



## Fund Activity Policy

### I. Applicability

Community Foundation of Tompkins County is a non-profit public charity 501(c)3 corporation in New York State operating under the rules of the Internal Revenue Service and governed by a board of local leaders. All fund assets, including all gifts, are the sole fiduciary responsibility and property of Community Foundation, which has sole and final authority regarding the investment, use, or disposition of assets. Community Foundation has sole and final authority over all distributions and grants. All gifts to Community Foundation funds are irrevocable.

Over time and at multiple times while a fund is being maintained under Community Foundation's governance, a fund may enter a state of noncompliance with Community Foundation policies and/or legal requirements. This Fund Activity Policy outlines qualities of noncompliance regarding the active status of funds and delineates both actions to be taken and the schedule for taking them following a fund's entry into a noncompliant status.

If this policy ever conflicts with federal law or state law (including UPMIFA), the relevant law controls.

### II. Types and Definitions of Noncompliant Funds

#### Unachieved Fund

Should the minimum fund balance requirement of a fund not be achieved **within two years**, then Community Foundation may take action to close the fund and transfer the balance to Community Foundation's unrestricted funds to be used for general charitable purposes.

#### Inactive Fund

Should there be no outgoing grant activity in a fund for **any period of 3 or more years**, then Community Foundation may take action to close the fund and transfer the balance to Community Foundation's unrestricted funds to be used for general charitable purposes. Outgoing grant activity is defined as at least one grant being made from the fund. Gifts and grants made into the fund do not constitute fund activity.

### III. Procedures for Noncompliant Funds

Community Foundation will perform **semi-annual fund assessments** to determine if funds have fallen into noncompliance defined above. If a fund is determined to be out of compliance, Community Foundation will follow the procedures below.

Any restrictions placed on the fund, such as designation of grants, must be considered and appropriately handled on a fund-by-fund basis when following the procedures below, pursuant to the terms of binding fund agreements and subject to Community Foundation's variance power.

#### For Unachieved Fund Situations

Community Foundation will make **at least one (1) attempt** to establish contact with fund representatives to bring the balance of the fund to an acceptable level. The attempt will be in written form by US Postal Service using Certified Mail

or a similar service for delivery and receipt confirmation. A copy of the written communication will be retained in the fund's records.

If the fund representatives are non-responsive or do not bring the fund balance to an acceptable level **within 90 days** from the date of attempted communication, then the fund will be terminated and any remaining balance will be transferred to unrestricted funds for general charitable purposes.

Unachieved Fund

<u>Fund Type</u>	<u>Requires Compliance?</u>	<u>Number of Days to Comply</u>
<b>Agency</b>	YES	90 from date of attempted communication
<b>Community Impact</b>	NO	N/A
<b>Designated</b>	YES	90 from date of attempted communication
<b>Donor Advised</b>	YES	90 from date of attempted communication
<b>Field of Interest</b>	YES	90 from date of attempted communication

Inactive Fund

Community Foundation will make at least one (1) attempt to establish contact with fund representatives to bring the fund back to an active status. A grant out of the fund will reactivate the fund. A gift into the fund will not reactivate the fund. The attempt will be in written form by US Postal Service using Certified Mail or a similar service for delivery and receipt confirmation. A copy of the written communication will be retained in the fund's records.

If the fund representatives are non-responsive or do not bring the fund balance to an acceptable level **within 90 days** from the date of attempted communication, then the fund will be terminated and any remaining balance will be transferred to unrestricted funds for general charitable purposes.

Inactive Fund

<u>Fund Type</u>	<u>Requires Compliance?</u>	<u>Number of Days to Comply</u>
<b>Agency</b>	NO	N/A
<b>Community Impact</b>	NO	N/A
<b>Designated</b>	NO	N/A
<b>Donor Advised</b>	YES	90 from date of attempted communication
<b>Field of Interest</b>	YES	90 from date of attempted communication