

**COMMUNITY FOUNDATION ALLIANCE
POLICY DEFINING THE RELATIONSHIP BETWEEN
THE COMMUNITY FOUNDATION ALLIANCE, INC. AND COUNTY SERVICES COMMITTEES**

1. The Board of Directors may establish one or more County Services Committees as defined in Article V, Section 3 of the Corporation Bylaws. Each such committee will be called "<Name of County> County Community Foundation, a fund of the Community Foundation Alliance" (hereinafter "CF"). Each CF exists to increase the philanthropic base for its specific county by accomplishing charitable, educational, and other purposes through identifying and cultivating potential donors, collecting and analyzing data on the charitable needs, and making recommendations for distribution of revenue from endowment in the county served consistent with donors' specific and general interests.
2. The Community Foundation Alliance, Inc. (hereinafter "Corporation") is an Indiana not-for-profit corporation which provides services to donors interested in providing charitable funding, provides financial support for qualified not-for-profit organizations and other charitable purposes in the regional area, and helps build vital, caring communities through philanthropy that is visionary, flexible, and inclusive.
3. Each CF will be an unincorporated committee of the Corporation. As such it will operate under the governing instruments and control of the Corporation Board of Directors and will, thereby, have those characteristics legally required for component fund status and public charity classification and compliance with the Internal Revenue Code for community foundations. Each CF will be governed by a Board of Trustees, which shall be representative of that county and its diverse elements.
4. The duties of the CF Board of Trustees will be as follows:
 - Establish the policies and procedures to guide the CF, such policies and procedures to be approved by the Corporation Board of Directors consistent with the Bylaws, policies, and procedures of the Corporation.
 - Carry out the work of the CF as developed by its Board of Trustees under its established policies and procedures.
 - Evaluate proposals for grants from the component funds held by the Corporation for the CF and recommend to the Corporation Board of Directors those grants to be funded. It is the policy of the Corporation Board of Directors to approve all recommendations of the CF as long as they fall within the charitable purposes of the Corporation and the legal requirements governing community foundations.
 - Develop funds for the CF endowment and Corporation operating expenses.
 - Nominate two (2) persons to be members of the Corporation Board of Directors. By virtue of office, the CF president is automatically the third person from the CF to serve as a member of the Corporation Board of Directors.
5. Funds for the benefit of the CF may include unrestricted, designated, field of interest, agency, and donor-advised funds. For advised funds, the advisors may recommend directly to the Corporation any grants to be awarded from those funds.
6. Each fund held by the Corporation for the CF will be assessed the standard management fee as determined by the Corporation Board of Directors for comparable component funds of the Corporation.
7. Services provided by the Corporation to the CF will include the following:
 - An annual independent audit as part of the Corporation audit.

- An annual IRS report as a part of the Corporation's IRS filings and other government-required document filings.
- Quarterly reports on the investments of the component funds and all cash receipts and disbursements of funds held by the Corporation for the CF.
- A section of the Corporation's annual report will be devoted to the CF, if appropriate. The annual report will be distributed to certain persons within the area served by the CF as requested by the CF Board of Trustees.
- A section of the Corporation's quarterly newsletter, if any, will be devoted to the activities of the CF and mailed to those within the geographic area of the CF, as requested by its Board of Trustees.
- Legal advice in establishing permanent funds and other reasonable legal advice as requested by the CF.
- Staff support to the CF in evaluating grant requests and monitoring grants funded and reasonable grant support and administration, marketing, endowment development, organization and other technical assistance, as requested by the CF.
- All records of the CF that are required to be maintained in accordance with the laws governing community foundations will be maintained by the Corporation.
- Other brochures and marketing tools.
- Spending, investment, and finance policies and services.
- Other services as requested by the CF and approved by the Corporation Board of Directors.

8. The Corporation and the CF will agree on an annual administration fee to be paid by the CF for its portion of the above services.

9. The CF may not enter into any contract or legal agreement. Any material of a public relations, information, or advertising nature must be approved or provided by the Corporation.

10. In the event the CF Board of Trustees ceases to function, the Corporation will disband the CF upon notification to the CF Board of Trustees and encourage the formation of another CF to serve that county. In any event, all funds established with the Corporation for the CF will remain regular component funds of the Corporation, subject to donor restrictions.

11. The CF may withdraw from the Corporation and become an independent community foundation as described in Article V, Section 3.i. of the Corporation's Bylaws.

"If a community foundation that is exempt under Code section 501(c)(3) and that is a public charity under Code section 509(a)(1), 509(a)(2), or 509(a)(3) is established in a county for which a County Services Committee has been formed, the Corporation shall in good faith consider any request from the new community foundation or the respective County Services Committee to transfer the balance of funds left in the account established by the Corporation for the county, if any, to the new community foundation. If a transfer is made, the County Services Committee may be dissolved with respect to that county."

12. Before modifying this policy, the Corporation Board of Directors will consult with each of its CF's.

Adopted January 14, 1997

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