



## 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 fund minimum balance requirements to open a fund not be achieved in the required time, then Community Foundation will take action as described in Sec.III.

#### Inactive Fund

Should there be no outgoing grant activity in a fund for any period of 3 or more years, then Community Foundation will take action as described in Sec.III. Outgoing grant activity is defined as at least one grant being made from the fund on the recommendation of the fund advisor. Gifts and grants made into the fund do not constitute fund activity.

The table shows which requirement apply to each type of fund.

<u>Fund Type</u>	<u>Unachieved</u>	<u>Inactive</u>
<b>Agency</b>	YES	NO
<b>Community Impact</b>	NO	NO
<b>Designated</b>	YES	NO
<b>Donor Advised</b>	YES	YES
<b>Field of Interest</b>	YES	YES

### III. Procedures for Noncompliant Funds

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

Any legal 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.

Community Foundation will make at least one (1) attempt to establish contact with fund representatives to bring the fund into compliance. The attempt will be in written form and a copy of the attempted communication will be retained in the fund's records.

#### Unachieved Initial Minimum Balance Not Achieved within Two Years

If the fund representatives are non-responsive or do not bring the fund balance to the required 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.

Here and below, funds transferred for general charitable purposes may be used to make grants to non-profit organizations through the Tompkins Today and Tomorrow fund, or may be used for the general operations of Community Foundation. For any size grant, the recipient fund is determined by the board of directors on the recommendation of the Financial Administration Committee.

#### Inactive Fund

If the fund representatives are non-responsive or do not bring the fund into compliance within 90 days from the date of attempted communication, then 30% of the fund balance will be transferred to unrestricted funds for general charitable purposes. If, after a further 3 months, the fund is still not in compliance, then the fund will be terminated and any remaining balance will be transferred to unrestricted funds for general charitable purposes.