

PROPOSED CHANGES 05/2023

TABLE OF CONTENTS		PAGE
STANDING RULE I	GENERAL PURPOSES	1
STANDING RULE II	BOARD OF DIRECTORS	1
STANDING RULE III	MEETINGS	4
STANDING RULE IV	ETHICS	5
STANDING RULE V	DONATIONS	8
STANDING RULE VI	INVESTMENT POLICY	11
STANDING RULE VII	LOANS TO THE JLM	14
STANDING RULE VIII	EXPENDITURES POLICY	15
STANDING RULE IX	NET ASSETS AND DISTRIBUTIONS THEREOF	15
STANDING RULE X	ACCOUNTING POLICIES	18
STANDING RULE XI	STANDING RULES & POLICY REVIEWS	20

APPENDICES

A	PLANNED GIVING PROGRAM	20
B	DOCUMENT RETENTION POLICY	23

STANDING RULE I GENERAL PURPOSES

The purpose of the Junior League of Miami Foundation, Inc. (“JLMF”), a 501 (c) (3), a not for profit corporation, shall be to help ensure the financial future of the Junior League of Miami, Inc.

All funds held by JLMF are restricted in the sense that they may only be distributed to the Junior League of Miami, Inc. (“JLM”) pursuant to the policies outlined in the JLMF Standing Rules. Up to 2% of JLMF’s Net Assets with Temporary Restrictions may be used for administrative and management costs annually in accordance with the approved budget.

STANDING RULE II BOARD OF DIRECTORS**A. Responsibilities**

The responsibilities of the JLMF Board of Directors (“Foundation Board”) are as follows:

1. To oversee the investment of JLMF’s assets in a manner that reflects the Foundation Board’s fiduciary responsibility and that protects the purchasing power of JLMF’s funds.
2. To increase assets of JLMF through appropriate marketing and solicitations of annual and planned gifts as well as grants.
3. To determine annual distributions if any.
4. Class 2 Directors are expected to hold an office and/or sit on at least one committee.
5. Each Class 2 Director is expected to make an annual donation to JLMF that is significant to them and participate in JLMF fundraisers.
6. Attendance at Foundation Board meetings is required. Failure to attend any three (3) meetings is grounds for removal from the Foundation Board. Each member of the Foundation Board will review and affirm the JLMF’s Responsibility Policy at the first meeting of the fiscal year. The signed statements will be maintained by the Secretary. In-person attendance is strongly encouraged; however, attendance via conference or video call may be allowed at the discretion of the Executive Officers.

B. Directors

(See Article IV – Section 3 of the Bylaws for a more detailed Class description of the Directors.)

The Foundation Board consists of 16 directors as follows:

1. Class 1 - (4 slots) The JLM President, the JLM President-Elect, and the Treasurer of JLM or if this member should decline, the Vice President of Financial Stewardship of JLM, and the immediate JLM Past President.
2. Class 2 - (12 slots) sustaining members of JLM.

C. Nomination of Directors

1. The outgoing Class 2 Directors will serve as the Nominating Committee. The Nominating Committee will be led by the outgoing JLMF President or, if not available, the JLMF Secretary. If both the JLMF President and Secretary are continuing on the Foundation Board, the Foundation Board will appoint another Director from amongst the outgoing Directors to be Chair of the Nominating Committee.
2. One month before the final fourth quarter meeting, the Nominating Committee will solicit each current Foundation Board member to submit nominations for each open Class 2 director positions for the next fiscal year.
3. In preparing the single slate, the Nominating Committee shall consider the needs of the Foundation Board, as well as the ability and willingness of the slated directors to fulfill the duties pursuant to the Bylaws and Standing Rules.
4. The Nominating Committee will review the list of nominees and prepare a single slate for the Foundation Board to ratify or reject at the final fourth quarter meeting.
5. Once the Foundation Board has elected a person for each open non-ex officio Director position, a representative from the Nominating Committee will contact each slated director to inform of the decision.

6. Each slated director shall agree to serve before the slate is presented to the Foundation Board at the final fourth quarter meeting.
7. The election of the Class 2 Directors will be by majority vote of the Foundation Board at JLMF's final fourth quarter meeting each year for the following fiscal year.

D. Nomination of Executive Officers

1. The Nominating Committee will prepare a slate of Executive Officers (President, Vice President, Secretary, and Treasurer) to present to the Foundation Board to ratify or reject at the final fourth quarter meeting of each year. The JLMF President, Vice President, Secretary, and Treasurer will be selected from among all continuing and incoming Class 2 Foundation Board members.
2. Prior to submitting the single slate to the Foundation Board, all incoming and continuing JLMF Directors will be encouraged to self-submit for Executive Officer positions.
3. Each slated officer shall agree to serve before the single slate is presented.

E. Discretionary Committees

1. Special purpose committees may be formed at the discretion of the Foundation Board.
2. The JLMF President will serve as a voting ex-officio member of each discretionary committee.

F. Past Presidents Council

1. The Council will be made up of the Past Presidents of the Foundation Board.
2. The Council will have no voting rights.
3. The Council members may be asked to serve on any discretionary committee.

4. JLMF will host a meeting once a year to update the Council on JLMF. This meeting will be coordinated by the immediate JLMF Past President.

STANDING RULE III MEETINGS

A. Materials

1. All materials to be considered at any regularly scheduled meeting of the Foundation Board shall be sent out at least three (3) but not more than thirty (30) days prior to the meeting.
2. Documents such as minutes, financials, investment reports, document revisions and budgeting materials shall be included.

B. Dates

The Foundation Board will meet a minimum of four (4) times per year. At least one meeting must fall in the fourth quarter. Other meeting dates will be determined by the Foundation Board.

C. Secretarial Duties

1. The JLMF Secretary shall keep signed minutes of the proceedings of the Foundation Board and any other committees of JLMF.
2. The Secretary will keep a record of names and addresses of the Foundation Board at the JLMF registered or principal office.

STANDING RULE IV ETHICS

The purpose of this policy is to ensure that decisions about JLMF's operations and the use or management of JLMF's assets are made solely in terms of the benefits to JLMF and are not influenced by any private profit or other personal benefit to individuals affiliated with JLMF.

A. Conflict of Interest

The Foundation Board recognizes that any real or perceived conflict of interest could severely impair the charitable activities of JLMF. It is therefore the policy of the

Foundation Board to avoid all conflicts of interest and appearances of conflict of interest.

For the purposes of this policy, an “Affiliated Individual” is defined as any individual who, by the nature of his or her position with JLMF (whether as a Director, employee, committee member, or member of JLM) has or may reasonably be perceived to have the ability to influence decisions within JLMF.

1. An Affiliated Individual will have a conflict of interest if such individual, on behalf of JLMF, participates directly or indirectly in any decision making process relating to the acceptance of gifts, investments of funds or other business transactions with that individual, his or her immediate family or any entity in which the individual or any individual in his or her immediate family has any legal, equitable or fiduciary interest or position.
2. An Affiliated Individual who has a potential conflict of interest will disclose such interest to the President of the Foundation Board and will recuse herself from discussion and voting related to such issue but will be counted for purpose of a quorum.
3. Each member of the Foundation Board will review and affirm the JLMF’s Conflict of Interest Policy at the first meeting of the fiscal year. The signed statements will be maintained by the Secretary.

B. Self-Dealing Clause

The intent of this policy is to permit JLMF to buy from, sell to, or deal with firms, associations or corporations of which directors or Executive Officers of the JLMF or JLM may be members, directors or Executive Officers or in which they may have any monetary interest.

No transaction may have the effect of causing any part of the net earnings of JLMF to inure to the benefit of, or be distributable to, any director or officer of JLMF or any private individual.

Examples of transactions prohibited under this policy include:

1. The lending of any part of JLMF’s funds without the receipt of adequate security and a reasonable rate of interest.

2. The payment of more than just compensation for personal services, even if the services are reasonable and necessary to carry out the exempt purposes of JLMF.
3. The payment of more than just reimbursement of expenses reasonably and necessarily incurred in carrying out the exempt purposes of JLMF.
4. The making of any part of JLMF's services available on a preferential basis.
5. Purchases by JLMF of any substantial securities, or any other property, for more than adequate consideration in money or monies' worth.
6. The sales of any substantial part of the Foundation's securities, or other property, for less than the adequate consideration in money or monies' worth.
7. The engaging in any transaction, which results in a substantial diversion of JLMF's funds.

C. Whistleblower Policy

This policy is intended to encourage Foundation Board Members, all staff (paid as an employee or independent contractor and volunteers) and others to report suspected or actual occurrence(s) of illegal, unethical, or inappropriate events (behaviors or practices) without retribution.

1. The person suspecting or knowing of an actual event (herein after referred to as the "Reporter") should promptly report such an event to a member of the Foundation Board or to the President of JLM.
2. The event may be reported with his/her identity or anonymously.
3. There shall be no retaliation or retribution for any report that was provided in good faith – that was not done primarily with malice to damage another or JLMF.
4. Should it be determined that a report was not done in good faith, the Reporter is subject to discipline, including termination from the Foundation

Board or employee/independent contractor relationship, or other legal means to protect the reputation of the Foundation Board and staff.

5. Anyone who retaliates against the Reporter (who reported an event in good faith) will be subject to discipline, including termination from the Foundation Board or employee/independent contractor status.
6. Crimes against person or property should immediately be reported to appropriate law enforcement personnel.
7. The person who receives the report must promptly act to investigate and/or resolve the issue.
8. The Reporter shall receive a report within 15 business days of the initial report, regarding the investigation, disposition, or resolution of the issue.
9. If the investigation of a report that was done in good faith and investigated by the Foundation's Board is not to the Reporter's satisfaction, then he/she has the right to report the event to the appropriate legal or investigative agency.
10. The identity of the Reporter, if known, shall remain confidential to those persons directly involved in applying this policy, unless the issue requires investigation by law enforcement, in which case Directors of the Foundation Board are subject to subpoena.

STANDING RULE V DONATIONS

A. Accepting Gifts

1. The Foundation accepts donations of cash and marketable securities.
2. The Foundation is not able to accept gifts of tangible or real property.
3. The Foundation's highest priority is to secure outright gifts. An outright gift refers to a contribution of cash in which the donor retains no interest, and which can be used currently by JLMF. Donors who can make an outright gift will be encouraged to do so.

4. A donor may complete a gift in a single transaction or make a pledge to be paid over whatever period of time is mutually acceptable to the donor and the Foundation.
 5. JLMF is open to accepting restricted gifts provided the gift meets the charitable purposes of JLM and JLMF and JLM can fulfill the restrictions.
 6. The Foundation Board, however, in its sole discretion, may decline to accept any gift for any reason, including but not limited to a gift that is deemed inconsistent with the charitable purposes or programs of the JLM.
 7. The Foundation will accept a pledge as a donation to the Foundation.
 - a. At the time the pledge is made, a pledge form will be signed by the donor and an officer of JLMF. The form will include the pledge amount, date and payment schedule that is mutually acceptable to the donor and JLMF. The Treasurer will keep the original with a copy given to the donor. The donor will also be given a copy of JLMF's pledge policy.
 - b. After the pledge form is completed and signed, the donor will be recognized as a member of the appropriate donor recognition society and listed on JLMF's Honor Roll of Donors. Recognition items, such as pins, will not be given until the donor has completed their pledge.
 - c. The pledge balance will be reduced by donations made to the Foundation excluding tickets and in-kind donations.
 - d. A reminder will be mailed to the donor one month prior to a payment being due. The reminders will include the amount of the pledge, the balance remaining and the amount due. A second reminder will be mailed or sent via email 30 days after the due date. If a donor does not make a scheduled payment after 90 days and there is no response as to why the payment was not received, the pledge balance will be written off. The donor will be notified via certified mail and their name will be removed from the appropriate donor recognition society on the Honor Roll of Donors.
- B. Donor Recognition—Donor Recognition Societies

1. 1926 Society created in 2005 and named after the year JLM was founded recognizes those persons who have contributed \$1,926 or more to the Foundation. The recognition levels within the 1926 Society are as follows:
 - Builder of the Future \$1,926 - \$4,999
 - Pillar of the Future \$5,000 - \$9,999
 - Designer of the Future \$10,000 - \$24,999
 - Architect of the Future \$25,000 - \$49,999
 - Developer of the Future \$50,000 and above
2. The Hope Society created in 2004 recognizes those persons who have named JLMF in their will and/or other estate plans and who have notified JLMF of their intentions in writing.

C. All Gifts Acknowledgement

The Foundation Board through the President will issue a standard letter of acknowledgment with respect to each gift to JLMF. The standard letter of acknowledgment must refer to the gift's purposes and restrictions, if any.

D. Donations of Marketable Securities

1. Gifts of marketable securities will be accepted and turned over to JLMF's investment advisor(s) for deposit into JLMF's account.
2. Valuation of Gifts
 - a. When JLMF receives and accepts stock, bonds, and other marketable securities, the gift will be valued, for purposes of internally reporting the donor's gift, according to IRS regulations for valuing the respective gift asset. The JLMF Treasurer will maintain current files pertaining to the valuation of different types of gifts and the determination of the gifts' valuation date.
 - b. For the donor's tax purposes, JLMF will acknowledge the asset given with an appropriate description of the asset (i.e. number of shares and stock issue for gifts of stock, etc.).

E. Planned Giving Program

For detailed information about guidelines and description see Appendix A.

F. Assistance to JLM to Accept Security Donations

JLMF may facilitate JLM to accept donations of securities. It may accept securities on behalf of JLM in the JLMF investment account and issue a check to JLM for the value of the gift. JLM will be responsible for acknowledging the donor and for providing appropriate tax documentation.

STANDING RULE VI INVESTMENT POLICY

It is the policy of JLMF to monitor the investment of JLMF's funds in a manner that recognizes the Foundation Board's fiduciary responsibilities under Florida Statute 518.11 of the Florida Investor Act (the "Act"). Discretion over the investment of JLMF's funds will be delegated to outside Registered Investment Advisor(s).

A. Investment Objectives

Investments will be made with the following objectives in mind:

1. To maintain a diversified portfolio that allows for growth of JLMF's funds. (See Acceptable Investments below.)
2. To ensure liquidity consistent with cash flow needs.
3. To protect the purchasing power of JLMF's funds against deterioration caused by inflation.

B. Investment Duties

1. The Foundation Board is responsible for monitoring the performance of the outside Registered Investment Advisor(s) and the JLMF investment portfolio and making recommendations regarding changes to the investment policies.
2. The Foundation Board will be responsible for ensuring that JLMF does not invest in any security that may jeopardize its 501(c)(3) tax-exempt status.
3. The Foundation Board is responsible for the selection of brokers, banking institutions, insurance companies (as they relate to planned gifts) external trustees and/or Registered Investment Advisors.
4. The Treasurer is responsible for preparing and presenting quarterly investment reports to the Foundation Board. The reports will include

performance reviews of the assets managed by Registered Investment Advisor(s).

5. The Registered Investment Advisor is responsible for the execution of investment transactions within policy guidelines as approved by the Foundation Board.
6. The Investment Policy will be reviewed annually by the Foundation Board.

C. Acceptable Investments

Investments for JLMF are limited by the following: objectives, asset allocations and issue specifications.

1. The investment objective of this account is growth and income.
2. Consideration is given to increasing the level of income to offset the effects of inflation.
3. Moderate market volatility is expected.
4. The total return may not be sufficient to preserve the purchasing power of the assets and income during periods of high inflation.

D. Portfolio Allocation and Rebalancing

1. The marketable securities in the account shall be managed so that common stocks constitute no less than 40% and no more than 80% of the market value of the account; bonds constitute no less than 20% and no more than 50% of the value of the account; and cash equivalents may constitute no more than 20% of the account.
2. If the value of common stocks in the account exceeds the stated limit as a result of appreciation, a reasonable time shall be allowed for the sale and reinvestment of the excess common stock holding.
3. Similarly, a reasonable time shall be allowed to comply with the stated limits following additions to the account.
4. Cash equivalents are defined as having maturities of one year or less.

E. Investment Criteria

1. Only stocks, bonds and funds meeting the following criteria may be purchased in the account.
 1. Obligations issued or guaranteed by the U.S. government, federal agencies and government sponsored corporations;
 2. Obligations of domestic commercial banks and bank holding companies, including commercial paper, bankers' acceptances, certificates of deposit, time deposits, notes and bonds;
 3. Obligations of domestic and foreign corporations, including commercial paper, notes and bonds, trust certificates, preferred and common stock and master limited partnerships¹;
 4. Obligations of commercial banks, and corporations, and offshore branches of U.S. banks; and
 5. Obligations of state and local governments located in the U.S.²
2. No more than 10% of the total market value of the account shall be invested in securities issued by a single issuer or group of affiliated issuers, other than obligations issued or guaranteed by the U.S. government, federal agencies or government-sponsored corporations.³
3. No more than 20% of the total market value of the account shall be invested in securities of issuers that have been in business for less than three years.
4. Performance statistics will be kept by the Registered Investment Advisor(s) for the following time periods: three months, one year, three years, and five years. The statistics will be reviewed annually. The Foundation Board will review the performance of any Registered Investment Advisor(s) at least annually, based on contractual performance standards.
5. The Foundation Board will perform an in-depth evaluation of current comparable products, services, fees, philosophies and performance every

¹ Common stocks received in-kind may be held in the portfolio.

² Corporate, state or local government bonds must be rated A, or its equivalent, or better at the time of purchase.

³ One issuer is an affiliate of another issuer if either issuer has more than 50% ownership of the other.

three to five years. In conjunction with this evaluation, the Foundation Board will solicit proposals from prospective Registered Investment Advisors as well as the current Advisor.

1. A minimum of three proposals from Registered Investment Advisor(s) will be reviewed at JLMF's third quarter meeting.
 2. The Foundation Board will make the final selection of the Registered Investment Advisor(s.)
 3. Any contract entered into by the Foundation Board with the Registered Investment Advisor(s) will specifically state that the contract may be terminated within a 30-day notice.
- F. Approved Investment Institutions
1. The Executive Officers of the Foundation Board will determine a list of qualified brokers, insurance companies, external trustees, Registered Investment Advisor(s,) and banking institutions approved to transact and hold in safekeeping investments on behalf of JLMF.
 2. In addition to these approved institutions, the JLMF Treasurer, with the approval of the Foundation Board, is authorized to open accounts of up to the insured limit with any federally insured bank, trust company, credit union or savings and loan.

STANDING RULE VII LOANS TO THE JLM

- A. JLMF may loan funds to JLM upon receipt of a written request to the Foundation Board.
- B. A loan request may be voted on by the Foundation Board at a regularly scheduled or special meeting of the Foundation Board.
- C. JLMF will charge interest on loans to JLM in conformity with IRS regulations, and at a rate not to exceed the prime rate charged on the date of the loan by the banking institution that serves on that date as the primary depository institution for JLMF's funds.
- D. The loan must be documented in writing. Payment terms should require no less than annual payments of interest and principal.

- E. In determining the amount of the loan and the interest rate, the Foundation Board will need to consider its fiduciary duties to the JLMF funds.

STANDING RULE VIII EXPENDITURES POLICY

- A. JLMF earnings of Net Assets with Temporary Restrictions will first and foremost cover the administration and management costs directly attributable to JLMF's operations.
- B. These expenses, which excludes investment fees and related investment costs, should not exceed 2% of JLMF's net assets, based on the average net asset amount of the immediate twelve preceding quarters.

STANDING RULE IX NET ASSETS AND DISTRIBUTIONS THEREOF

- A. JLMF has net assets all of which are restricted in some capacity – either permanently (“Net Assets with Permanent Restrictions”) or temporarily restricted (“Net Assets with Temporary Restrictions”).
 - 1. Net Assets with Permanent Restrictions
 - a. *Ronni W. Bermont Endowment Fund for Community Projects*
 - 2. Net Assets with Temporary Restrictions
 - Carolyn Browning Fund for Domestic Violence*
 - b. *JLM Project Surplus Fund*
 - c. *Donor Specified Requests*
 - d. *Undistributed earnings from the Ronni W. Bermont Endowment Fund*
 - e. ITN Proceeds Investment Fund as defined by the Investment Agreement between JLM and JLMF executed on October 30, 2022 (“ITN Investment Funds”).
 - f. Net Assets without Donor Restrictions (only restriction on these funds is that they must be held for the use of JLM).
- B. The Net Assets should be separately accounted for but may be commingled for investment purposes except for the ITN Investment Funds which will be separately maintained.
- C. The JLMF Treasurer shall annually notify the JLM Treasurer of the year-end amounts of each fund in Net Assets. Written notification should be made by September.

- D. Distributions will be made to JLM upon written request by JLM’s Treasurer, JLM’s President or JLM’s President-Elect according to the policies noted below. To allow for proper planning, to the extent possible, the submission should be made prior to the Foundation’s fourth quarter meeting.

- E. Each Net Asset requires its own distribution policy:

- 1. *Ronni W. Bermont Endowment Fund for Community Projects*

The principal of the Ronni W. Bermont Endowment Fund is permanently restricted and may not be spent. The principal is defined as the donations received by JLMF through September 2005, which was calculated to be \$345,000, and subsequent donations that have been specifically designated by the donor as a gift to the Ronni W. Bermont Endowment Fund. Earnings will be distributed as requested by JLM to fund JLM’s community projects. Undistributed earnings will be considered Net Assets with Temporary Restrictions. (See Policy IX.E.2.d. below)

- 2. Net Assets with Temporary Restrictions

- a. *Carolyn Browning Fund for Domestic Violence* was donated to support JLM domestic violence programming. Distributions from the Carolyn Browning Fund will be made as requested by JLM and will not affect other distribution requests.

- b. *Project Surplus Fund* will consist of any community project money rolled over by the JLM Board to JLMF. Distributions from the Project Surplus Fund will be made as requested by JLM and will not affect other distribution requests.

- c. *Donor Specified Requests* are donations provided to JLMF by donors who wish to specify the intended use of their gifts. (See Standing Rule V). These funds will be available on request by JLM if JLM’s use of the funds is consistent with the donor’s request.

- d. *Earnings from the Ronni W. Bermont Endowment Fund* are restricted for JLM's community projects as noted in Standing Rule IX. Distributions from this fund will be available annually at up to 10% of the balance of this fund upon request by JLM and will not affect other distribution requests.
- e.
- f. The ITN Investment Funds are restricted for the use of JLM. Distributions of the funds are in accordance with the Investment Agreement which is incorporated by reference into the Standing Rules. The Net Assets without Donor Restrictions represents the balance of the funds. In order for JLMF's unrestricted balance to grow, there will be no distributions to JLM (except as stipulated elsewhere) until the value of **JLMF's total fund balance** is at least \$1,000,000. As of March 31, 2012, JLMF's fund balance exceeded \$1,000,000. The policy of JLMF was to distribute annually 2% of the trailing 12 quarters (using calendar quarters) average of JLMF's total fund balance, with the expectation that, over time, the total real return from investments will exceed JLMF's pay-out rate, thus allowing for real growth of JLMF's assets. The policy of
- g. As of May 31, 2021, the fair market value of **JLMF's Net Assets without Donor Restrictions** reached \$1,000,000. Going forward the distributions to JLM will be based on the Net Assets without Donor Restrictions. The annual distribution percentage will be the following based upon the trailing three (3) years average fair market value of JLMF's Net Assets without Donor Restrictions:
 - a. Less than \$1,000,000: No distribution
 - b. \$1,000,000 - \$2,000,000: 3%
 - c. Over \$2,000,000: 4%
- h. The JLMF Treasurer should notify JLM's Treasurer of the available distribution under this section by end of February to assist in the budgeting process of JLM.
- i. The distribution should be made to JLM at the beginning of their fiscal year unless mutually agreed otherwise.
- j. Should JLM wish to defer the receipt of this distribution, JLM may submit a request in writing to have the funds re-contributed to the Foundation and held in a temporarily restricted fund until such time as

JLM requests the distribution of these funds. The temporarily restricted account will be such as that noted in Policy IX.E.2.e. above.

3. Extraordinary Needs Distributions

- a. It is contemplated that the JLM Board of Directors may require a distribution not currently allowed under the policies noted above. A “situation of extraordinary need” is defined as including any financial emergency or liability of JLM.
- b. Should the JLM Board of Directors determine that there is, in fact, a situation of extraordinary need, a written request should be made to the JLMF Treasurer for a distribution under the Standing Rules. The JLMF Treasurer will then contact the JLMF President to call a special meeting according to JLMF’s Bylaws. The JLMF Treasurer will be responsible for consulting with the JLM Board of Directors.
- c. In the case of a JLM situation of extraordinary need, the Foundation Board must approve the distribution by a vote of 80% of the Foundation Board then in office. . The Foundation Board could approve a distribution in any amount so long as it found that there is in fact a JLM situation of extraordinary need and that the Foundation Board was properly exercising its fiduciary duties to the JLMF funds.

STANDING RULE X ACCOUNTING POLICIES

- A. The books and accounts of JLMF shall be kept in accordance with generally accepted accounting principles.
- B. The earnings and expenses for the ITN Investment Funds should be separately recorded and accounted for on the JLMF books pursuant to the agreement.
- C. Monthly financial statements will be reviewed by the JLMF Treasurer on a regular basis. Financial statements will be presented at each board meeting.
- D. The books shall be audited or reviewed annually in coordination with JLM’s audit/review. A copy of the auditor’s report shall be provided upon request to any donors, prospective donors, and members of JLM.
- E. At the final fourth quarter meeting, the JLMF Treasurer will present a budget for the upcoming year to be ratified by the Foundation Board.

- F. All checks, drafts, or other orders for payment in the name of JLMF will be signed by one of the designated officers of JLMF unless such payment is in an amount of \$5,000 or more, in which case two designated officers' signatures will be required.
- G. Requests for payment will be approved by the JLMF President or JLMF Treasurer. Bids will not be required on items that are within budget. Three bids will be required for items over budget.
- H. Expenditures which will cause JLMF to exceed its budget by no more than \$1,000 will be available upon unanimous approval by the Foundation Executive Officers. Should the amount exceed \$1,000, the expenditure must be approved by a two-thirds (2/3) majority vote of the Foundation Board.
- I. Contributions to JLMF made with other payments to the JLM General Fund will be treated as receivables to JLMF and settled on no less than on an annual basis.
- J. Review of Return of Organization Exempt from Income Tax, Form 990, will be completed annually by the Foundation Board prior to the filing of the return. Any necessary changes will then be updated on the form. Once all necessary changes are made and the JLMF President is in agreement with the JLMF Treasurer on the finished Form 990, it will be signed by the JLMF President or JLMF Treasurer, dated and submitted by the filing deadline. A copy of the approved Form 990 will be provided upon request.
- K. Records shall be maintained at JLM's headquarters in accordance with the Document Retention Policy noted in the Appendix B.

STANDING RULE XI POLICY REVIEWS

The Foundation Board will review these Standing Rules and policies every three years to determine what revisions or additions, if any, might be appropriate.

APPENDIX A PLANNED GIVING PROGRAM

JLMF is authorized to encourage donors to make both outright and deferred gifts. The types of deferred gifts to be offered include bequests, charitable remainder trusts, charitable lead trusts, and such other gift arrangements as the Foundation Board may from time to time approve. All programs, solicitation plans, and activities shall be subject to the oversight of the Foundation Board.

JLMF is permitted to accept gifts and contributions only as authorized in these Standing Rules and policies. The following guidelines are established to assure that planned gifts accepted by JLMF will be cost-effective and beneficial to all parties involved. Exceptions to these policies shall only be approved by the Foundation Board with a specific motion to do so.

- A. The policy of JLMF is to inform, serve, guide, or otherwise assist donors whom wish to support the JLMF activities, but never under any circumstances to pressure or unduly persuade.
- B. No gift will be accepted, or program promoted which is not in the best interests of the donor or violates the Standing Rules, Bylaws or Articles of Incorporation of JLMF.
- C. JLMF or its representatives shall not engage in offering legal or tax advice to donors or gift prospects. Information on giving arrangements shall be supplied, and donors and prospects shall be urged to contact their personal professional advisors.
- D. JLMF should always seek to serve the charitable giving needs and objectives of its donors by encouraging contributions and volunteerism and properly recognizing the material and personal contributions of its donors.
- E. JLMF should remain open and accessible to its donors, providing full communication of its activities, use of funds and policies and procedures.
- F. The JLMF President and persons designated by the JLMF President are authorized to negotiate planned gift agreements with prospective donors, following program guidelines approved by the Foundation Board.
- G. All planned giving documents requiring execution by JLMF shall first be reviewed and approved as to form by JLMF's legal counsel.
- H. The following planned gifts must be reviewed by the Foundation Board.
 - 1. Charitable Remainder Trusts
 - 2. Charitable Lead Trusts
- I. JLMF will not serve as trustee for any trusts.

- J. The costs of administration of any charitable trusts shall be an expense of the respective trusts.
- K. The Planned Giving Program guidelines and Policy V (Donations) shall be reviewed as needed by the JLMF Treasurer and the JLMF Executive Officers at the Foundation Board’s second quarter meeting, if necessary.
- L. Existing planned gift arrangements shall be reviewed at least annually by the JLMF Treasurer and a report submitted to the Foundation Board at JLMF’s first meeting.

M. Accepting Gifts

1. Charitable Remainder Trust

a. Description

The Charitable Remainder Trust is a separately administered trust established by the donor. It provides for payments to the donor and/or other named beneficiary(ies) either for life or a term of years (not exceeding 20 years), whereupon the remaining trust assets are distributed to one or more charities.

2. The Charitable Lead Trust

a. Description

A Charitable Lead Trust is a trust in which the income, or “lead” interest, is paid to JLMF, and the “remainder” interest is given to one or more non-charitable beneficiaries, who could be either the donor or family members. The amount paid to JLMF may be either a fixed sum (an “annuity trust” interest) or a percentage of the trust assets as valued each year (a “unitrust” interest).

3. Bequests

a. Description

- i. A bequest is a testamentary gift (a gift received after death) generally received through a donor’s will or other estate-planning document.
 - ii. Bequests have historically been the most important kind of deferred gift, and they may contribute significantly to the fundraising revenue of the Foundation. The encouragement of bequests will be one of the highest priorities of JLMF.
- b. Guidelines
- i. Donors will be urged to obtain the advice of a professional advisor to create a bequest that is in their best interest. Donors will also be invited to provide a confidential copy of that section of their wills naming JLMF.
 - ii. During the probate of the estates containing a bequest to JLMF and during the post-death administration of revocable trusts containing dispositive provisions benefiting JLMF, the JLMF Treasurer and/or JLMF President, in consultation with JLMF’s legal counsel shall represent JLMF in all dealings with the attorney and personal representative of the estate.

APPENDIX B DOCUMENT RETENTION POLICY

General Documents and Headquarters Records				
Description	Safety Storage *	Retention Period		
		Permanent	7 years	3 years
IRS determination letters	X	X		
Application for Recognition of Exemption under Section 501(c) (3) of the Internal Revenue Code, IRS Form 1023	X	X		
Articles of incorporation	X	X		
Bylaws and standing rules (original plus copy of each revision)	X	X		
Board resolutions	X	X		
Minutes of the Board of Directors		X		
Board personnel records			X	
Property Insurance policy				X

Directors and Executive Officers Insurance policy				X
Treasurer's Records				
		Retention Period		
Description	Safety Storage *	Permanent	7 years	3 years
Annual corporate filings with the Internal Revenue Service, Form 990		X		
Audits/Reviews of Financial Statements		X		
Bookkeeping journals and ledgers		X		
Check registers/books			X	
Business expenses documents			X	
Canceled checks			X	
Invoices			X	
Investment records (deposits, earnings, withdrawals)			X	
Bank records – deposit slips / statements				X

Donations Records				
		Retention Period		
Description	Safety Storage *	Permanent	7 years	3 years
Grant dispersal contract		X		
Donor lists		X		
Grant applications			X	
Donor acknowledgements			X	

***JLMF files stored at JLM Headquarters**

A. Document Protection

Documents (hardcopy, online or other media) will be stored in a protected environment for the duration of the Document Retention Schedule. Computer backup media will be included.

B. Document Destruction

Hardcopy of documents will be destroyed by shredding after they have been retained until the end of the Document Retention Schedule.

C. Provision of Documentation for Investigations or Litigation

Documents requested and subpoenaed by legally authorized personnel will be provided within fifteen business days. The JLMF President and JLMF Treasurer will authorize provision. No documents will be concealed, altered, or destroyed with the intent to obstruct the investigation or litigation.