



Giving Together.

Building Community.

General Terms and Conditions Governing All Component Funds

General Policy

In order to make grants or scholarships, Pride Foundation (the “Foundation”) shall have a separate named fund established for each of its general or specific, unrestricted or restricted granting or scholarship purposes.

Distributions from donor funds established at the Foundation will be made only for charitable purposes. Fund distributions will not be made for memberships, pledges, sponsorships, tickets, or for any purpose that would otherwise provide a benefit to the donor recommending the distribution. It is the Foundation’s policy that distributions from donor funds may not be made to any specific individual or to organizations that are not qualified Section 501(c)(3) public charities. Distributions from donor funds will not be made for political campaigns or to 501 (c)(4) organizations.

Administration

Each Fund established by Pride Foundation is the full property of the Foundation, and the Directors of the Foundation have full authority over the investments, management, and distributions made from the Fund.

The agency(ies) suggested to receive grants by the donor must comply with Pride Foundation’s policy of nondiscrimination. The agency(ies) named must also be recognized as tax-exempt under section 501(c)(3) of the Internal Revenue Code. The Board of Directors reserves the right to refuse to fund agencies whose programs or mission are contrary to the mission of Pride Foundation.

The Scholarship Committee shall recommend scholarship awards after evaluating applicants who meet the criteria suggested by the donor and approved by the Foundation. All recommendations shall be presented to the Pride Foundation Board of Directors for approval during the regularly scheduled scholarship cycle. Scholarship monies are paid directly to the scholar’s institution and may cover any education related expense that can be charged to the student’s account (depending on the institution this may cover tuition, fees, books, supplies, and/or on-campus housing). Scholarship monies will not be given directly from the Foundation to the student unless special circumstances warrant such authorization from the Foundation. The minimum amount to be awarded to one scholar is \$500. Recipients have up to two years from the award date to use their scholarship monies.

By establishing a donor-advised fund, area-of-interest or designated fund, the donor expresses the desire to make specific recommendations to the Board regarding the charitable uses to be made of the fund. Although the Board must follow its own judgment and cannot be bound by such suggestions, it welcomes the involvement and recommendations of its donors.

Name

Each Fund associated with Pride Foundation shall contain a reference to Pride Foundation in its name (e.g., “The Pat Smith Fund of Pride Foundation”). This full name shall be used in all publicity associated with the Fund. Donors may also use the Fund to make anonymous gifts, in which case the name of the fund and/or donor will not be released to the recipient organizations.

When establishing a new Fund, a donor may suggest the name by which a Fund is to be known through its publication, management and grant distributions. As might be appropriate, a donor may occasionally suggest a modification to the name of the Fund. The Foundation does reserve final authority over the naming or renaming of each Fund.

Purpose

When a new Fund is established, its donor will provide a short statement of its intended purpose. Many Funds will be established in the general “support of the purposes of Pride Foundation.” Others will have more specific aims guided by donor interests. Again, the Foundation retains final authority over the purposes of each of its Funds.

Endowed, Quasi-endowed or Current Use

A Fund may be established as:

Endowed, therefore assuring that an appropriate amount of annual funding (e.g., 5% of assets annually) is available for grant distribution for the Fund’s described purpose in perpetuity;

Quasi-endowed are fully expendable Funds that are invested as if they were endowed, but which reserve the ability to partially or fully distribute principal assets as might be necessary. Funds must be expended within 15 years of establishment;

Current Use, meaning that the Fund will be fully liquidated within two years of establishment.

Establishing and Sustaining the Fund

Each contribution to a Fund at Pride Foundation is subject to examination under the Foundation’s general Gift Acceptance and Valuation Policy. A received gift that meets the Foundation’s approval criteria routinely may be accepted by the Foundation. Once a gift is accepted (after it has been received), the Foundation will issue to the donor an appropriate gift acknowledgement letter.

Assuming the acceptability of a contribution (“gift”), the appropriate value of the contributed gift will be credited to the Fund for which it was designated or to the general fund of the Foundation as of the date accepted. In general, the date that a gift is received and the date that a gift is accepted will be the same. For a gift of a particular security, the value of the gift is the average of the high and low value for that security on the date that the Foundation actually received the ownership transfer from the donor or his or her agent (this date may differ from the date that the donor instructed his or her agent to make the transfer).

In cases where the origin of the gift or the capacity of the Foundation to liquidate or hold the gift is complex, the acceptance date may be later than the receipt date, and this later date is the governing date for Foundation gift-acceptance management.

Terms Applicable to Donor Advised Funds

Characteristics of Donor Advised Funds.

Donors establishing advised funds are encouraged to make recommendations regarding distributions from the fund for specific charitable purposes or to one or more charitable organizations. Donor advice will be considered only if offered in writing (including by fax transmission or electronic correspondence) by the donor(s), or by an advisor(s) or successor advisor(s) to the fund, as designated in writing by the donor(s).

Role of Advisors. Pride Foundation welcomes the involvement and recommendations of its donors with respect to distributions from advised funds, but such recommendations are advisory only and are in no way binding upon the Foundation. Organizations recommended for distributions from advised funds, must be organized and operated for charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code; have a non-discrimination policy that is consistent with Pride Foundation’s policy. If after two requests from the Pride Foundation that recipient organization cannot certify that their non-discrimination policy is consistent with Pride Foundation’s policy, then it will no longer be eligible for recommendation.

Appointment of Additional Advisors. All requests to appoint additional advisors and successor advisors to an advised fund must be communicated to Pride Foundation in writing by the donor(s) establishing the fund. If upon the death, resignation, or incapacity of an advised fund's donor(s), the Foundation has not received in writing the names of an additional advisor(s) or successor advisor(s) to the fund, the Foundation will use the fund's balance to support Pride Foundation's grantmaking program to address the most pressing needs in the community.

Investments

Endowed or quasi-endowed funds will be invested for Pride Foundation by the Foundation's investment portfolio managers according to our Investment Policies. Pride Foundation's portfolio is invested for long-term growth. In addition, the Foundation wishes to give preference to and seek investment in securities of companies, institutions and other issuers that demonstrate fairness and nondiscriminatory practices toward their employees, customers and communities with regard to race, religion, color, national origin, gender, marital status, age, disability, sexual orientation, and gender identity. We are happy to share more information about our investment policies or our portfolio.

Current use funds generally are not invested, nor are they required to be invested. If the Foundation knows that all or a certain portion of a current use Fund will be held for more than one year, then the Foundation may elect to invest that sum in a money market fund to enhance the Fund's value. As with the other two plans, investment earnings associated with this decision are attributable to the Fund.

Fees

Each Fund is subject to certain administrative fees as follows:

- Funds up to \$500,000 are charged 2%
- Funds from \$501,000 to \$2,000,000 are charged 1.5%
- Funds from \$2,000,001 and above are charged 1%

Funds that are endowed or quasi-endowed are charged the administrative fee on the first day of the next fiscal year (April 1st) after establishment and the fee is based on the rolling average of the fair market value for the 16 preceding quarters, and then assessed annually.

Current use funds will be charged the administrative fee one time only when the gift is received by Pride Foundation.

Fees are subject to change.

Solicitation Policy

Donors who wish to solicit contributions for a Fund at Pride Foundation are required to use the following language in any solicitation: "Funds raised at this event (or for this cause, or for this project) will be added to The [insert name] Fund at Pride Foundation, a Section 501(c)(3) organization. All checks should be made payable to The [insert name] Fund at Pride Foundation."

Fund Services

In return for the administrative fee provided by the Fund, the donor may expect the following services:

- Investment and financial management services.
- Contributions acknowledgment services.
- Administrative and accounting services, including periodic financial reporting on the status of the Fund and grant distributions.
- Individual consultation services with the Fund's principal donor.
- Grant/scholarship distribution and monitoring services.
- Scholarship award committee management.
- General information and briefing services for donors (in addition to newsletters, mailings and annual reports).

Inactive Funds

If a fund at Pride Foundation has failed to make distributions commensurate in size with the Foundation's spending policy over a two-year period, Pride Foundation will contact the advisor(s) to discuss the lack of activity. Options that will be available to the advisor(s) will include:

- Recommend the balance of the fund be granted to one or more Section 501 (c)(3) public charities.
- Recommend that the balance of the fund be used to support Pride Foundation's grantmaking program or to support Pride Foundation's general scholarship fund. The advisor(s) can indicate an area-of-interest for the grantmaking program.

In the event that the advisor(s) cannot be located or is unresponsive, the balance of the fund will be used to support Pride Foundation's grantmaking program.

Component Part Status

Each Fund is intended to be and is administered as a component part of Pride Foundation under Treasury Regulation Section 1.170A-9(e)(11), and is specifically subject to the powers of the Foundation's Board of Directors as the governing body of a community trust as required therein and as set forth in the Articles of Incorporation and Bylaws of Pride Foundation. Such powers include the power to unilaterally modify any restriction or condition of any Fund in the event that such restriction or condition becomes, in effect, unnecessary, incapable of fulfillment, or inconsistent with the needs of the community served by Pride Foundation.

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