



THE COMMUNITY FOUNDATION  
*of Shelby County*

*Build Today...Dream for Tomorrow*

Fund Policy:  
**Project  
Charitable Funds**

Information to guide the establishment and operation of non-endowed charitable funds that accept gifts and disburse grants for a specified community project.

**Fund Type**

Project Funds are designated use, non-permanent funds that exist only for the duration of a capital project or community initiative. The Community Foundation may enter into an agreement with a 501(c)(3) public charity, a governmental or quasi-governmental entity or an Ohio nonprofit corporation that owns the property to be improved or sponsors the project, as appropriate.

**Establishing and Building a Charitable Fund**

The Charitable Fund is established with a signed fund agreement and a gift, both of which must be accepted by the Board of Trustees. The fund typically carries the name of the sponsoring organization or the community project.

The campaign committee's role is to promote the project, solicit gifts, follow-up on delinquent pledges (if any), and complete the project. The Community Foundation will receive gifts and disburse payments within the purpose of the fund agreement.

**Gifts to the Fund**

The Community Foundation may accept several types of gifts, subject to our Gift Acceptance Policy and applicable law. The Community Foundation will provide tax receipts to donors for each gift in excess of \$50. Donor requests for anonymity will be honored.

Pledges may be accepted, if the establishing organization desires. The Community Foundation records pledge amounts, accounts for gift installments and sends pledge reminders. Pledges may be paid in installments annually, semi-annually or quarterly. It is recommended that the pledge term not exceed three years.

**Fund Statements**

Monthly reports for the charitable fund are provided for those who are authorized. An online portal is also available, which allows viewing of the fund's activity at any time.

**Paying for the Project**

Money raised for the project is disbursed for the project. It is recommended that the Purpose section of the Fund Agreement include a statement regarding the use of money remaining after the completion of the project.

*To cultivate, administer, and distribute legacy gifts for the benefit of our community.*

Unless stated in the Fund Agreement, any money remaining cannot be used for other purposes. Campaign materials cannot contradict the Fund Agreement.

Disbursements will be made to the organization that established the charitable fund or to another 501(c)(3) or government entity agreed upon by the Community Foundation and the establishing organization.

The disbursement process, frequency, and amounts will be determined by the Community Foundation board and the organization board or steering committee based upon the type, duration and needs of the project. All disbursement requests must be signed off by at least two authorized members of the organization board or steering committee.

### **Campaign Materials**

Before sending items to the printers, all solicitation materials must be reviewed for accuracy by the Community Foundation's Executive Director. Inaccurate campaign materials may result in the Community Foundation declining to disburse funds until any errors regarding the Community Foundation are corrected and affected donors are notified.

### **Account and Fees**

Gifts are typically placed in a low-risk or no risk account to protect the value from any market downturns. The Board of Trustees of the Community Foundation, by law, retains final control over investment decisions.

Administrative fees are assessed according to the Community Foundation's Fee Schedule and any revisions that may occur during the operation of the Fund may apply.

### **Financial Responsibility**

The Community Foundation will not enter into agreements or loans that jeopardize the assets of any other charitable or operational fund. On a case by case basis, the Community Foundation may agree to participate in a commercial bank loan that holds unpaid pledges as collateral. The establishing organization or project committee bears all responsibility for the collection of unpaid pledges and payment of outstanding invoices.

### **Legal Liability**

The Community Foundation shall bear no liability for any construction, event, or project resulting from the Project Fund.

### **Fund Acceptance and Variance Power**

The Board of Trustees retains the right to refuse to accept any charitable fund for any reason.

The Community Foundation is authorized to adopt such regulations, procedures, and other administrative provisions to carry out the purposes of the Fund or as may be required by the Internal Revenue Service so as not to jeopardize the Foundation's status as a tax-exempt public foundation.

The Foundation is further authorized to modify any restriction or condition on the distribution of funds for any specified charitable purposes or to specified charitable organizations, if in their sole judgment (without the approval of any trustee, custodian, or agent), such restriction or condition becomes, in effect, unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the service area.

**Governing Documents**

Each charitable fund is a component of the Community Foundation and shall be subject to its Articles of Incorporation and Code of Regulations, each as amended and restated from time to time. The governing documents are subject to amendment by the Board of Trustees to enhance operational effectiveness or to comply with any relevant Federal or State statute or regulation. The Fund agreement does not create a separate legal entity or trust.