



**COMMUNITY
FOUNDATION**
of Northern Nevada

COMMUNITY FOUNDATION OF NORTHERN NEVADA GOVERNANCE GUIDELINES

I. Purpose

The Community Foundation of Northern Nevada (“Community 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 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, and designate field of interest or particular organizations as beneficiaries. The Community Foundation supplies the vehicle to fill unmet needs; offers community-wide expertise to individual and corporate donors; and provides managerial and auditing economies by facilitating the administration of funds.

II. Mission and Philosophy Statement

Our mission is to strengthen our region through leadership and 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 900 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 grantmaking, 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 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 of Trustees

The Board of Trustees ("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 & CEO and staff are responsible for the management of the business, within the framework established by the Board, Bylaws, and applicable law. The Board of Trustees maintains open and direct communications with staff on all the major strategic and governance decisions. The President & 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 Community 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 & CEO develop an agenda, and the Chairman, with consultation from other Trustees and Committees, 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.

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

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- **President & CEO:** The President & 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 & 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 & CEO will attend all Board of Trustees meetings and be an active participant in such meetings. Since the office of President & CEO – or any full-time staff member – is not eligible to be a Trustee, these individuals do not vote on any Trustee decisions or motions.

- **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 Community 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.

- Board size and composition: The number of Trustees has been fixed at no fewer than five (5) nor more than twenty-four (24). 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).
- 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 to the Community Foundation.
- Election and appointment of Trustees: The Executive 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.

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- 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 Community 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.
- Committee structure: The Board delegates certain of its powers to Board Committees ("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 Board Advisors. The Audit Committee is comprised of Trustees and outside community/accounting representatives. Each Trustee and Board Advisor sits on at least one Board Committee. The frequency, length, and agendas of Committee meetings are determined by

the Committee Chairman in consultation with Committee members and the staff committee liaison. The Committee Chairman (or select staff) reports to the full Board on any proposed action resulting from the Committee meeting.

- 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 & CEO nor staff present.
- Formal Evaluation of President & CEO: The Executive Committee conducts an annual evaluation of the President & 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 & CEO and then in a meeting with the outside members of the Board.
- Management development: The President & CEO presents an annual report to the Executive Committee on the Community Foundation's program for management development.
- 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 & CEO. Members of staff normally attend portions of each regularly scheduled Board and Committee meeting. The Trustees may, when appropriate, obtain advice and assistance from outside advisors and consultants without prior approval of staff.
- 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.
- Board Committees: The Community Foundation has five Committees: Executive Committee, Donor Relations Committee, Finance Committee, Audit Committee, and Investment Committee.

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 Community Foundation, the Community 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 ("Code") and Business Conduct Guidelines ("Guidelines") for all Trustees, the President & CEO, and employees, requiring adherence to high standards of personal and Community Foundation conduct. All Trustees and all staff of the Community 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 & 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.