



TOWN OF YOUNTVILLE COMMUNITY FOUNDATION

Administrative Policies & Procedures

July 2018

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Adoption

The following language, duly adopted by corporate action of Town of Yountville Community TOYCF Board of Directors (the "Board") on this 27th Day of July, 2018, hereby constitutes the policies and procedures of Town of Yountville Community TOYCF (the "TOYCF") in accordance with its Articles of Incorporation and Bylaws. These policies and procedures may be amended from time to time by action of the Board of Directors.

MISSION

The purpose of the TOYCF is to promote and raise funds to support community-based programming to benefit and serve the residents of the Town including, but not limited to:

- Youth recreation and education programs
- Community based wellness and enrichment programs
- Senior recreation, leisure, education programs and support services
- Parks and facilities improvements
- Cultural arts programs such as the Public Art Walk, the Gallery at the Community Hall, literary programs, and arts programs.
- Initiatives for events and programs staffed by community volunteers
- Potential for other community organizations to partner with the foundation subject to development of a partnership agreement and approval by the Foundation Board of Directors of the partnership agreement as outlined herein.

The TOYCF is intended to operate as an administrative organization providing the financial and administrative support for various areas of specified interest, such as the Yountville Arts Fund and the Youth Subsidy Fund. The TOYCF will serve to facilitate local fund-raising and provide a structure for collection and distribution of funds consistent with the provisions of these Bylaws.

SERVICE AREA

The TOYCF primarily serves the Town of Yountville, California which is generally recognized within zip code 94599.

POLICY EXCEPTIONS

Exceptions to these policies may be granted by a majority vote of the Directors in office at the time the exception is considered.

BOARD OF DIRECTORS

GOVERNANCE

A volunteer Board composed of community leaders is responsible for governance of the TOYCF, including establishing policy, determining grants, and overseeing the TOYCF's operations. The TOYCF is governed by its Articles of Incorporation and Bylaws and by any resolutions, policies, and procedures adopted by the Board.

COMPOSITION

- a. The Board of Directors shall consist of no less than five (5) and no more than nine (9) members, to be known individually as Directors and collectively as the Board of Directors (hereinafter "the Board").
- b. One (1) Director, providing there is a willing applicant, should be a member of the Town of Yountville Parks and Recreation Advisory Commission.
- c. One (1) Director, providing there is a willing applicant, should be a member of the Yountville Arts Commission.
- d. One (1) Director, providing there is a willing applicant, should be a member of the Yountville Chamber of Commerce.
- e. One (1) Director, providing there is a willing applicant, should be member from each community partner organizations that may enter into a partnership agreement with the TOYCF. Nothing shall prohibit additional representatives from such programs also being Directors.
- f. The balance of the remaining Directors shall be residents of the Town of Yountville.

ADVISORY BOARD MEMBERS

- a. The Town of Yountville Town Manager and the Parks and Recreation Director or his/her designee shall serve as an ex officio member of the Board, and shall be invited to all board meetings as a non-voting advisor to the TOYCF.
- b. In addition and at its discretion, the Board may invite community members and business owners to participate as non-voting advisors to the TOYCF.

POWERS OF DIRECTORS

Subject to the provisions of the California Nonprofit Corporation Law and any limitations in these Bylaws, the business and affairs of the TOYCF shall be managed and all corporate powers shall be exercised by or under the direction of the Board. The Board may delegate the performance of any duties or the exercise of any powers to such agents or committees as may be designated from time to time by resolution.

- a. The Board has the power and authority to establish, approve, update and/or modify the following from time to time:
 - b. Administrative policy and procedures.
 - c. Operating procedures for an identified specific program, including those in the Exhibits attached hereto.
 - d. Grant funding application processes.
 - e. Internal processes for payment of funds to grantee(s).
 - f. Processes for review of fund-raising programs to ensure compliance with TOYCF's goals and objectives, including, but not limited to, rules for use Of TOYCF nonprofit tax I.D. number in fund-raising efforts and donation receipt letters.
 - g. Establishment of Steering Committees and operating structures for subgroups, as needed.

SELECTION AND TERM OF OFFICE

Eligible applicants may apply to the TOYCF when a vacancy exists on the Board. Members of the Board shall be approved by the Yountville Town Council and serve terms of two (2) years. An employee of the Town of Yountville shall be assigned to act

as staff to the Board, but shall not be a Director. This Section 3 is not subject to amendment, change or alteration of its clauses or provisions without the consent of the Yountville Town Council.

VACANCIES

A vacancy in any Director position because of removal, death, resignation, expiration of term or otherwise, shall be filled by a three-fifths (3/5) vote of the Yountville Town Council.

VOTING

Each Director shall have one vote. There shall be no proxy voting permitted for the transaction of any of the business of the TOYCF.

CONFLICT OF INTEREST

A Director shall abstain from voting on any matter in which that Director has a direct or indirect financial interest. The foregoing shall not affect the right of a Director to make donations to the TOYCF.

ANNUAL PRESENTATION

There shall be at least one written presentation provided to the Yountville Town Council annually at the first Town Council meeting in March. Such presentation shall summarize the TOYCF's activities and finances in the intervening one year period.

RESIGNATION OF DIRECTORS

Any Director may resign, which resignation shall be effective upon giving written notice to the Chairperson, Vice Chairperson or Secretary, unless the notice specifies a later time for the resignation to become effective. The vacancy so created shall be filled as described in Article VI, Section 3 herein.

REMOVAL OF DIRECTORS

Directors may be removed at any time, with or without cause, by a majority vote of the Board at a meeting in which a quorum is present, subject to the approval by a three-fifths (3/5) vote of the Town Council. The vacancy so created shall be filled as described in Article VI, Section 3 herein. This Section 13 is not subject to amendment, change or alteration of its clauses or provisions without consent of the Yountville Town Council.

COMPENSATION

The Directors shall not receive compensation. However, Directors can be reimbursed for expenses incurred in performance of their duties to the TOYCF, as approved and outlined in the applicable budget.

OFFICERS & ELECTIONS

The Officers of the TOYCF shall be the Chairperson, Vice Chairperson, Treasurer and Secretary.

ELECTION

The Board shall elect all Officers of the TOYCF for terms of one (1) year, or until their successors are elected and qualified. All Officers shall be drawn from the Board membership.

CHAIRPERSON

The Chairperson shall preside at all meetings of the Board and shall serve as the official representative of the TOYCF in all public matters. The Chairperson shall have such other powers and duties as may be prescribed from time to time by the Board.

VICE CHAIRPERSON

In the absence or disability of the Chairperson, the Vice Chairperson shall perform all the duties of the Chairperson. The Vice Chairperson shall have such other powers and duties as may be prescribed from time to time by the Board.

TREASURER

The Treasurer shall supervise the keeping of the books of the TOYCF and shall have such other duties as pertain to the office or as prescribed by the Board of Directors. The Treasurer shall provide financial updates at Board meetings and shall ensure that TOYCF meets its tax reporting and other fiscal requirements. The Treasurer shall ensure deposits and reimbursements of TOYCF funds according to established fiscal procedures. The Treasurer shall be the chief financial officer of the TOYCF and, if so required by the Board of Directors, shall give a bond for the faithful discharge of his or her duties in such sum and with such surety as the Board shall deem appropriate.

SECRETARY

The Secretary shall certify and keep or cause to be kept the original or a copy of these Bylaws and any amendments. The Secretary shall assist the Chairperson in the preparation of the agendas for the meetings, shall keep a full and complete record of the proceedings of all meetings of the Board and shall provide such meeting notices as may be necessary and proper. The Secretary shall submit the Annual Presentation as required by Article VI, Section 7 herein. In case of the absence or disability of the Secretary, or his/her refusal or neglect to act, such report may be provided by the Chairperson, or by the Vice Chairperson, or by another appointed representative from the Board.

RESIGNATION OF OFFICERS

Any Officer may resign his/her position by giving written notice at any meeting of the Board. A resignation from the Officer's role does not constitute a resignation from the Board.

REMOVAL OF OFFICERS

Any Officer may be removed, with or without cause, by a majority vote of the Board at a meeting in which a quorum is present. A removal from the Officer's role does not constitute a resignation from the Board.

MEETINGS

Regular meetings of the Board shall be held at least quarterly and shall be called by the Chairperson. Additional meetings of the Board for any purpose(s) may be called at any time by the Chairperson. The Chairperson shall be required to call a meeting upon the joint request of any two (2) Directors. All meetings of the Board shall be governed by Rosenberg' Rules of Order (in its most recent edition), except insofar as such rules are inconsistent with these Bylaws or with applicable law.

PLACE OF MEETINGS

Meetings of the Board of Directors shall be held at any place within the Town of Yountville that has been designated by resolution. In the absence of such designation, meetings shall be held at the Yountville Town Hall located at 6550 Yount Street, Yountville CA 94599.

NOTICE OF MEETINGS

- (a) Written notice of every regular meeting shall be given to each Director at least seven (7) days before each meeting. Notice may be delivered personally, by mail or by e-mail to the last known address of the addressee and, if mailed, is complete upon mailing. Written notice of any meeting shall also be given pursuant to this subsection to any person who requests such notice in writing.
- (b) An agenda listing the matters to be considered at each meeting shall be given to each Director, and to any person so requesting, at least seven (7) days before the meeting.
- (c) Notwithstanding anything in this Section 10 to the contrary, the Chairperson may call an emergency meeting of the Board without giving the normal notice, if such a meeting is necessary to discuss any unforeseen emergency condition. An emergency condition for the purpose of this subsection is any condition that, if not addressed by the Board promptly may result in a detriment to the TOYCF or to the Town of Yountville. Notice of any emergency meeting may be delivered personally, telephoned or e-mailed, and shall be received at least twenty-four (24) hours before the time of such meeting.

OPEN MEETINGS

All meetings of the Board shall be subject to the Brown Act.

QUORUM

A majority of the Board then in office shall constitute a quorum for the transaction of business at each meeting. Except as expressly provided in these Bylaws, no business shall be conducted by the Board at any meeting at which a quorum is not present and the only motion which the Chairperson shall entertain at such meeting is a motion to adjourn. Every act or decision done or made by a majority of the Directors present at a meeting at which a quorum is present shall be regarded as the act of the Board.

NONDISCRIMINATION

The Board of Directors of Town of Yountville Community Foundation (TOYCF) does not discriminate on the basis of race, color, creed, gender, handicap, sexual orientation or ethnic origin in its granting or other practices.

SUBCOMMITTEE'S

All sub-committees will be chaired by a Board member but may include both Board members and non-Board members unless otherwise prohibited by the Bylaws or resolutions of the Board. The number of members on each sub-committee will be determined by the Chairperson of the Board (the "Chairperson"). Each committee member is expected to actively participate in committee efforts.

CONFLICT OF INTEREST

No Director shall be financially interested in any contract or other transaction entered into by the Board, and any contract or transaction entered into in violation of this is void. No Director may utilize information obtained by reason of Board membership for personal gain, and the Board of Directors may recover any such gain realized.

Occasions may arise when a Board member, staff member, or immediate family of either has an association with an organization or business which could be viewed as a conflict

of interest. Board members and staff are expected to act in the TOYCF's interests and not use the TOYCF to further their own interests. Board or staff members who entrust the TOYCF with funds are expected to act in the corporate interest of the TOYCF rather than their personal interests. Therefore, to avoid any real or perceived conflicts, the TOYCF has adopted a Conflict of Interest Policy.

A potential business conflict may arise when the TOYCF has business or financial dealings with an entity of which a Board member, staff member, or immediate family of either is an officer, director, partner, or substantial stockholder. Such a conflict may also arise from a grant made to an organization for the primary purpose of supporting a transaction with such an enterprise. "Immediate family" shall be defined as the parents, children, spouse, or sibling of a Board member or staff member.

A potential conflict may also arise from awarding a grant to an organization of which a Board member, staff member, or immediate family of either is an officer, director, or trustee.

When any such situation occurs, the affected Board member or staff member should disclose the possible conflict of interest. If the Board member holds a paid position in or is an officer, director, partner, or significant stockholder of the entity to be discussed, he or she shall leave the room during any discussion of the subject during a Board meeting and abstain from voting. If the Board member's association is on a volunteer basis only with a nonprofit, he or she may participate in discussions during Board meetings but must abstain from voting.

This policy will also apply to any members of TOYCF committees during committee meetings.

PROHIBITED ACTIVITIES

No substantial part of the activities of the TOYCF shall consist of carrying on propaganda, or otherwise attempting to influence legislation, and the TOYCF shall not participate in or intervene in any political campaign (including the publishing or distribution of statements) on behalf of, or in opposition to, any candidate for public office. The TOYCF shall not, except in any insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the purposes described in Article III. The TOYCF may not carry

on any activity for the profit of its Directors or other persons or distribute any gains, profits or dividends to its Directors or other persons as such. Furthermore, nothing in Article III shall be construed as allowing the TOYCF to engage in any activity not permitted to be carried on (i) by a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”) or (ii) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Code.

CONFIDENTIALITY

As grant applicants and donors entrust the TOYCF with important information relating to their organizations and personal finances, service on the Board assumes an obligation to maintain confidentiality on such sensitive matters, even once that service with the TOYCF ceases. Any violation of confidentiality could seriously injure the TOYCF’s reputation and effectiveness.

STANDARD DOCUMENTS

For the convenience of donors and their advisors, the TOYCF maintains a standard document type for each agreement into which it anticipates entering. Those agreements will be held by the Secretary and may be updated by the Board from time to time.

SIGNATURE/NEGOTIATION AUTHORITY

By corporate resolution of the Board, the Chairperson has authority to negotiate and enter into contract agreements on behalf of the TOYCF with the TOYCF vote of approval.

By resolution of the Board, the Treasurer has the authority to sign checks for approved expenditures and initiate deposits for approved gifts/donations. The Treasurer shall ensure deposits and reimbursements of the TOYCF funds according to the established fiscal policies.

FUNDS AND FISCAL OPERATIONS

FISCAL YEAR

The fiscal year of the TOYCF shall begin July 1 and shall end June 30 annually.

TYPES OF FUNDS

Funds raised and/or held by the TOYCF shall be used for the purpose of providing community-based programming to benefit the residents of the Town, as described in Article III of the bylaws. Notwithstanding the foregoing, funds raised and/or held by the TOYCF for a specific project or purpose must be used for that purpose and cannot be utilized for any other purpose.

At the inception of the TOYCF, the established funds are as follows:

- Yountville Arts Fund
- Youth Subsidy Fund
- Senior Subsidy Fund
- Community Fund

Yountville Arts Fund: The members of the Yountville Arts Commission are responsible for the fundraising efforts for this fund. The funds must be used for Art related activities. The Commission will submit an annual fundraising and expenditure plan to the Board annually for approval in order to be eligible for the use of the TOYCG nonprofit 501c(3) status. The initial transfer of funds will come from the designated Art Fund that was held in the Town of Yountville's General Fund until fiscal year 2018-19.

Youth Subsidy Fund: The Town of Yountville Parks and Recreation staff have historically fundraised for this fund which provided scholarships for low income families to participate in Parks and Recreation programs. The funds must be used for this purpose. The department will submit an annual fundraising and expenditure plan to the Board annually for approval. The initial transfer of funds will come from the designated Youth Subsidy Fund that was held in the Town of Yountville's General Fund until fiscal year 2018-19.

Senior Subsidy Fund: The Town of Yountville has accepted donations from the community to establish a Senior Subsidy fund which will provide scholarships for low income seniors to participate in Parks and Recreation programs. The Parks and Recreation Department will be further developing this program in 2018 and will submit a fundraising and expenditure plan to the Board for 2018-19. The initial transfer of funds will come from the designated Senior Subsidy Fund that was held in the Town of Yountville's General Fund until fiscal year 2018-19.

Community Fund: This fund will be established for general donations and bequests received for the TOYCF that are not designated for one area or project. The Board will determine based on requests and need, how this money is spent. This fund is unrestricted and can be used for any approved project, event or service approved by the Board of Directors.

All other projects or requests to gift funds outside of these established funds will be subject to approval by the Board.

DISBURSEMENT OF FUNDS

The TOYCF will provide funding based on an approved annual work plan. All expenditures must be consistent with applicable administrative policies and procedures put into place for that purpose by the Board.

As an illustration, the TOYCF would separately manage the funds on deposit for the Yountville Arts Commission, which would develop its annual work plan and obtain approval from the TOYCF Board prior to expenditures. The members of the Yountville Arts Commission would be responsible for its fund-raising efforts and would submit an annual fund-raising plan for approval by the Board prior to starting any fund-raising, in order to be eligible for use of the TOYCF nonprofit 501(c)3 tax exempt status. It is anticipated that each of the various umbrella groups in the Exhibits herein would work in a similar fashion for the funds that are held in the TOYCF for their purpose.

Check requests will be provided to the Treasurer on an approved Check Request Form made specifically for the TOYCF. Checks will be generated each week with the deadline to submit for a check being the Friday before at 5 PM. The Treasurer will verify that the requested funds have already been approved by the Board before dispersing.

REPORTING AND AUDITING

At each TOYCF meeting, the treasurer or their designee will present a quarterly report to the Board for review and filing.

The TOYCF will public an annual report each year. This report will detail the activities of the previous fiscal year including but not limited to grants awarded, gifts received, new funds established and any significant accomplishments.

All financial reports will be audited annually and will be prepared in accordance with generally accepted accounting principles.

TAXES AND REPORTING

The TOYCF treasurer will be responsible for ensuring the annual tax reporting is completed to both the State of California and the Internal Revenue Service. An outside tax preparer familiar with non-profit accounting will be hired as necessary.

Filing include but are not limited to:

- A) California Franchise Tax Board
The Foundation will either file Form 199 or Form 199N depending on annual gross revenues. File Form 199N if the Foundation had \$50,000 or less in gross receipts (California e-Postcard) due no later than May 15. File Form 199 if the Foundation had gross receipts of more than \$50,000 in the tax year due no later than May 15.
- B) California Secretary of State
Form SI-100 (Statement of Information). Due every two years before the end of April, and may be filed beginning in November the preceding year. File electronically.
- C) Attorney General's Registry of Charitable Trusts
Form RRF-1 Filed annually, and due no later than May 15. If gross revenue or total assets equal or exceed \$25,000, include IRS Form 990-N with the filing.
- D) Internal Revenue Service

Because the Foundation's annual gross receipts are normally \$50,000 or less, it can satisfy the annual reporting requirement by electronically submitting Form 990-N if it chooses not to file Form 990 or Form 990-EZ. IRS Form 990-N (e-Postcard) Filed annually, and due no later than May 15. Electronically filed as e-Postcard.

FUNDRAISING

The TOYCF may sponsor fund-raising events for which a budget shall be developed and approved by the Board. The Directors may appoint steering committees to accomplish such events, if needed.

When feasible, expenditures related to the event will be submitted for approval prior to making purchases or payments. Expenses related to events, such as advertising, printed promotional matter, purchasing or renting supplies and equipment, shall be paid out of that particular fund. An itemized valid receipt must be submitted at the next meeting after the expense has been incurred or billing received.

The purposes of all fund-raising events are to be consistent with the TOYCF's current goals and objectives as described in Article III herein. It is the expectation that each program group in the Exhibits attached herein will develop and submit a work plan for Board approval, outlining its fund-raising and expenditure plans and budget annually.

The TOYCF will provide funding to the group consistent with the approved annual work plan. All expenditures must be consistent with applicable administrative policies and procedures put into place for that purpose by the Board. As an illustration, the TOYCF would separately manage the funds on deposit for the Yountville Arts Commission, which would develop its annual work plan and obtain approval from the TOYCF Board prior to expenditures. The members of the Yountville Arts Commission would be responsible for its fund-raising efforts and would submit an annual fund-raising plan for approval by the Board prior to starting any fund-raising, in order to be eligible for use of the TOYCF nonprofit 501(c)(3) tax exempt status. It is anticipated that each of the various umbrella groups in the Exhibits herein would work in a similar fashion for the funds that are held in the TOYCF for their purpose.

Funds raised and/or held by the TOYCF shall be used for the purpose of providing community-based programming to benefit the residents of the Town, as described in the bylaws. Notwithstanding the foregoing, funds raised and/or held by the TOYCF for a specific project or purpose must be used for that purpose and cannot be utilized for any

other purpose. This Section is not subject to amendment, change or alteration of its clauses or provisions without the consent of the Yountville Town Council.

DONATION AND GIFT ACCEPTANCE

It is the policy of the TOYCF to offer the donors the opportunity to make gifts to the TOYCF, both of cash and non-cash assets, in a manner beneficial to the donors while protecting the fiscal and legal integrity of the TOYCF. The TOYCF reserves the right to refuse any gift that it believes is not in the best interests of the TOYCF or the donor. Once a gift is transferred to the TOYCF, it becomes the property of the TOYCF.

The Board authorizes the acceptance of gifts to the TOYCF only where there is genuine donative intent, where the donor has been encouraged to seek her/his own counsel on legal and financial matters, and where the gift is in the best interests of both parties. The Board does not authorize the acceptance of gifts that would jeopardize the financial, legal, or moral integrity or reputation of the TOYCF, or where the gift would cause embarrassment to the donor or her/his family.

The TOYCF will enter into a Fund Agreement (the "Agreement") with each donor at the time the Fund is established.

All information concerning prospective donors shall be confidential. No information shall be released to members of the general public who do not have a need to know without securing the prior permission of the donor.

Full responsibility rests with the donor for claiming any income tax deductions, including filing federal tax form 8283 or any other form required under state or federal law. Full responsibility also rests with the donor for the value given to tangible personal property or services. The TOYCF does not give legal or tax advice.

In conformance with Treasury Department regulations governing community TOYCFs, gifts to the TOYCF may not be directly or indirectly subjected by a donor to any material restriction or condition that prevents the TOYCF from freely and effectively employing the transferred assets, or the income derived therefrom, in furtherance of its exempt purposes.

All gifts other than cash will require review by the Board.

Unless otherwise specified by the donor, all memorial gifts will be deposited in the Community Fund, the TOYCF's general unrestricted endowment.

ASSETS ACCEPTABLE AS GIFTS

The following assets are acceptable as described, either as outright gifts, as bequests or devises (estate gifts), or when appropriate, as funding for a charitable remainder trust or charitable lead trust. All gifts are subject to approval by the Board and legal counsel. The TOYCF may decline a gift for any reason.

- **Cash:** The TOYCF accepts cash, checks, money orders, bank drafts, and gifts via credit card.
- **Marketable Securities:** The TOYCF accepts gifts of publicly traded stocks and bonds. It is the TOYCF's policy to sell the securities immediately.
- **Real Estate:** All real estate gifts must be approved by the Board and legal counsel. The donor shall agree to pay for the costs of an environmental audit and title search. The TOYCF shall not accept gifts of real estate with restrictions upon the ultimate sale of the property. Full interests, partial interests, and remainder interests in real property are all acceptable. Conditions for acceptance shall include salability and annual maintenance costs including evaluation of any liens against the property and any real estate taxes. A donor may be asked to sign a statement regarding liability for previous and current environmental or other conditions if the TOYCF deems it appropriate.
- **Tangible Personal Property:** Conditions for accepting gifts of tangible personal property include salability or usability and current TOYCF needs for the property offered, physical condition of the property, cost of any storage or insurance needed, and any other unusual feature or condition involved in the transfer. The Board must approve all gifts of tangible personal property prior to acceptance.
- **Insurance:** The TOYCF may be named as a percentage or contingent beneficiary of any life insurance policy. In addition, the TOYCF accepts life insurance policies for which the donor has relinquished ownership by assigning all rights, title, and interest in the policy to the TOYCF. If the insurance policy is not paid in full, the usefulness of the gift is judged on a case-by-case basis. The TOYCF shall have no obligation to continue premium payments on insurance policies. If the policy is accepted, the TOYCF may choose either to cash it in for the current surrender value or to continue to pay the premium so long as the TOYCF is not required to expend funds from sources other than the donor to maintain the contract. Fully paid life insurance policy gifts in which the TOYCF is the owner and irrevocable beneficiary are acceptable. The TOYCF does not participate in charitable split dollar insurance plans.

- Retirement Plan Assets: The TOYCF may be named as a beneficiary of any retirement plan.
- Bequests: Any bequest must be approved by the Board prior to acceptance. It is requested that any such gift be submitted to the TOYCF for consideration prior to insertion into a will.
- In-Kind: The TOYCF may accept gifts of in-kind donation of services at the discretion of the Board. It is the responsibility of the donor to provide documentation of the value of the services.
- Other Assets and Forms Gifts May Take: Other types of gifts not mentioned in this policy may be acceptable subject to approval of the Board.
- Life Income Agreements: Gifts of this nature require the approval of the Board and are acceptable when in compliance with the Internal Revenue Code (the "Code") at the time the gift is established, and are subject to reformation as tax laws change. The TOYCF will work with the donor and his or her trustee. The TOYCF cannot act as a trustee. The TOYCF may enter into life income agreements including charitable lead trusts and charitable remainder trusts. A remainder trust is a trust that pays to the donor (and/or another beneficiary) either a fixed or variable income for the beneficiary's life, or for a set term, or a combination of the two. When the trust term expires, the remainder is then distributed to a charitable beneficiary. Operating in the opposite manner, a lead trust, which may be created by a deed of trust or will, pays the income to a fund at the TOYCF for a term of years, after which the principal is paid to the donors or to any other non-charitable beneficiary. The TOYCF encourages donors to consult their own legal counsel and tax advisors to create a trust.

UNRESTRICTED DONATIONS

An Unrestricted Donation is generally a contribution to the Community Fund of the TOYCF. Grants from the Community Fund are made at the discretion of the Board upon and allow the TOYCF to address the community's changing needs and emergencies, to support the creation of innovative responses to community problems, and to enhance the quality of community life.

DONOR ADVISED

Donor Advised Funds may be endowed or non-endowed. The donor creates a fund without naming any specific charitable institutions and retains the right to recommend grants to charitable organizations of his or her choice over time. However, since the TOYCF owns all funds, any such recommendations shall be solely advisory, and under no circumstances shall the TOYCF be bound by any such advice or recommendation.

In addition to the donor, the fund can be advised by a person or advisory committee named by the donor. The TOYCF evaluates recommended grants from Donor Advised Funds to ensure that all recommended recipients are legitimate charities.

An Endowed Donor Advised Fund is subject to the Fund's Disbursement Policy. A Non-Endowed Donor Advised Fund, or "Pass-Through Fund," allows the donor to make grants from both principal and interest.

FIELD OF INTEREST

Field of Interest funds allow donors to address a broad area of concern without naming specific charities at the time the fund is established. The donor names the category of donee to be considered, such as the arts, education, the environment, families and children, health, community building, a geographic area, or other field of interest, and the TOYCF makes grants to the most appropriate programs or organizations within the specified field of interest.

DESIGNATED

A Designated Fund is a fund that names a specific not-for-profit organization or organizations to receive grants from the fund. If the beneficiary of a Designated Fund ceases to exist and the donor has not named a contingent beneficiary, the Board will preserve the donor's intent by redirecting the distributions from the fund to the organization with the closest similar mission.

SCHOLARSHIP AND AWARDS

A donor, which can include an individual, family, company, or organization, can recognize outstanding achievement of individuals through a Scholarship or Award Fund. The donor identifies the class of individuals he or she wishes to assist and the criteria to be used and may serve in an advisory capacity. The Board approves all scholarship and award recipients. The staff has developed and follow procedures which ensure that scholarships and awards are distributed in an equitable manner. Family members of donors to Scholarship Funds, the Board, or a scholarship or award selection committee are ineligible to receive that particular scholarship or award.

The TOYCF accepts two types of scholarship and awards programs:

- a) A Scholarship or Award Fund in which the distributions are granted to a specific educational institution. The institution recommends the recipient(s) to the Board and the TOYCF sends grant checks directly to the institution.
- b.) A Scholarship or Award Fund in which the donor appoints an advisory committee to select the scholarship or award recipients. The donor establishes the rules for eligibility, and the committee informs all eligible applicants, publicizes the scholarship program, receives and reviews the applications, and recommends the recipient(s) to the Board.

ORGANIZATION/PARTNER ENDOWMENT

The TOYCF was established with the thought that it could possibly provide administrative and financial oversight support to other existing community organizations, committees or programs in Yountville that are not directly affiliated with the Town, should those organizations make such a request.

Such “partner” organizations would need to develop and enter into a partnership agreement with TOYCF. The partnership agreement outline would include the following information: nature and mission of organization, how that nature and mission are consistent with Section 501(c)(3) of the Internal Revenue Code, organization scope and role while under umbrella of TOYCF, annual work plan, budget, fundraising and expenditures, commitment of organization to provide a board member, and expectations/process for leaving TOYCF. Partner organizations must agree to adhere to TOYCF fundraising and expenditure policies recognizing that the Town of Yountville serves as fiduciary agent for the TOYCF.

This partnership type, which is sometimes referred to as an agency endowment, holds assets for a named charitable organization and generally distributes investment income

to that organization on a semiannual or annual basis according to the TOYCF's Distribution Policy. Additions may be made to an Organization Endowment Fund by the organization or by individuals who are interested in helping that particular charity. If the organization ceases to exist, the TOYCF will continue the organization's charitable objectives by making the annual grant to a similar organization. An "organization," as used here, can be any type of charity.

RECORDS RETENTION

In accordance with the recommendation of the TOYCF's Auditors, records falling with these categories shall be retained for the following minimum periods:

Accident reports and claims (settled cases)	7 years
Accounts payable ledgers and schedules	7 years
Accounts receivable ledgers and schedules	7 years
Audit report of accountants	Permanently
Auditor's Report	Permanently
Bank reconciliations	3 years
Bank statements and deposit slips	3 years
Cash books	Permanently
Chart of accounts	7 years
Checks (cancelled, but see exception below)	7 years
Checks (cancelled, for important payments, i.e. taxes, property, special contracts -- file with papers pertaining to the underlying transaction)	Permanently
Contracts and leases (expired)	7 years
Contracts and leases (still in effect)	Permanently
Correspondence (routine)	1 year
Correspondence (general)	3 years
Correspondence (legal and important matters)	Permanently
Deeds, mortgages, bills of sale	Permanently
Depreciation schedules	Permanently
Dividend checks (cancelled)	6 years
Duplicate deposit slips	1 year
Expense reports	6 years
Expense analyses/expense distribution schedules	7 years
Financial statements (end-of-year)	Permanently
Financial statements (monthly)	Optional

Fixed assets detail	Permanently
General and private ledgers (and end-of-year trial balance)	Permanently
Insurance policies (expired)	3 years
Insurance records, current accident reports, claims, policies, etc.	Permanently
Internal audit reports	3 years
Internal reports	3 years
Invoices from vendors	7 years
Journals	Permanently
Minute books for directors, including bylaws/charter	Permanently
Notes receivable ledgers and schedules	7 years
Property appraisals by outside appraisers	Permanently
Property records (including cost, depreciation reserves, end-of-year trial balance, depreciation schedules, blueprints and plans)	Permanently
Purchase orders	1 year
Requisitions	1 year
Sales records	7 years
Savings bond registration records of employees	3 years
Tax returns and worksheets, revenue agents' reports and other documents relating to tax liability determination	Permanently
Trial balances (monthly)	6 years
Voucher register and schedules	7 years
Vouchers for payments to vendors, employees, etc. (includes allowances and reimbursement of employees, officers, etc. for travel and entertainment expenses)	8 years

ELECTRONIC RECORDS

This policy applies to any electronic records. Staff may determine whether a document should be held in paper or electronic format, if it exists in both. Either the paper version should be destroyed and the electronic version maintained for the time requirements of this policy, or the electronic version deleted and the paper version maintained for the time requirements of this policy. Duplication of records in both electronic and paper format is unnecessary and cumbersome.

E-mail correspondence which may be identified as falling under one of the protected types of documents addressed in this policy should be saved either by printing a paper copy for filing or saving an electronic copy of same for the period specified in the policy. E-mail correspondence which does not directly fall under one of these categories may be kept as long as the staff member believes it is necessary but no more than one year. For example, a request from the Board to prepare a report or notification from the Treasurer that an entry has been posted are not required to be kept. However, a response to a request for information from legal counsel or an opinion from the auditors would fall under the protected document classes and should be maintained in accordance with this policy.

Electronic records should be backed-up on a regular basis to recordable media. The period between back-ups should be no more than two weeks.

UNNECESSARY DOCUMENTS

Those documents whose continued preservation serves no useful purpose and may, in fact, expose the TOYCF to storage costs and liability shall be promptly and systematically deleted and destroyed by the employee who generated them. These include, but are not limited to, personal e-mails and correspondence unrelated to TOYCF matters; preliminary drafts of letters and memoranda if a final version has been retained; brochures and newsletters received by the TOYCF unrelated to its activities; and any "junk mail" received by the TOYCF. However, any of the above documents relevant to or discoverable in pending or potential litigation and other legal and official proceedings shall be retained.

DOCUMENT DESTRUCTION

Documents which have been held past the minimum time periods indicated in this policy may be destroyed at the direction of the Board. In the event that a federal, state, or local regulatory or law enforcement agency notifies the TOYCF of an investigation into its activities, all record destruction shall immediately cease until such time as confirmation has been received that said investigation has been completed. During the time of such an investigation, no records related to the investigation may be altered or concealed.

STATE REQUIREMENTS

A) California Secretary of State

Form SI-100 (Statement of Information). Due every two years before the end of April, and may be filed beginning in November the preceding year. File electronically.

B) Attorney General's Registry of Charitable Trusts

Form RRF-1 Filed annually, and due no later than May 15. If gross revenue or total assets equal or exceed \$25,000, include IRS Form 990-N with the filing.