Board of Trustees special meeting and retreat expenses in excess of those provided by the College.
3. Registrations and tickets to special events in the community.



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Requests for reimbursement require the original receipt attached to the Edmonds College Foundation Hosting Expense Reimbursement Form submitted to the Foundation Finance Director. The completed form should include a description of the event, the attendees, and the business purpose or benefit to the Foundation. This form should be approved by the Department's budget authority and then by the Executive Director of the Foundation.

b) Other Entertainment Expenses

Members of the Foundation's Board of Directors and staff will be reimbursed for reasonable expenses incurred for entertaining current and prospective donors, members of the community and College staff before, during or immediately after a business meeting. Requests for reimbursement require the original receipt attached to the EC Foundation Expense Reimbursement Form submitted to the Foundation Finance Director, approved by the Department's budget authority and Executive Director of the Foundation.

2) Out-of-Town Travel Expenses

Foundation staff members are employed by Edmonds College. While professional growth and travel expenses are often paid directly by the College, the Foundation does incur direct expense for such activities. In order to maintain consistency, the Foundation will use the College's travel expense policy.

Reimbursement for out-of-town travel expenses must be submitted, with receipts, in a timely manner on the Expense Reimbursement Form signed by the employee's immediate supervisor.

a) Transportation

It is recommended that the airline reservations be made through the College's travel specialist. Original receipts are required for airfare or other transportation such as train, bus, shuttles and auto rental. Receipts are not required for ferry or taxi. Use of personal auto will be reimbursed at the current IRS mileage reimbursement rate. The Foundation will only reimburse for coach and economy class transportation.

b) Meals

Meals, including a reasonable tip, will be reimbursed up to the per diem rate in the current College travel expense policy, which is determined by geographic region.

c) Lodging

Lodging will be reimbursed up to the maximum rate in the current College travel expense policy, which is determined by geographic region. Receipts are required.



d) **Spouse/Partner Travel**

The Foundation is not responsible for expenses incurred by a board member or employee associated with travel of their spouse/partner. Shared lodging need not be allocated.

3) **Local Mileage**

The Expense Reimbursement Form includes a section for mileage reimbursement. Individual trips must be itemized on the form, with total miles being reimbursed at the current IRS mileage reimbursement rate.

4) **Corporate Credit Cards**

The Foundation has a corporate account for the purpose of issuing credit cards to key staff of the College and Foundation for charges that would be paid by the Foundation. The cards include the Foundation's name as well as the employee name. The following policies apply to the use of corporate credit cards:

- a) Cards are to be used exclusively for legitimate Foundation-related business and will not be used for personal charges.
- b) If personal charges should occur, the cardholder will be required to reimburse the Foundation immediately.
- c) The cardholder will take reasonable precautions to protect the card.
- d) Cardholders are to turn in original receipts for charges to their card attached to the EC Foundation Credit Card Charge Form immediately, completing the form to describe the purpose of the charge.
- e) Monthly statements go directly to the Finance Director, who will verify the charges with the previously submitted receipts.
- f) Missing receipts must be substantiated with an EC Foundation Missing Credit Card Receipt Affidavit Form.
- g) Cardholders understand that chronic loss of receipts may result in the cardholder being personally responsible for charges or the loss of credit card privileges.

5) **Vendor Payments**

Payments to vendors for services or materials must be evidenced by a valid invoice authorized by the purchaser and Executive Director. The Foundation does not pay from statements.

Payments to individuals for \$600 or more must be supported by an IRS W-9, which may result in the individual receiving a 1099-MISC.

The College is a vendor of the Foundation. For the purposes of payments for support to the College and students, a valid invoice can take the form of:



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- a) An email notification to the Finance Director requesting funds to be paid.
- b) Spreadsheets and other worksheets created by Foundation staff verifying distribution of funds for scholarships and programs.
- c) Special forms developed for College programs where the Foundation is custodian of their funds, such as CRI and Head Start.

This policy will be reviewed annually by the Audit and Policy Committee

6) Contingency Fund

The Board Executive Committee and Finance Committee desires a simple procedure for contingency fund access. It is anticipated that a contingency fund may be a regular component of the annual budget adoption process. Procedure approved as follows:

- a) Approval to expend contingency funds must be accompanied by a brief summary of the proposed action, including how it aligns with the goals of the organization.
- b) The Executive Director (ED) is authorized to approve amounts of not more than \$5,000 without prior Board Executive Committee approval.
- c) The Board Executive Committee shall approve by majority vote the expending of contingency funds over \$5,000.
- d) Should the cumulative amount authorized by the ED in a given budget year exceed \$10,000, then prior Board Executive Committee approval is required.
- e) The expense is to be accounted for and included in the normal course of financial reporting.

D. Adoption

This policy was approved by the Board of Directors at their regular meeting on JANUARY 14, 2022 and supersedes the previous policy dated May 14th, 2019.

Libby Lewis
Secretary
Edmonds College Foundation Board of Directors



ENDOWMENT SPENDING POLICY

**BOD APPROVED:
JANUARY 14, 2022**

A. Introduction

An endowment fund is a fund not wholly expendable by the custodial institution on a current basis. Since a true endowment is one created by the donor, endowments created by Edmonds College Foundation (“the Foundation”) are considered board-restricted endowment (or “quasi-endowments”) and have separate spending restrictions not subject to this policy.

Endowments are traditionally created as vehicles to allow long-term stability and to memorialize the intent and philanthropy of donors in perpetuity. To this end, the Foundation will preserve and maintain the principal of the endowment funds in a prudent manner so that the endowed funds will continue to generate future income. Endowed funds are invested based on the Foundation’s Investment Policy.

The Prudent Management of Institutional Funds Act (PMIFA) articulates a standard of care for both managing and investing an endowment and was adopted by the State of Washington in 2009 under RCW 24.55.

B. Policy Objective

This Endowment Spending Policy (this “Policy”) describes the manner in which net investment earnings (dividends, interest, realized and unrealized gains) from the endowment funds of the Edmonds College Foundation will be allocated for spending. Endowments are established with the initial permanently restricted corpus and any earnings are collected in a temporarily-restricted portion for spending purposes.

The objectives of this Policy are:

- 1) To preserve and maintain the principal of the endowment funds in a prudent manner so the endowment funds will continue to generate future income; and
- 2) To provide a reasonably stable and predictable stream of revenue to support students, faculty, and staff at Edmonds College (the “College”) and operations of the Foundation.

C. Authority

The Board of Directors (the “Board”) will establish an annual payout amount for the Foundation’s spendable portion of the endowment funds, subject to the terms of this Policy (the “Spending Rate”). The Board will establish a Spending Rate that provides a stable,



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predictable level of spending to support the purposes for which the endowments have been established, and that provides for a rate of growth in the endowment funds that meets or exceeds the rate of inflation.

In accordance with PMIFA, the Board shall consider the following factors, if relevant, in setting the Spending Rates and in making other determinations regarding whether to appropriate or accumulate assets from an endowment fund:

- 1) The duration and preservation of the various endowment funds;
- 2) The purposes of the Foundation and the various endowment funds;
- 3) General economic conditions;
- 4) The possible effect of inflation or deflation;
- 5) The expected total return from income and appreciation of investments;
- 6) Other resources of the Foundation; and
- 7) The Foundation's Investment Policy.

The Spending Rate will be evaluated annually by the Finance Committee, which shall make a recommendation to the Board for consideration as part of the annual budget process, regarding whether the rate should be adjusted to reflect special funding needs, financial market conditions or other circumstances as set forth herein.

D. Spending Rate

Unless otherwise modified by resolution of the Board, the Foundation's Spending Rate for the next fiscal year shall be 4% of the average market value of a fund as of January 31st of the current fiscal year, using a twelve (12) quarter or three (3) year trailing average. The Trailing Average is calculated separately for each underlying endowment fund.

The Spending Rate shall **not** be applied to:

- 1) Any endowment fund subject to a specific rate of payout by the terms of the applicable gift instrument;
- 2) Title III endowment funds that are less than twenty (20) years old in accordance with applicable law;
- 3) Other endowment funds at the discretion of the Finance Committee;
- 4) Board-designated funds or 'quasi-endowed' funds.



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If sufficient funds for disbursements have not been accumulated, distribution from the endowed spendable portion will be suspended until sufficient funds have been accumulated. As a general policy, however, the Board of Directors will set its Spending Rate so as to utilize only the income, including capital appreciation, generated by its various funds and with the intention that the fund will grow but recognize that may not happen every year. Any income from dividends, interest and capital appreciation, both realized and unrealized, in excess of the approved spending appropriation will be reinvested in the applicable fund.

E. Adoption

Approved by the Board of Directors on JANUARY 14, 2022 and supersedes the previous policy approved on May 14th, 2019.

Libby Lewis
Secretary
Edmonds College Foundation Board of Directors



INVESTMENT POLICY

**BOD APPROVED:
JANUARY 14, 2022**

A. Introduction

This Statement of Investment Policy (the "Policy") governs the investment of assets held by the Edmonds College Foundation (the "Foundation"), including (but not limited to) the investment of assets not required for the Foundation's short-term operating purposes and the investment of assets subject to donor-imposed spending restrictions (i.e. donor-designated funds).

The Foundation is an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, and is classified as a non-private foundation (i.e. a public charity). As stated in the Foundation's Articles of Incorporation and Bylaws, the purpose of the Foundation is to raise, receive, hold, administer, invest and manage funds from donors wishing to benefit Edmonds College (the "College"). The purpose of this document is to establish the policies that will guide that investment and enhance Foundation assets for all involved parties by:

- 1) Defining and assigning the responsibilities in the investment of the Foundation's assets;
- 2) Establishing a clear understanding of the Foundation's investment goals and objectives;
- 3) Providing guidance and limitations to all investment managers regarding the investment of the Foundation's assets;
- 4) Establishing a basis for evaluating investment performance; and
- 5) Outlining a philosophy that will guide the Foundation's investment of its assets toward desired results.
- 6) In general, this Policy is intended to be sufficiently specific to be meaningful, yet flexible enough to be practical.

B. Investment Philosophy and Objectives

Since the Foundation's assets exist to provide support to the College, the investment philosophy of the Foundation is to have a disciplined, consistent, and risk-diversified (as defined by risk tolerance levels) approach using reasonable investment styles and strategies.

The Foundation's investment objective is to maximize returns based on a relatively moderate asset allocation. Although there may still be losses in any given investment period, over the long term, the Foundation believes that this approach will provide the best way to maintain the Foundation's financial objectives and grow the funds. The Foundation's investment goals are to maintain the purchasing power of net earnings and protect the principal's inflation-adjusted value.

The Foundation's intent is to provide a predictable annual distribution of funds from the investment earnings to provide support to Edmonds College students, faculty, staff, programs and potentially operations of the Foundation. Consequently, the investment objective over the long term is to generate returns that are greater than the amount distributed to provide reserves and cover inflation while providing consistent support for the College and its students.

The Foundation generally will not directly invest in those investments that are not readily marketable and do not have well defined markets, including the following:

- 1) Precious metals,
- 2) Venture capital,
- 3) Purchases of letter stock, private placements, or direct payments,
- 4) Private equity offerings,
- 5) Leveraged transactions,
- 6) Commodities transactions,
- 7) Puts, calls, straddles, leaps, or other similar option strategies,
- 8) Direct participation programs (limited partnerships),
- 9) Futures,
- 10) Managed Future Funds,
- 11) Hedge Funds,
- 12) Foreign or Crypto Currencies
- 13) Direct purchases of real estate, Short sales, or
- 14) Derivatives.

Exceptions must be recommended by the Finance Committee and approved by the Board in writing and prior to the requested action taking place.

C. Responsibilities of Finance Committee

While the Board retains the fiduciary responsibility for the Foundation's investment assets, it delegates oversight of the investment of such assets to the Finance Committee. The Finance Committee is charged with the responsibility of managing the assets of the Foundation through interacting with and monitoring the actions of the assigned investment manager and reporting to the Board. The specific responsibilities of the Finance Committee relating to the investment and management of the Foundation's assets are outlined in the Finance Committee Charter.

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D. Standard of Conduct Regarding Investment

The State of Washington adopted the Prudent Management of Institutional Funds Act (“PMIFA”) effective July 1, 2009. Accordingly, in managing the Foundation’s assets, each person responsible for managing and investing the Foundation’s assets will comply with the standard of conduct set forth in PMIFA, including the following:

- 1) Acting in good faith and with the care an ordinarily prudent person in a like position would exercise under similar circumstances;
- 2) Making decisions about an individual asset in the context of the Foundation’s portfolio as a whole and as part of an overall investment strategy; and
- 3) Considering the following factors, if relevant (and unless instructed otherwise by the terms of the applicable gift instrument):
 - a) General economic conditions;
 - b) Effects of inflation or deflation;
 - c) Expected tax consequences;
 - d) Expected total return from income and appreciation;
 - e) Other resources of the Foundation;
 - f) Balancing the Foundation’s needs for both spending and preserving capital; and
 - g) An asset’s special relationship or special value, if any, to the Foundation’s charitable purposes.

E. Delegation of Authority to Investment Managers

The ultimate authority for all matters concerning the investment and management of the Foundation’s assets rests with the Board under advisement of the Finance Committee or with the Finance Committee via delegation from the Board. Subject to any specific limitation set forth in a gift instrument or other applicable law, the Finance Committee may delegate to outside investment managers (“Advisors”) the management and investment functions that a prudent investor could properly delegate under the circumstances.

Advisors shall be selected from established and financially sound organizations that have a proven and demonstrated track record managing similar funds. Each Advisor must be a Fiduciary and Registered Investment Advisor (RIA) or an Investment Advisor Representative (IAR) of a RIA and acting as a Fiduciary or a bank or an insurance company and must acknowledge in writing acceptance of responsibility as a fiduciary. Each Advisor must disclose all fees and other income-generating agreements with third parties regarding assets purchased by or held for the Foundation and have no undisclosed conflicts of interest with respect to the Foundation or the College.

The Foundation will retain an investment management firm selected through a Request for Proposal (“RFP”) process. Such RFP shall be issued at least once every five (5) years, in accordance with the Finance Committee Schedule described below, unless deemed unnecessary by the Finance Committee. In connection with such RFP process, the Finance



Committee shall document the basis for hiring an Advisor. The Foundation's funds available for investment will be placed in a moderate portfolio. The investment position for this portfolio shall be an asset allocation model which may vary depending on economic conditions. The mix shall be managed to reflect current market conditions. The moderate portfolio shall be consistent with the moderate risk tolerance established by the Finance Committee, in which the Foundation expects to average a net return of at least 6%, after fees, on its investment over 10 to 15 years. The Foundation does not expect to try to "time the market" or have considerable trading in its accounts.

Selection of Advisors shall be based upon the above-stated criteria and any other factors that are consistent with this Policy and established by the Finance Committee. The Finance Committee shall determine an asset allocation range based on economic conditions, operating needs and an annual risk analysis. Advisors will be given a copy of this Policy and the most current risk analysis to be in compliance. If the Advisor determines it is in the Foundation's best interest to deviate from the asset allocation range determined by the Finance Committee, the Advisor must meet with the Finance Committee to discuss and receive written permission to do so from the Treasurer of the Board, prior to any reallocation.

F. Schedule

Each year the Finance Committee will:

- 1) Conduct a risk tolerance analysis, this may be provided by the Advisor;
- 2) Review this Policy and the Endowment Spending Policy and update or modify as needed to reflect changes in the financial markets, needs of the Foundation in support of the College and learnings from the risk tolerance analysis;
- 3) Provide any updated or modified Policies to the Board of Directors for approval;
- 4) Review the performance of the investment management firm and determine if an RFP should be issued. The Finance Committee shall document its findings in connection with this review. An RFP for investment management services will be issued no more than every five years, unless deemed unnecessary by the Finance Committee
- 5) Provide any updated or modified Policies to the Board of Directors for approval;
- 6) Review the portfolio with the Advisor annual each spring. The intent is to cover all aspects of the portfolio; including asset allocation and manager and portfolio returns as well as discuss spending needs for the next year.

G. Investments

For investment purposes, the Foundation's assets will be broken down into four different investment types: (1) Non-endowed Designated Funds which include Named Funds designated for specific scholarships or programs with individual balances of \$25,000 or higher, (2) Endowed Funds (consisting of a corpus or principal that is not wholly expendable



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on a current basis), (3) Title III Matching Endowments and (4) Short-term Investments and All Other Cash Resources.

1) Non-Endowed designated funds with a balance of \$25,000 or higher

Designated funds are composed of gifts, legacies, and bequests made to the Foundation which, under the terms of the gift instrument, may be spent down based on certain criteria that exists (such as minimum balance, discontinuance of donations into the fund, or a specified time period). It is the purpose of this Policy to prudently invest the funds for growth of the donor's original gift amount over \$25,000 while making distributions in accordance with the donors' wishes.

2) Endowments

Endowment funds are composed of gifts, legacies and bequests made to the Foundation which, under the terms of the applicable gift instrument, are not wholly expendable on a current basis. It is the purpose of this Policy to preserve the principal amount of a donor's gift and to make distributions in accordance with donors' wishes and according to any applicable law (including PMIFA). To this end, the Foundation will endeavor to preserve and maintain the principal of the endowment funds in a prudent manner so the endowment funds will continue to generate future income. Upon request, the Foundation will provide a written report to donors at the end of the fiscal year regarding the endowment's financial status, its growth or loss, and any distributions.

3) Title III

Through the Federal Office of Education, the Title III Matching Endowment Program was established at the College. Based on the Agreement between the Foundation and the College dated December 16th, 2010, the College transferred the combined amount of raised and matched grant funds into the Foundation's chosen Title III investment account.

The investment management of these combined funds will be controlled by the Foundation. The Foundation will invest the endowment corpus and a minimum of 50% of net aggregate appreciation for 20 years in allowable investments as outlined in the grant with oversight of all investment by the Foundation's Finance Committee and delegated to the management firm hired by the Foundation Board.

Both investments and allocations must be in accordance with applicable federal regulations as listed in the Department of Education guidelines, including 34 CFR Page 628, and the Agreement between the Foundation and the College dated July 1, 2021. Pursuant to Title III rules, disbursement of earnings cannot exceed 50% of the total aggregate earnings for a twenty-year period after the Title III grant is awarded.



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A Board Resolution was put into place on September 14th, 2010 stating that the endowed federal funds received through the Title III Matching Gift Program will remain with the donated funds in perpetuity as permanently restricted endowments after the expiration of the federal 20-year investment period. The donated funds and all appreciation available will remain as endowed after the 20 year period but will fall under the normal Endowment Spending Policy restrictions and not the Title III 50% rule.

4) Short-Term Investments – All Other Cash Resources

- a) The Finance Committee will analyze the operating budget for the coming year to determine needed allocations. The goal is to have liquid funding, i.e., cash and cash equivalents, available to fund operations for that period. Examples of cash equivalents include money market funds, CDs and other short-term vehicles with a maturity that aligns with forecasted need.
- b) Capital Campaigns: Funds collected for capital campaigns shall be set aside in separate Short-term Investments.
- c) Scholarships and Programs: Funds collected for non-endowed scholarships and programs with a balance of less than \$25,000 shall be set aside in separate Short-term Investments.

As resources are made available to the Foundation, either through donations, liquidations of assets or other means, the Finance Committee will consider other options to maximize the Foundation's ability to fulfill its mission and maintain a solid financial base.

H. Adoption

This policy was approved by the Board of Directors on JANUARY 14, 2022, and supersedes the previous policy approved on May 14th, 2019.

Libby Lewis
Secretary
Edmonds College Foundation Board of Directors



Policy #: FD001

GIFT ACCEPTANCE- GENERAL

**BOD APPROVED:
JANUARY 14, 2022**

A. Introduction

The Edmonds College Foundation (“ECF”) is a tax-exempt 501(c)(3) charitable organization within the Internal Revenue Service definition. To qualify as a charitable contribution, a donor transfers cash or other assets to the Foundation for use by the Foundation. The Foundation may accept gifts restricted to certain purposes only if such purposes are consistent with the Foundation’s tax-exempt purpose as a 501(c)(3) charitable organization as well as the intended purpose of the Foundation. The Foundation’s mission is to support access, success and excellence for students, faculty, and staff at Edmonds College (the “College”). The Edmonds College Foundation is an exceptional steward for the funding that the community places in its trust. It is dedicated to making efficient use of resources, with the goal of bettering the community through the support of students’ educational and career goals. In this light, the Foundation must have legal control over the distribution of the contributed assets and any future earnings from those assets.

This Policy is general in nature and is intended to provide an umbrella over accompanying policy attachments that address types of gifts secured from cash contributions or outright gifts; fundraising events; campaigns; grant awards; federal grants; bequests; and contracts (together, referred to as the “Gift Acceptance Policies”). These gifts may carry donor restrictions in their purpose or come to the Foundation without donor restrictions for general use by the Foundation. In considering each proposed gift, the Foundation’s Executive Committee will review this general policy and applicable policy attachments regarding the specific gift type. In case of a conflict between the terms of this Policy and the other policy attachments, the terms of the more specific policy attachment shall apply.

B. Compliance

Federal and state law requires that the Foundation satisfy various requirements regarding gifts made to the Foundation. The Financial Accounting Standards Board (“FASB”) directs how the Foundation’s assets are classified, accounted for, and reported. The American Institute of Certified Public Accounts (“AICPA”) provides guidance in the accounting and reporting surrounding these gifts. FASB takes precedence over the AICPA if conflicts or overlaps in rules or procedures arise. The Foundation will act in accordance with all such requirements and these Gift Acceptance Policies will be interpreted to be consistent with such laws and may be amended from time to time to reflect changes in applicable law.

The Prudent Management of Institutional Funds Act (“PMIFA”) adopted by the State of Washington provides guidance on investment decisions and endowment expenditures for charitable organizations. Edmonds College Foundation maintains compliance by conducting an annual PMIFA Fund review and providing summary results to the Finance Committee.



In order to ensure compliance with donors' restrictions on the uses of their gifts, the Foundation maintains separate funds in endowed and non-endowed funds. While the Financial Accounting Standards Board determines the classification of these funds for financial reporting purposes, the Foundation classifies the following fund types in order to fulfil its regulatory and stewardship obligation:

- 1) Non-Endowed (named & un-named) Scholarship
- 2) Endowed Scholarship
- 3) Non-Endowed (named & un-named) Program
- 4) Endowed Program
- 5) Unrestricted & Board Designated (quasi-endowment)
- 6) Title 3 Endowed
- 7) Trusts (split-interest charitable trusts where ECF is named as a beneficiary)

New funds are created under these classifications for uniquely named, purposed scholarships and programs that are consistent with EC's offerings. Care should be taken to avoid proliferating new funds that encompass comparable or identical purposes of already existing (un-named) funds.

C. General Policy

The Foundation may accept gifts restricted to certain purposes only if such purposes are consistent with the tax-exempt purpose of the Foundation and support a current program or activity administered by the College.

Proposed significant or unusual gifts will be reviewed by the Executive Committee and Executive Director acting, if necessary, in consultation with the Board of Directors and/or Foundation legal counsel prior to acceptance, to ensure that the gift is consistent with this and other Foundation policies. If inconsistencies are found, the Executive Committee has the right to ask the donor to modify his or her conditions, or refuse to accept the gift.

The Foundation may not accept contributions that:

- 1) Are inconsistent with its tax-exempt purpose.
- 2) Unduly interfere with the Foundation's authority to administer and distribute the contribution.



- 2) Impose any material restriction that prevents the Foundation from exercising ultimate control over the assets received from the donor. A material restriction exists if:
 - a) The Foundation does not have full ownership, benefit and control over the asset it receives
 - b) The contribution possesses legal or other characteristics rendering the asset difficult to sell or convert to liquid assets.
 - c) The donor imposes restrictions that are inconsistent with or involve uses that go beyond the Foundation's current mission and tax-exempt purpose.
- 3) Are from a donor that is involved in businesses or activities that are deemed inconsistent with the Foundation's mission. This determination shall be made by the Executive Committee and ratified by the Board of Directors.

D. Special Circumstances

1) Donor-Advised Funds

A donor-advised fund is a separately identified fund or account that is maintained and operated by a sponsoring 501(c)(3) organization. Each fund or account is composed of contributions made by individual donors. Once the donor makes the contribution, the organization has legal control over it while the donor retains advisory privileges with respect to the distribution of funds.

For example, the "Kaledestad Charitable Fund" is a donor-advised fund at Fidelity Charitable, a public charity. Donors make tax-deductible contributions to Fidelity Charitable into a segregated account ("donor-advised fund") and have the privilege of recommending grants to qualified public charities, such as the Foundation. Fidelity Charitable provided the tax receipt to the individual donor.

Therefore, the Foundation may accept gifts from donor-advised funds but will not issue a receipt to the individual donor. Only thank you letters will be issued.

2) Donor-Designated Funds

A donor-designated fund is a gift received from an individual donor who names a specific recipient of the gift for the purposes of paying for tuition, books, or fees. Any gift from a donor who specified the recipient for the purpose of providing cash directly to the donor will not be accepted by the Foundation, as this may benefit the recipient in ways that are inconsistent with the Foundation's tax-exempt purpose. Gifts from a donor who specifies a relative or family member will not be accepted by the Foundation.



3) Pass-through Funds

Pass-through funds are when the Foundation accepts gifts on behalf of a College and then passes the gift directly to the receiving department or program. Gift receipts are issued by the Foundation to the donor.

The Foundation is legally obligated to adhere to the terms and conditions of every gift. Before the gift is accepted, the terms of each gift must be considered with the utmost care to ensure they are consistent with current fundraising goals and programs, conform to Foundation policies, and do not unduly hamper usefulness or expose the Foundation to undue risk.

E. Conflict of Interest

Conflicts of interest shall be managed in accordance with this Policy and the Foundation's Conflict of Interest Policy. A conflict of interest could arise if the Foundation, its officers or staff were to:

- 1) Provide legal or financial advice to prospective donors relating to the consequences of their gifts on resulting taxes and estate planning. If questions should arise during conversations with donors, Foundation officers and employees are to urge the prospective donor to seek assistance from outside professionals and not to give recommendations, endorsements, or advice.
- 2) Pay for or absorb the costs associated with the transfer of assets from the donor to the Foundation. For example, the Foundation's In-Kind Contribution addendum policy requires that any assets valued at \$5,000 or more must be accompanied with the independent appraisal required for the donor to receive a federal tax deduction. A conflict of interest would exist if the Foundation agreed to pay directly or reimburse the donor for the cost of obtaining the appraisal.

F. Change in Circumstances

If future circumstances change so that the restrictions imposed on a gift become unlawful, impossible, impractical to achieve or wasteful, the Foundation reserves the right to direct the resources of the fund to a purpose as consistent as possible with the donor's original intent. If no closely related purpose exists, the funds may be applied towards other Foundation purposes to the extent permitted by applicable law. Wherever possible and subject to applicable law, the Foundation will seek the donor's consent as a first step to any release or modification of a gift restriction, provided doing so is reasonably feasible as determined by the Foundation in its sole discretion.

G. Gift Acknowledgement

For a donor to claim a tax deduction for a contribution the donor must receive a written acknowledgement from the Foundation; therefore, the Foundation will provide each donor with an acknowledgement of his or her contribution that complies with applicable law to



support the donor's ability to take a tax deduction for the charitable contribution.

If the donor received goods or services in exchange for that contribution, the fair market value of those goods and services must be included in the acknowledgement.

H. Gift Instrument

All gifts that have a designated purpose and meet a minimum threshold, \$5,000 for non-endowments and \$25,000 for endowments are to be established as a separate fund and must have a signed gift instrument or agreement. The Foundation should encourage donors to seek legal counsel when any negotiations are necessary. Gift instruments, at the minimum, should contain the following:

- 1) Date of the agreement.
- 2) Legal name(s) of the donor(s).
- 3) If more than one donor, an indication of the donors' intent to be obligated jointly, severally, or both jointly and severally.
- 4) Complete description of exactly what is to be contributed and the dates on which it will be contributed, e.g., cash, securities (specify), personal property (specify), real estate (specify), etc.
- 5) Detailed description of amount to be contributed (if cash), quantities (if personal property), legal description (if real estate).
- 6) A statement that the donor's gift or promise to give is unconditional and irrevocable, and that the designation of the Foundation as recipient also is irrevocable (if the gift instrument is irrevocable, but the donor retains the right to change the recipient, the contribution would be conditional and not recordable by the Foundation).
- 7) A statement that in the event of the donor's death prior to fulfillment of the promise to give, the donor intends, and hereby instructs their personal representative to fulfill the promise to give from the assets of the donor's estate.
- 8) The purpose(s) for which, and time periods during which, the contribution(s) may be expended. If permanently restricted for endowment, the purpose(s) for which, and time periods during which, the earnings may be expended.
- 9) Provisions for post-expiration excess funds.
- 10) Any other terms, restrictions, or other details agreed-to by the Foundation and the donor(s). If the Foundation intends to use a portion of the contribution to pay legal, title, transfer-related, or other administrative expenses, it should obtain the donor's agreement and include an indication of such in the gift instrument.



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11) The signatures of an authorized representative of the Foundation and each donor.

All terms and conditions stated in gift instruments must comply with the Foundation's acceptance policy.

I. Adoption

This Policy was approved by the Board of Directors on JANUARY 14, 2022, and supersedes the Policy approved by the Board of Directors on May 14th, 2019.

Libby Lewis
Secretary
Edmonds College Foundation Board of Directors



GIFT ACCEPTANCE- ENDOWMENTS

**BOD APPROVED:
JANUARY 14, 2022**

A. Introduction

Endowment funds are composed of gifts, legacies, and bequests made to the Foundation which, under the terms of the applicable gift instrument, are not wholly expendable on a current basis. Endowments can be established for student scholarships or current programs at Edmonds College (EC), and for other purposes approved by the Foundation. The Foundation will accept these designations to the extent that the donor's stipulations have a reasonable expectation of being met.

Endowments are traditionally created as vehicles to allow long-term stability and to memorialize the intent and philanthropy of donors in perpetuity. To this end, the Foundation will preserve and maintain the principal of the endowment funds in a prudent manner so that the endowed funds will continue to generate future income while acknowledging the volatility of the market.

It is the purpose of this policy to preserve the principal amount of a donor's endowed gift and to make distributions in accordance with donors' wishes and to manage the endowment according to any applicable law and in alignment with investment and spending policies.

B. Gift Acceptance/Gift Instrument

Gifts establishing endowments shall meet the following guidelines:

- 3) The terms of the endowment must comply with the Foundation's General Gift Acceptance Policy and this Policy.
- 4) When the donor wishes to restrict the endowment to a specific field of study or program, it must be for a program currently offered by the College, or otherwise approved by the Foundation, with the consent of the College.
- 5) If donor restrictions regarding use preclude inclusion in investment pools, approval from the Finance Committee will be required prior to accepting the gift.
- 6) Should donor restrictions for use of the endowment payout be desired, the agreement shall list more than one preference, and include a statement allowing the Board of Directors (the "Board") to modify the use should the original restrictions become unfeasible, with consideration to the donor's background and original intent of the gift.
- 7) Generally, the Foundation is not able to accept endowed gifts of less than \$25,000. If the donor is unable to make an initial gift of \$25,000, the Foundation may work with



the donor to establish payment schedule. If, after the original time-frame or at any time before that time, it appears that the donor will not be able to complete their funding plan, the Foundation Board of Directors has the right to collapse the endowment following the donor's original intent to the extent feasible.

- 8) An annual administrative fee of 1% will be applied against the donor's fund balance. In accordance with its spending policy the Foundation employs three-year averaging to calculate the annual spend from endowments. This can create a gap between funds available and intended funding levels early in the life of an endowment. Donors may at times make additional contributions in order to bridge that gap. Gifts of that nature are excluded from the one-time 5% management fee on non-endowed restricted gifts.
- 9) All accepted gifts established as an endowment will have a fully executed gift instrument before the funds can be pooled into the Foundation's investment account (or implemented into the Investment Policy guidelines). In the case where is donor is no longer living, the trustee of the estate shall sign the gift instrument. The gift instrument should contain the components indicated by the General Gift Acceptance Policy.
- 10) If the endowment results from a bequest, the terms and conditions outlined in the will shall be sufficient for the Foundation to establish the endowment (provided the Foundation accepts the gift after determining that the gift fulfills the requirements set forth in this Endowment Policy). However, the donors wishing to make bequests will be encouraged to execute a gift agreement with the Foundation in addition to the will.

C. Endowment Establishment

The corresponding gift agreement will provide the guidance as to how the initial gift will be aligned with regards to temporary or permanent restrictions. The portion identified as principal, or corpus, will be designated as permanently restricted and be maintained as such. The donor may, at their discretion, provide additional funds to help meet their desired annual funding goal which will be of particular importance during the three year period following the initial gift until the endowment has reached three full years of averaging.

D. Board-Designated (Quasi-) Endowments

The Foundation may set aside unrestricted funds as a board-designated or quasi-endowment to be invested to provide income for a long but unspecified period (definition taken from Statement of Financial Accounting Standards 117). A board-designated fund is classified as "unrestricted" on financial statements because the limitation was imposed by the Board rather than the donor and is therefore not subject to Endowment Spending restrictions; however, the quasi-endowment functions as an endowment with a principal restricted portion and an unrestricted portion set aside for distributions for a specific purpose. At the time of the board designation, the Board will establish a set of standards for the use of these endowments that will be distributed to all donors prior to or at the time of their contribution to the extent feasible. The Board can end its restriction for any reason and



remove any or all funds from the quasi-endowment at any time via a Board majority vote.

Board-designated endowments might include a General Scholarship Endowment, to be used to support scholarships to students, and a Program Endowment, to be used to support program-related distributions made to the College. The General Scholarship Endowment and Program Endowment may be utilized in years when contributions or earnings from other endowments are insufficient to maintain consistent support to the students and programs of the College.

In addition, the Board may establish a quasi-endowment fund utilizing unrestricted cash reserves to provide a vehicle through which earnings and growth can be generated to support the operations of the Foundation. Because this would be a Board-designated endowment, the Board may, at some date in the future through a majority vote, increase or reduce the principal of the endowment, or dissolve the endowment, thereby releasing the funds back into the general operating budget.

E. Title III Endowments

The College often has received grants from the US Department of Education through a program authorized under Title III of the Higher Education Act of 1965. These challenge grants provide federal funding to match contributions from donors wishing to establish a named endowment or contribute to the general endowment (the "Title III Endowments"). Each Title III Endowment (private donation plus federal matching grant) is restricted by law for a period of twenty (20) years, during which time no more than 50% of the aggregate income and appreciation may be spent. (Aggregate is defined as the income and appreciation realized on the total of all named or general endowment contributions and the matching Title III funds). The Title III program permits that at the end of the twenty (20) year period, the federal matching funds can be released from restriction and used for any purpose consistent with the Foundation's charitable purpose. The Board has determined, however, that Title III Endowments shall continue to be held as endowments after expiration of the twenty (20) year period. As such, expenditures from Title III Endowments that are more than twenty (20) years old shall, subject to the terms of the applicable gift instrument and applicable law, be determined pursuant to the Foundation's Endowment Spending Policy.

In the case of new Title III matching endowments, the Title III rules shall apply. 100% of the gift will be used to establish the endowment so the gift in its entirety may be matched with Title III federal funds.

F. Accounting and Reporting

When an endowment is created, two distinct funds (general ledger "sub-ledgers") are established: (1) an endowed permanently-restricted corpus fund and (2) an endowed temporarily-restricted fund.

The endowment will be invested according to the Foundation's Investment Policy and may be co-mingled within an investment portfolio with other endowments and Foundation funds. The net earnings and gains or losses on the entire investment portfolio will be distributed to

each fund within the portfolio based on each fund's percentage of the total.

Upon request, the Foundation will provide the donor with an annual report of activity for their endowment for the previous fiscal year. For gifts from individuals, the Foundation shall provide the annual report each year during the donor's lifetime. After the donor's death, the Foundation will continue to provide an annual report at the request of the donor's heirs. For gifts from corporations, the Foundation shall provide the annual report for a period of ten (10) years, and for additional successive periods of ten (10) years at the request of the corporate donor.

G. Adoption

This policy was approved by the Board of Directors on JANUARY 14, 2022 and supersedes the previous policy approved on May 14th, 2019.



Libby Lewis
Secretary
Edmonds College Foundation Board of Directors



Policy #: FD003

GIFT ACCEPTANCE- NON-ENDOWED RESTRICTED FUNDS

**BOD APPROVED:
JANUARY 14, 2022**

A. Introduction

The Edmonds College Foundation accepts contributions for named and general non-endowed restricted funds ('Funds'). The intent of these funds may include: scholarships for students attending Edmonds College, programs, faculty, or staff at Edmonds College or operations of the Foundation.

B. Named Scholarships

1) Establishment of a Restricted Fund

A named Fund can be established by one donor, a group of donors, as a memorial, or as a bequest. Regardless of the method by which the Fund is established, it must meet the following criteria:

- a) The terms must comply with the Foundation's General Gift Acceptance Policy.
- b) If the donor wishes to restrict their gift to a specific field of study, it must be for only one current program offered by Edmonds College.
- c) The minimum gift must be \$5,000.
- d) After awarding the initial gift, the donor(s) may choose to continue giving to the Fund in subsequent years with terms clearly stated in the gift instrument.
- e) At the time of the initial gift, gifts of \$1,000 or more will be charged a 5% management fee.
- f) Funds that do not receive continued funding and reach a balance less than \$5,000 after 12 months will cease to be offered and any remaining balance will be re-allocated to an EC Foundation general Fund aligned with the original intent to the extent possible or; if the original named Fund was for a specific field-of-study or program, the remaining balance will be re-allocated to a similar existing Fund.

2) Donor-generated Solicitations

The Foundation values every person making contributions to advance its mission. To ensure continuity and consistency of the message being provided to potential donors, individuals wishing to create a named fund through solicitations



of friends and colleagues must do so with the assistance and guidance of the Edmonds College Foundation development staff. Publications to be used to solicit contributions for the Fund must be independently generated by the donor and approved by the Foundation prior to printing or posting on websites.

3) Donor Agreements

An agreement will be executed between the Foundation and the initiating donor outlining the specific terms and conditions of the Fund based on guidelines contained in the "Gift Instruments" section of the General Gift Acceptance Policy. While the Foundation will make every effort to satisfy the wishes of donors when creating eligibility criteria, such criteria must be within the guidelines established by the Foundation. Donors will be encouraged to keep the eligibility criteria clear, concise and sufficiently broad to attract as many students as possible.

4) General Restricted Funds

The Edmonds College Foundation maintains a general scholarship fund and a general program fund under its name that accepts contributions from donors wishing to restrict their gift to scholarships or programs, but not wanting to establish an individual named Fund or wishing to contribute less than the aforementioned minimum. Gifts resulting from special event scholarship solicitations are also deposited to this fund. Contributions to the Edmonds College Foundation Scholarship Fund or Edmonds College Foundation Program Fund can be for any amount.

C. Accounting and Reporting

- 1) Named Funds will be maintained separately within the Foundation's accounting records.
- 2) The funds will be held in cash or invested in short-term vehicles such as money market and certificates of deposits maturing in 1 year or less according to the Foundation's investment policy and will be co-mingled with other Foundation cash held in short-term vehicles. Earnings will be distributed to each fund within the investment based on the funds percentage of the total and will be added to the contributed amount for distribution as scholarship.
- 3) The Foundation will provide the donor with an annual report on scholarships awarded along with any thank you letters from recipient students.

D. Adoption

This policy was approved by the Board of Directors on JANUARY 14, 2022 and supersedes the previous policy approved on May 14th, 2019.



EDMONDS COLLEGE FOUNDATION

Libby Lewis

Libby Lewis
Secretary
Edmonds College Foundation Board of Directors



new 3/15/22

GIFT ACCEPTANCE- UNRESTRICTED

BOD APPROVED:
JANUARY 14, 2022

A. Introduction

The Edmonds College Foundation encourages and accepts contributions where the donor is silent with regard to intended purpose or has requested that the Foundation use the gift "for the greatest need". These contributions afford the Foundation the greatest flexibility for distribution as they carry no donor-imposed restrictions for their use.

B. Use and Distribution

The Finance Committee will supervise the preparation of and present to the Board of Directors an annual budget for the Foundation. This budget will outline the uses and distributions of unrestricted resources to support the Foundation's operations and mission.

C. Accounting and Reports

- 1) The gift will be recorded in the donor database under the name of the donor at the time the gift is received.
- 2) If the Board of Directors, by a majority vote, should designate unrestricted funds for a specific purpose or use, the funds will be transferred to a separate unrestricted fund in the accounting records and identified as designated by the board for that purpose. It is understood that this designation can be rescinded or modified by a majority vote of the Board at some future date. Additional guidelines for establishing board-designated restricted funds are covered in the Gift Acceptance-Endowment policy.
- 3) The Foundation cannot re-direct a designated gift to a specific purpose and acknowledge the donor for supporting that purpose, without the donor's written approval.
- 4) Donors making unrestricted gifts will be acknowledged in the appropriate manner but will not receive any financial reporting on an annual basis about the use of their contribution.

D. Adoption

This policy was approved by the Board of Directors on JANUARY 14, 2022 and supersedes the previous policy approved on May 14th, 2019.



EDMONDS COLLEGE FOUNDATION

Libby Lewis
Secretary
Edmonds College Foundation Board of Directors



Policy #: P001

COLLEGE REQUEST FOR FUNDING

**BOD APPROVED:
JANUARY 14, 2022**

A. Introduction

In fulfillment of its mission, the Edmonds College Foundation establishes annual funding allocations in accordance with available resources and current priorities. The Foundation provides direct support to individuals and programs at Edmonds College through its annual Scholarship and Grant programs, which are open to all students, faculty and staff of the institution. The breadth of these programs depends upon the Foundation's financial situation and changes from year to year.

B. Application for Funds

To ensure that all funding requests are considered in a fair and efficient manner, applications will only be accepted in accordance with current guidelines for the scholarship and grant programs. General information, application instructions and deadlines for both grants and scholarships can be found by visiting the Foundation's website or by contacting the Foundation office.

C. Authority

The President of Edmonds College will determine the funding priorities of the College as a whole. Faculty and staff who wish to have the Foundation consider a request for funding that falls outside the scope of the scholarship and grant programs must first seek the endorsement of the College President to affirm that the request is a top priority for the College and cannot be funded through other sources. All such requests will be presented to the Foundation by the College President for consideration.

From time to time, students, faculty and staff will approach a Foundation board member directly with appeals for funding. In such situations, the board member will advise the individual to speak with the Foundation Executive Director for information regarding the process for considering such requests.

D. Adoption

This policy was approved by the Board of Directors on JANUARY 14, 2022 and supersedes the policy previously approved on May 14th, 2019.



EDMONDS COLLEGE FOUNDATION

Libby Lewis

Libby Lewis
Secretary
Edmonds College Foundation Board of Directors



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EMERGENCY FUNDING FOR STUDENT SUCCESS

**BOD APPROVED:
JANUARY 14, 2022**

A. Introduction

In fulfillment of its mission, Edmonds College Foundation provides support to students through the Emergency Fund Program. Assistance is given from private donations.

B. Program Goals

The program is intended to assist students serious about continuing their studies toward a degree or certificate at Edmonds College. The primary goal of the Emergency Fund Program is to eliminate a temporary financial crisis for a student and prevent them from dropping out of school.

Emergency funds are available to currently enrolled students who are experiencing an unforeseen financial emergency in the past 60 days that could prevent them from continuing their education. Funds can be used to assist with the payment of basic life necessities such as food, shelter, utility bills, car repairs, and basic cell phone and internet services.

While emergency funds are direct aid to students, they are not scholarships, therefore cannot be used to pay for tuition, books, and fees. No monies will be paid directly to students.

C. Minimum Criteria and Application Process

To apply for emergency fund support, students must meet all of the following criteria:

- 3) Be currently enrolled and attending classes at Edmonds College. Enrollment will affect eligibility.
- 4) Be experiencing an unforeseen financial situation that has occurred in the last 60 days that is beyond their control and could prevent them from continuing their education.
- 5) Submit an application and all supporting documents as outlined in the Application Requirements.
- 6) Have not received emergency fund assistance in the past 12 months. Students, who seek assistance in consecutive academic years, may be refused further assistance due to their inability to find satisfactory resolution to their financial difficulties.



- 7) If awarded funding, the student may be required to attend a Financial Literacy class offered by Edmonds College.
- 8) A student who has below a 2.0 GPA should address it in their personal statement.

Emergency Fund Committee members may recommend revisions to the minimum criteria and application process to the Foundation Program Committee as deemed necessary.

D. Review and Award Process

A committee comprised of Foundation and College employees will meet and review applications on a regularly scheduled basis (to be determined based on need and experience). While applications will traditionally not be reviewed outside of the regularly scheduled meeting, exceptions may be made for students who are experiencing an immediate crisis with food and shelter. The student's application, supporting documentation, and academic progress will be used to determine the student's eligibility for funding.

Each application will be reviewed on its own merit and as long as the student meets the minimum criteria as outlined above and in the Application Requirements, consideration will be given to the full amount requested. However, it is understood that there may be circumstances where no amount of money can solve a student's financial difficulties and no matter how justified the request, the student will still be unable to remain in school. In such cases, the committee may choose to refuse funding.

Based on the submitted application materials, the committee will determine the appropriate funding amount while being sensitive to the annual limits of available Foundation funding. Academic performance and the student's overall financial situation will be considered.

E. Conflict of Interest and Favoritism

While providing students with the assistance they need to stay in school is our highest priority, Foundation and College Board and staff directly or indirectly involved in the Emergency Fund Program must maintain an "arm's length" relationship with students applying for emergency funds so there is no appearance of favoritism or conflict of interest. Providing general instructions about application requirements, required documents and deadlines is acceptable assistance. Reviewing an application for a student, making recommendations for improvement, or notifying a student that their application is incomplete by a voting member is inappropriate assistance and could result in the student's application being rejected altogether. Only non-voting members may review an application for a student or notify a student that their application is incomplete.

F. Distribution of Funds

Emergency Funds will not be distributed directly to students. Checks will be written and mailed by the Foundation directly to the vendor for whom the student has requested

payment. Students will be notified by email of their award and when the payments have been sent.

In the case of food and shelter, students will be provided with funds on their EdPass to use at the on-campus cafeteria and cafe, gift cards to local grocery stores, and/or vouchers for hotels/motels.

G. Evaluation and Data Collection

The Foundation Program Committee will develop metrics for the Emergency Fund Program and staff will collect the appropriate data in order to perform an annual evaluation of the program's effectiveness. Based on this evaluation, the review committee will make recommendations to the Foundation Program Committee for modifications to eligibility criteria and/or process to meet the program goals.

H. Program Funding

The size and scope of the Emergency Fund Program is dependent upon funding and may change from year to year. The Program Committee will assess the effectiveness of the program on an annual basis and may recommend funding changes to the Finance Committee. The Finance Committee will make a recommendation to the Board of Directors on the annual allocation for the next fiscal year as part of the annual budget process. Upon recommendation from the Program Committee, the Board of Directors reserves the right to suspend or eliminate this program at any time for any reason.

I. Adoption

This policy was approved by the Board of Directors on JANUARY 14, 2022 and supersedes the policy previously approved on May 14th, 2019.



Libby Lewis
Secretary
Edmonds College Foundation Board of Directors