



**COMMUNITY FOUNDATION OF NORTHERN NEVADA
GOVERNANCE GUIDELINES**

I. Purpose

The Community Foundation of Northern Nevada (“The Foundation”) was created as a permanent community resource of charitable funds, which are administered in a spirit of public responsibility. The Community Foundation complements and enhances existing philanthropic efforts within the region. The Community Foundation provides donors of charitable funds with a viable channel for their generosity, improving the quality of life in our region by financing a broad variety of civic and philanthropic projects.

The Community Foundation is operated exclusively for charitable purposes. Donors may name their own funds, make restricted or unrestricted gifts, designate field of interest or particular organizations as beneficiaries. Community Foundation supplies the vehicle to fill unmet needs; offer community-wise expertise to individual and corporate donors; achieve managerial and auditing economies by facilitating the administration of funds.

II. Mission and Philosophy Statement

Our mission is to strengthen our community through philanthropy by connecting people who care with causes that matter.

- We invest in the communities in which we live through the support of our institutions, families, neighborhoods and the environment.
- We are committed to be a philanthropic leader in Northern Nevada.
- We will create an awareness of the importance of philanthropy and its impact on the region.
- We encourage the growth of charitable spirit and deeds in our community.

III. History

Community foundations provide convenient bridges between donors and charities. They act as catalysts for community improvement by working with a wide variety of partners. The first community foundation was established in Cleveland, Ohio, in 1914. Today, there are over 700 nationwide, and several in Nevada, including the Community Foundation of Northern Nevada. A community foundation’s primary purpose is to promote and facilitate philanthropy. A community foundation is like a clearinghouse: thoroughly familiar with local needs and resources and able to match those in need with those who can help. Community foundations bring a national network of expertise to community philanthropy. In short, a community foundation is a community’s foundation.

A community foundation is a permanent philanthropic resource of, by, and for the community. Its essential task is to create and maintain a pool of endowed and non-endowed funds, donated by individuals and institutions. This money is then distributed and/or invested to produce income for charitable grants to benefit the entire community in an ongoing manner. In addition to serving donors, financial management, and grant making, community foundations serve as:

- Conveners of individuals, institutions, and resources to solve regional problems.
- Researchers to study community issues.
- Community builders to unite, strengthen and promote their respective communities.

Because community foundations are independent and non-partisan, they can effectively and objectively address community needs and opportunities.

The IRS protects communities by strict governance of community foundations. The financial resources and public reporting safeguard both donors and recipients. The variety of donors, (foundations or private interest), can expect and a community foundation's governing body to be diverse and representative of the entire community. Besides ensuring that the public will be protected, such close regulation gives donors maximum allowable tax advantages, and makes contributions to new or existing funds a smooth process.

IV. Board

The Board has responsibility for the stewardship of the Community Foundation, including supervision of management of the affairs of the Community Foundation and our strategic planning process. The President and CEO and staff are responsible for the management of the business, within the framework established by the Board and applicable law. The Board of Trustees maintains open and direct communications with staff on all the major strategic and governance decisions. The President and CEO manages the operating and management decisions. Through board meetings, board agendas and background briefing materials, financial reports, and frequent informal conversations, staff members share information with the Board. The cumulative experience and expertise of our Trustees enables the Board to bring sound business judgment to its decision-making process. The independence of our Trustees has been fostered in order to bring an outside perspective to its deliberations.

V. Foundation Governance

The Board of Trustees has established and follows a Foundation governance program. The following outlines our Community Foundation Governance Guidelines:

The Board of Trustees

The Board shall consist of Trustees who shall hold office for an initial term of three (3) years, which may be extended to two additional three (3) year terms, or until he or she resigns or is removed from office. The terms shall be staggered so that approximately one-third (1/3) of the terms expire each year.

Board Meetings

Our Board meets a minimum of four times annually on an approved schedule.

Regularly scheduled Board meetings are supplemented with committee meetings on specific issues, as needed.

All Trustees are notified each year of the dates and locations of all regularly scheduled Board and Board Committee meetings for that year. Before each meeting, the Chairman of the Board of Trustees (the "Chairman") and President and CEO develop an agenda and the Chairman, with consultation from other Trustees, formalizes the agenda. All necessary background information for matters relevant to the agenda is delivered to each Trustee at least two days prior to the meeting.

a. Chairman of the Board

The Chairman is nominated by the Community Foundation Board Development/ Nominating Committee and elected by a majority of the Trustees. The Chairman must be an independent, non-executive Trustee.

b. President and CEO

The President and CEO shall be the primary manager of the Community Foundation under the supervision of the Board of Trustees. The position actively directs and manages the properties, affairs, and policies of the Community Foundation.

The President and CEO shall see that all resolutions of the Board are carried into effect and shall have the broad powers and duties of supervision and management usually vested in the office of President of a Foundation, including the power to hire and recommend the compensation of all employees and agents of the Community Foundation.

The President and CEO will attend all Board of Trustees and Board Committee meetings, and be an active participant in such meetings. Since the office of President and CEO or any full time staff member is not eligible to be a Trustee, position does not vote on any Trustee decision or motions.

c. Trustee Responsibility

The Trustees are required to exercise their judgment acting honestly and in good faith in the best interests of the Community Foundation. In discharging this duty, Trustees rely on the honesty and integrity of the Foundation's staff, outside advisors and consultants. Trustees are expected to attend Board meetings and meetings of Committees upon which they serve and to review materials distributed in advance of meetings.

d. Board Size and Composition

The number of Trustees has been fixed at no less than five nor more than twenty-four. The Board believes that this number is appropriate to ensure participation of Trustees with complimentary expertise in key areas of the community, non-profit orientation, legal, finance, and general business. The Board is large enough to provide the experience and maintain a strong community interface. Not more than one Trustee will be an inside Trustee (i.e., Trustee who was within the previous five years, a full-time employee of the Community Foundation).

e. Trustee Recruitment and Retirement

The Board's policy for identifying potential new Trustees is to select candidates that will provide the Board with members who have complementary and relevant backgrounds in matters relevant of the Community Foundation.

f. Election and Appointment of Trustees

The Nominating Committee proposes nominees for election to the Board when appropriate, and such nominee is elected by a majority of the quorum of the Board at the meeting to serve until the new Trustee completes a three (3) year term, resigns, or is removed.

g. Board Member Orientation and Continuing Education

An orientation process is conducted for all new board members. The orientation consists of providing each new member with a copy of the Board Orientation and Service Manual, which covers the historical background of The Foundation, current and past leadership projects, an overview of all staff and committee job responsibilities, and all of the policies and procedures that have been voted on and adopted by the Board of Trustees.

h. Committee Structure

The Board delegates certain of its powers to the Executive, Nominating, Development, Stewardship, Community Engagement, Marketing, Finance, Investment and Audit Committees. Each Committee has a Charter, approved by the Board that defines the scope of its duties and responsibilities. Each Committee reviews its Charter annually and recommends approval of appropriate charter amendments to the Board. Each Charter requires the Committee to evaluate its performance annually. Committee Members include Trustees and members of the Advisory Board. The Audit Committee is comprised of board members and outside community/accounting representatives. Each outside Board member sits on at least one Committee. The frequency, length, and agendas of Committee meetings are determined by the Committee Chairman in consultation with Committee members and appropriate members of staff. The Committee Chairman (or select staff) reports to the full Board on the matters undertaken at each Committee meeting.

- i. Sessions of Outside Trustees
The President and Chairman may preside over sessions of the outside Trustees held during any regularly scheduled Board meeting, with neither the inside President and CEO nor staff present.
- j. Formal Evaluation of President and CEO
The Executive Committee conducts an annual evaluation of the President and CEO which includes soliciting opinions from each Trustee. The results of the annual evaluation are discussed by the Chairman of the Executive Committee with the President and CEO, and then in a meeting with the outside members of the Board.
- k. Management Development
The President and CEO presents an annual report to the Executive Committee on the Community Foundation's program for management development.
- l. Access to Management and Independent Advisors
Trustees are invited to have complete access to staff, but may not direct staff nor assign work as that is a function of the President and CEO. Members of staff normally attend portions of each regularly scheduled Board meeting. The Trustees may, when appropriate, obtain advice and assistance from outside advisors and consultants without prior approval of staff.
- m. Board of Trustees Self-Assessment
The Board conducts an annual self-assessment process under the auspices of the Community Foundation Executive Committee, through questionnaires provided to all Trustees. The completed questionnaires are reviewed by the Board and changes in the Community Foundation governance process are considered based on the results of the Board's review and analysis of the completed questionnaires. Pursuant to the self-assessment process, the Board reviews, among other matters, agenda items, meeting presentations, advance distribution of agendas and materials for Board meetings, interim communications to Trustees, and access to and communications with senior management.
- n. Board Committees
The Community Foundation has nine committees: Executive Committee, Nominating Committee, Development Committee, Stewardship Committee, Marketing Committee, Community Engagement Committee, Finance Committee, Audit Committee, and Investment Committee.

The Committee Charters are:

The Community Foundation Executive Committee consists of the Board Officers, and the Past Chair. The Executive Committee has responsibility to develop and recommend to the Board of Trustees Foundation governance principles applicable to the Community Foundation; and such Committee shall, during the intervals between the meetings of the Board in the management of the affairs of the Community Foundation, including the responsibility and power to determine the distribution of property of the Community Foundation, authority over the investment policies with respect to the property of the Community Foundation, whether held directly or through trustees, custodians, or agents, and such other duties and authority as may be delegated to it by the Trustees. A majority of the members of the Executive Committee present at any meeting shall constitute a quorum. The Executive Committee shall keep full records and accounts of its proceedings and transactions. All action by the Executive Committee shall be reported to the Trustees at its meeting next succeeding such action and shall be subject to control, revision, and alteration by the Trustees, provided that no rights of third persons shall be prejudicially affected thereby.

The Nominating Committee, on behalf of the Board of Trustees, has responsibility for (a) the nomination of individuals to fill board and committee leadership positions except for the Community Foundation Audit Committee, (b) ongoing educational efforts of board leadership regarding skills and knowledge needed to effectively carry out their responsibilities, and (c) annual board performance assessment activities and other actions necessary to motivate, recognize and otherwise ensure an effective board.

The Development Committee, on behalf of the Board of Trustees, has responsibility for (a) developing and implementing strategies to build the assets of the Community Foundation, (b) identifying and soliciting new fund holders (c) helping with the securing and building of organizational endowment funds, and (d) developing and implementing strategies to build strategic alliances with professional advisors.

The Stewardship Committee, on behalf of the Board of Trustees, has responsibility for (a) development and strategies for unrestricted grant making activities (b) support of donor-advised funds program activities and development (c) giving circles and other Community Foundation initiated grant making and community involvement activities, (d) monitoring and follow-up/reporting on compliance with restricted grant requirements, (e) identification and research of community needs, and (f) developing strategies to secure planned gifts and build the membership of the Legacy Society.

The Marketing Committee, on behalf of the Board of Trustees, has responsibility for (a) developing and implementing strategies to build community awareness among key target constituencies (b) media communications & cultivation (c) overseeing “branding” and marketing materials, and (d) recognition of donors, fund holders, and others.

The Community Engagement Committee, on behalf of the Board of Trustees, has responsibility for: (a) the oversight of board adopted initiatives and community engagement activities in accordance with, and, in support of the Strategic Plan, (b) Strategies aimed at building awareness of the Community Foundation’s role as a neutral convener in addressing persistent community issues and (c) ensuring transparency and public accessibility of community leadership work.

The Finance Committee and Investment Committee Consists of at least three Trustees, on behalf of the Board of Trustees, has responsibility for: (a) reviewing the internal financial statements of the Community Foundation (b) approving and monitoring the annual budget (c) conducting investment performance reviews (d) recommending investment allocation strategies and (e) developing finance and investment policies for submission to, and approval by, the Board of Trustees.

The Audit Committee, on behalf of the Board of Trustees, has responsibility for: (a) reviewing the financial statements of the Foundation and recommending whether such statements should be approved by the Board of Trustees; (b) appointing, retaining and terminating the independent auditors; (c) reviewing the scope of the audit to be conducted by the external and internal auditors of the Community Foundation; (d) reviewing the auditors’ fees and assessing the performance of external and internal auditors and the nature and cost of other services provided by such auditors; (e) reviewing all post-audit or management letters containing material recommendations of the external auditor and management’s response in respect of any identified material weakness; and (f) having such other duties, powers and authorities as the Board of Trustees may delegate to the Audit Committee from time to time. The members of the Audit Committee have the right, for the purpose of performing their duties, to inspect all the books and records of the Community Foundation and its affiliates, and to discuss such accounts and records and any matters relating to the financial position or condition of the Community Foundation with the auditors of the Community Foundation or its affiliates.

VI. Invoking the Variance Clause for Funds

Should any of the purposes, restrictions, or conditions imposed upon a Fund or its assets ever become obsolete, unnecessary, incapable of fulfillment, or inconsistent with the charitable purposes or needs served by the Foundation, the Foundation's Board of Trustees shall have the sole variance power to modify such purpose, restriction, or condition, and in so doing, the Board shall use its reasonable efforts to use Fund assets for a purpose as similar as possible to those set forth in the Agreement. Staff, working with donors, professional advisors, and in the performance their duties, may make changes in fund agreements in order to fulfill the donors' intent and fund purposes, and such changes may be approved by the President & CEO, and must be ratified by the Board of Trustees.

VII. Code of Ethics and Business Conduct Guidelines

The Community Foundation maintains a written Code of Ethics (the "Code") and Business Conduct Guidelines (the "Guidelines") for all Trustees, President and CEO and employees, requiring adherence to high standards of personal and Community Foundation conduct. All Trustees, and all staff of the Foundation annually acknowledge (in writing) adherence to the Code and Guidelines. The Community Foundation's Code and Guidelines are available for review at 50 Washington Street, Suite 300 Reno, Nevada. Employees and Trustees who know of violations of the Code or Guidelines are obligated to report them to the President and Chairman of the Community Foundation Board. The President and CEO is responsible for ensuring the Code is properly implemented and monitored. It is the Community Foundation's policy and intent that, except for knowingly reporting false accusations, every employee may report Code, Guidelines, policy or law violations without fear of retaliation.