



Client Handbook

CLIENT HANDBOOK

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Section 1 *Blueprint for Giving*

As you build your fund, we want you to know that North Valley Community Foundation is available to support you every step of the way. Your Fund agreement is your “blueprint” for giving. Please include your copy of your fund agreement in this Section. As the advisor to your fund, you are the architect of your philanthropy. You may want to:

- assess and evaluate your philanthropic goals periodically;
- take advantage of the Foundation’s knowledgeable staff, comprehensive resources and web site to help you meet your philanthropy goals and address your community’s needs;
- look for organizations that are the best partners for accomplishing your goals;
- have us bring you proposals from organizations that provide programs in your area (s) of interest and let us know when you develop new charitable interests;
- become familiar with the Foundation’s materials – please don’t hesitate to ask us for additional information;
- make sure to ask for more grant suggestions if the ones suggested don’t reflect your interests; and
- take advantage of our Grant Committee RFP process and site visits if you are considering developing a grant program

**The Fund agreement is your “blueprint” to build your fund.
Add your fund agreement in this Section.**

It can be difficult to build something by yourself. The Foundation has a team of experts who are available to support you. See Section 5 for more information on how to reach us.

Section 2 Building Your Fund

Building your fund at the Foundation offers you the opportunity to build a permanent legacy of philanthropy. You may add to your fund at any time. We have arranged the gift options below in order of their complexity. When you are considering making a gift to your fund, we encourage you to get in touch with a donor services professional for assistance and to discuss how you can gain the maximum financial and tax benefit.

➤ Building your fund with checks

Make checks payable to NVCF/Your Fund Name and mail them to:

**North Valley Community Foundation
240 Main Street Suite 260
Chico, CA 95938**

➤ Building your fund with publicly traded stock

When you gift shares of stock to your fund, you receive an income tax deduction for the full fair market value of your stock while avoiding capital gains tax.

You may gift stock in two ways.

1) You may transfer stock shares directly from your brokerage account to us electronically.

- a. Send a letter to your broker requesting that stock be transferred to the North Valley Community Foundation (See sample at the end of this Section.)
Be sure to contact our CFO, Bill Hubbard, to get our receiving account information for your broker. Bill can be reached at bhubbard@nvcf.org or 530.891.1150.
- b. Mail us a copy of your letter so that we can track your gift's arrival in our receiving account. Once it is received, it will be credited to your fund immediately and acknowledged promptly.
- c. You also may fax us a copy of your letter to 530.891.1502, e-mail us at avalavanis@nvcf.org with the name of the stock and the number of shares you are contributing, or phone us at 530 .891.1150 with the information.

Remember: **When your stock is received into our account, it does not have your name on it. Please make sure you let us know when you are making a stock gift.**

2) You may give the Foundation stock shares in certificate form.

- a. Begin by requesting a stock power form from the Foundation.
- b. Take the stock power to your bank and **have your signature medallion guaranteed. Please do not fill in any of the blanks on the stock power.** Simply sign it on the signature line with a medallion guaranteed signature.
- c. Send or bring the stock certificate and the signed stock power to the Foundation with a brief letter telling us the name of the fund to which you are making the gift.

PLEASE NOTE: Converting stock certificates to sellable shares and selling them will take about four to six weeks. For tax purposes your gift will be complete on the day we receive your certificate and stock power signed with a medallion guaranteed signature. However, your fund will not actually have the proceeds of the sale of the stock for four to six weeks.

➤ **Building your fund with mutual fund shares**

Unlike individual stocks, mutual funds are generally transferred through a change of ownership on the issuer's books. They usually cannot be transferred electronically, and the shareholder does not have a certificate of ownership.

Gifting mutual fund shares to your fund can take time, sometimes as long as four weeks. We urge you not to wait until last minute to try to complete a charitable gift of mutual fund shares. This is a particularly important when making gifts at the end of the year.

- 1) Begin by notifying us your interest in making a gift of mutual fund shares. Identify the mutual fund and number of shares. If available, include the telephone number and contact person at the mutual fund company. In the event that the North Valley Community Foundation already has an account with the mutual fund company, we can provide you with our account number.
- 2) Instruct the mutual fund company to transfer the shares to an account in the name of the North Valley Community Foundation. If a new account has to be opened, our taxpayer identification number may be required. **When a new account for the Foundation has to be established, it also may take the mutual fund company a little longer to accomplish the transfer.**

Some mutual fund companies provide a form to be completed first by the donor and then by the Foundation. If that is the case with your mutual fund company, you may request the form from the company, fill out your portion and send it to us. We will complete the form and send it in to the company.

- 3) Once an account for the Foundation has been established, the mutual fund company will send the Foundation a transaction statement, when we know that the gift is being made, we can check on its status throughout the process.

➤ **Building your fund with closely held stock**

There are excellent tax incentives for gifting stock of a closely held corporation to your fund. If the stock can be contributed before the terms of sale of a corporation are completed, considerable financial resources can be made available for your charitable goals at the lowest after-tax cost to you.

Even if the corporation is not likely to be sold, closely held stock makes an excellent gift to your fund. You can contribute the shares and the stock will be sold later for cash. In such instances, the Foundation cannot guarantee or pre-arrange a sale or make any other agreement that might imply or cause a material restriction to be imposed on the contribution.

We will be happy to assist you with a gift of closely held stock for your fund. Please contact us at 530.891.1150. A qualified appraisal complying with IRS regulations will be required in order to establish the value of the gift for federal income tax purpose.

Gifting closely held stock can take many weeks to complete, so we urge you to allow plenty of time to be sure your gift is complete before the time period in which you want to receive your tax deduction. Your gift will be complete when your shares are registered in the name of the Foundation.

➤ **Building your fund with restricted stock**

Under certain circumstances, you may make a gift of restricted stock to your fund. Please contact the Foundation at 530.891.1150 if you would like to do so. We can work with you to determine if the shares may be gifted based on the restriction on your stock and the provisions of legal documents governing your ownership of the stock.

If your shares may be gifted, we will assist you in completing the process. A qualified appraisal complying with IRS regulations will be required to establish the value of the gift for federal tax purposes.

Gift of restricted stock can take many weeks to complete, so please call us early if you want to have your gift complete within a specific tax period. Your gift will be complete when the restricted stock is reregistered in the name of the Foundation.

➤ **Building your fund with real property**

You may gift unencumbered real property such as homes and business property to your fund. Our policies and procedures for making a gift of real property can be found in Section 5. The Foundation will help you determine whether your property may be gifted and advise you throughout the process. Your gift is complete when the deed is registered in the name of the Foundation. Call us at 530.891.1150 for more information.

➤ **Linking your fund with a planned gift**

You and your family can enjoy significant tax advantages when you link your fund with a planned gift such as a:

- ✓ Bequest from your will or trust,
- ✓ Charitable remainder trust,
- ✓ Charitable lead trust.
- ✓ Pooled income fund gift,
- ✓ Life insurance gift, or
- ✓ Life estate gift.

For more information about these kinds of gifts, please call us at 530.891.1150. Ext. 28 and Alexa Benson-Valavanis our CEO will be there to assist you or point you in the right direction.

➤ **Building your fund through public fundraising**

Family, friends, and colleagues – anyone can make a gift to your fund. It's as simple as mailing the gift to the Foundation with instructions to place it in your fund.

IMPORTANT NOTE ON FUNDRAISING FOR YOUR FUND:

Raising money for your fund by holding an event or soliciting businesses and other foundations is more complex. You will, for legal purposes, be doing so on behalf of the North Valley Community Foundation.

Before you begin planning your event or solicitation, please review the policy statement on Public Fundraising for Component Funds in Section 5. Then give us a call at 530.891.1150. We can work together

to ensure the event is in compliance with IRS rules so your donors will be eligible for a tax deduction and you, your fund and the Foundation are protected from liability.

➤ **Building your fund through online donations**

Several options are available for donations to your fund at NVCF. Traditionally, most donations come as checks, which continue to be welcome. However, you should be familiar with on-line giving options, as these are becoming more popular due to their convenience.

“One time” donations are most typical. This may be in response to your solicitation, to an effort by NVCF (such as the Annie B’s Community Drive), or at the convenience of the donor. Once you establish a fund at NVCF, your fund is listed on the NVCF web pages, www.nvcf.org. This listing allows for on line donations to your fund through Pay Pal. Anyone with a bank account or credit card may make a payment to your fund with Pay Pal. Fees are approximately 3% and are deducted from the donation before it is credited to your account.

If your organization has its own web site, you may want to arrange to place a donation link on your own page. Contact the NVCF office for information on this option.

“Recurring payments” to your fund can also be established through electronic banking systems. Recurring donations are made on a cycle of the donor’s choosing (typically monthly on a date of their choice), with pre-authorized withdrawals from their account resulting in a deposit into an NVCF account. This requires your donor to complete the “Authorization for Direct Payments (ACH Debits)” form (available from NVCF) and return it to the NVCF office.

We are committed to providing the maximum flexibility for donations, so that donors find the process easy and convenient. Feel free to call the NVCF office with any questions or suggestions.

GIFT PROCESSING TIMETABLE

Gift	Gift Completion Criteria	Time to Complete
Cash, check or on-line	Your check is received at the Foundation. On line donations generally take place the same day.	One to two business days
Stock held at DTC	Your stock is received into the North Valley Community Foundation’s account. At year-end, you may use the date on which your broker receives your irrevocable instructions to gift the stock to NVCF.	Five to seven business days
Stock in Certificate Form	Your stock certificate and stock power with medallion Guaranteed. Signature is received at the Foundation.	Five to seven business days. Will take four to six additional weeks before the stock can be converted to cash for your fund.
Mutual Fund Shares	Your mutual fund shares are registered in the name of North Valley Community Foundation.	Three to four weeks. Can take two to three additional weeks to convert the shares to cash for your fund.
Closely Held Stock	Your shares are registered in the name of the North Valley Community Foundation.	Three to six weeks. Requires a qualified appraisal.
Restricted Stock	Your shares are registered in the name of the North Valley Community Foundation.	Four to eight weeks. Requires a qualified appraisal.

Real Property	The deed to your property is registered in the name of the North Valley Community Foundation.	Three to six weeks Requires a qualified appraisal and an environmental report.
Planned Gifts	The legal documents for the gift vehicle are completed and signed.	Variable depending on gift vehicle.

More information about giving through the

NORTH VALLEY COMMUNITY FOUNDATION, including forms and resources, is available by calling Alexa Benson-Valavanis at 530-891-1150 ext. 28 or emailing her at avalavanis@nvcf.org

Sample stock transfer letter

Letterhead with your Name and Address

Date

**Your Broker's Name
Address**

Please transfer # shares of [**Name of Stock**] to the NORTH VALLEY COMMUNITY FOUNDATION for the [**Name of the Fund**] Fund using the following instructions:

Name of Financial Institution

Name of Financial Broker

Account Number- #####

DTC Number- ####

for the North Valley Community Foundation A Corporation

Thank you for your immediate attention to this matter.

Sincerely,

Your Name and Signature

Cc: North Valley Community Foundation
Attn.: Alexa Benson-Valavanis, President & CEO
240 Main Street Suite 260
Chico, CA 95973

Section 3 Building the Community through Grantmaking

The North Valley Community Foundation has been making grants to nonprofit organizations in Butte, Glenn and Tehama Counties since 1996. We act as a catalyst for the North Valley giving by aligning our donors and Private Foundations with nonprofit organizations that meet their goals. Our program and donor services professionals have specialized knowledge of organizations in your community that match your interests.

➤ Making your Grantmaking Work

We want to help you accomplish your charitable goals. Our program professionals are available to work with you in many different ways. Let your imagination be your guide.

To help you in your Grantmaking, we can:

- Provide you with information about a nonprofit program that you are interested in supporting;
- Provide you with information about organizations doing effective work in a particular field of charitable interest or in a specific geographic area;
- Send you prescreened proposals from organizations working in your areas of interest. You have the opportunity to review them (under no obligation) and decide if you would like to support them;
- Help you make a grant that provides support for a specific program within a nonprofit organization or provides services to specific clients (such as children up to five years of age, after school programs, seniors etc.);
- Provide you with information about critical needs in the North Valley and organizations working to meet those needs;
- Help you develop a charitable focus for your fund. This may involve working with you and your family to develop goals for your Grantmaking and ways to evaluate its effectiveness;
- Arrange site visits to organizations or opportunities for you to meet with staff of nonprofit programs working in your areas of interest; and
- Arrange for you to meet with others who have similar charitable goals to discuss opportunities for collaborative Grantmaking.

Selecting Grantee

You may recommend distributions from your fund for any purpose defined as charitable by the IRS. That gives you great flexibility.

The IRS has defined permissible distributions as follows:

- Grants to any nonprofit organization including: community-based organizations that have the 501 (c) (3) designation; public and private educational institutions; arts organizations; nonprofit hospitals and health organizations; many governmental programs; environmental organizations; religious organizations such as churches, synagogues and mosques; and sport programs.
- Grants to programs in the North Valley, the state and the country. Many foreign charities have “Friends of” organizations in the United States that are 501 (c) (3)s and thus are eligible for grants.
- Grants to programs that operate under the fiscal sponsorship of eligible organizations but do not have their own tax-exempt status.
- Grants to for-profit entities for charitable work. These can include: legal firms, for work done for an eligible organization; businesses, for goods or services provided for a charitable purpose; or consultants, for services provided to an eligible organization.
- Scholarship and awards that meet the requirements of the IRS. These include scholarships and awards at public and private educational institutions and scholarships and awards administered by nonprofit organizations. The Foundation also can help you establish your own scholarship or award program that complies with IRS requirements.
- Multiple payment grants to eligible organizations. These can include regular payments to your church, synagogue, mosque, college or university, or community-based organization as long as you have not made a pledge to that organization directly.

The IRS has defined non-permissible distributions as follows:

- grants to any organization for which you or a family member receive benefit.
- purchase of tickets to any fundraiser, even one sponsored by an eligible organization (in this case, you are receiving goods and services by attending the event).
- payment of membership fees or dues to any organization from which you are receiving goods and services.
- payment of an existing pledge you have made to an organization, event if the organization would otherwise be eligible to receive a grant.



Internal Use Only:	
Fund ID Code (FIMS) _____	
Payment date: _____	Posted on: _____
Check number: _____	Posted by: _____

FUND NAME | _____

The advisory board of the above-named advised fund recommends approval of the following grant. The advisors confirm that they will receive no tangible benefit, goods or services from these recipients.

We recommend to the North Valley Community Foundation that the following receiver be awarded as follows:

1. Name: _____

Address: _____

S. S. #: _____ Grant Amount: \$ _____

Purpose: _____

Special conditions and/or handling instructions (if any): _____

Requested by _____

Date: _____

ED: _____

BOD: _____

Upon verification of the designated grant and consent of the Board of Directors of the North Valley Community Foundation, a check will be issued directly to the awardees. Please allow two weeks for the Foundation to act upon this recommendation unless the grant is of an emergency nature.

➤ **Payment of Expenses**

Payment of expenses for your fund activities such as advertising, marketing, insurance for events, etc. are requested using the Payment Request form. Expense checks relating to your fund will be issued twice monthly, on approximately the 15th and last day of each month (or the following Monday if the date is on a weekend). Payment Request forms and Grant Request forms must be submitted at least two business days prior. A calendar of payment dates for the current year is available upon request.

➤ **Non-Reimbursement Policy**

Under rare circumstances will North Valley Community Foundation reimburse an individual for any expenses incurred relating to their fund. Typically disbursements will be paid directly to vendors for goods and/or services. Approval in advance of the expenditure must be given by Bill Hubbard, CFO.

➤ **W-9, 1099 Policy**

North Valley Community Foundation is required to file information returns with the IRS and must obtain a correct taxpayer identification number (TIN) to report payments made on your behalf for certain expenses. In the event the taxpayer id number is not supplied to us we are required to withhold backup taxes as per IRS rules. W-9 Forms are available through our office or the IRS to obtain the number if necessary.

Insert Payment Request Form Here

Sample Grant Letter
Your Fund Name
North Valley Community Foundation

June 18, 2003

#2003-0123
Tom Smith
Your Favorite Nonprofit
Xxxx Walnut Dr.
City, Ca xxxxx

Dear Mr. Smith,

I am pleased to send the enclosed donor-advised grant check for \$2,000 from Your Fund at the North Valley Community Foundation. This grant is for general support.

By accepting this check, your organization certifies to the North Valley Community Foundation that (i) no tangible benefit, goods, or services are received by any individuals or entities connected with the Your Fund, and (ii) this grant will not be used by you satisfy the payment of any pledge or other personal financial obligation on behalf of the donors of the You Fund.

We encourage you to thank the Fund for this grant by sending a letter addressed to the Your Fund in care of the North Valley Community Foundation. We will make sure that the Fund receives your communiqué.

Kindly acknowledge receipt to this check by signing this letter on the signature line.
Below and returning a copy to the North Valley Community Foundation,

Sincerely,

Alexa Benson-Valavanis
Chief Executive Officer

/do

Enclosure: Grant Check

Name/Title

Signature

Date

AUTHORIZATION AGREEMENT FOR AUTOMATIC DEBIT (ACH DEBIT)

Company Name – North Valley Community Foundation

I (we) hereby authorize North Valley Community Foundation, hereinafter called COMPANY, to initiate debit entries and to initiate, if necessary, credit entries and adjustments for any debit entries in error to my (our): () Checking () Savings (select one) indicated below, hereinafter called DEPOSITORY, to credit and/or debit the same such account.

DEPOSITORY NAME _____

BRANCH _____

CITY _____ STATE _____

ZIP _____

ROUTING NUMBER _____ ACCOUNT NUMBER _____

MONTHLY AMOUNT \$ _____

FOR THE BENEFIT OF (FUND/ORGANIZATION)

This authorization is to remain in full force and effect until COMPANY has received written notice from me (or either of us) of its termination in such time and in such manner as to afford COMPANY and DEPOSITORY a reasonable time to act on it.

NAME (S) _____ DATE _____
(Please print)

Signed x _____ Signed x _____

NOTE:

ALL WRITTEN CREDIT AUTHORIZATIONS SHOULD PROVIDE THAT THE RECEIVER MAY REVOKE THE AUTHORIZATION BY NOTIFYING THE ORIGINATOR IN THE MANNER SPECIFIED IN THE AUTHORIZATION.



Section 4 Donor Statements

You can keep your quarterly fund statements behind this Section.
The statements are your record of gifts made to and grants made from your fund. If you have question about a statement, please call 530.891.1150

Section 5 Reference Tools |

GLOSSARY OF TERMS

501 (c) (3): Organizations that are nonprofit entities to which contributions are tax deductible to the extent permitted by law.

501 (c) (4): Organizations that are community or fraternal organizations that are not solely charitable.

590 (a): A designation that 501 (c) (3) organizations must have to qualify them as a public charity. A public charity has the highest allowable tax deductions for contributors.

990/Form: An internal Revenue Service form that public charities must file each year (private foundations file 990-PF) to prove compliance with tax laws.

Affiliate Funds (Community Funds): The Foundation includes local community funds or affiliates within its services area. These junior community foundations develop donors for community projects and activities in the region of the North Valley. Assets compiled by the affiliates are managed by the Foundation and counted as Foundation assets. Foundation staff provide administrative and financial support as well as training to affiliate members.

AGI (Adjusted Gross Income): includes income from salary and wages, investments and capital gains.

Assets: The amount of capital or principal money, stocks, bonds, real estate or other resources controlled by a person, association, corporation or Foundation. Generally, assets are invested and the income is used to make grants.

Bequest: A gift of assets made at death by an individual through a will or trust. The Foundation accepts bequests in several forms including specific sums or assets, a percentage of the residue of the estate and contingent bequests. Bequests may establish new funds or add to existing funds.

Capital Campaign: A substantial fundraising effort intended to provide for major organizational needs, such as buildings, endowments or other major expenses.

Charitable Lead Trust: This trust provides an income stream to a charity such as North Valley Community Foundation for a specified period of time. At the end of that period, trust assets are distributed to noncharitable beneficiaries such as children or grandchildren. The donor is able to make gift of assets to his/her heirs at favorable gift tax rates and remove assets from his/her estate while benefiting his/her favorite charity.

Charitable Remainder Trust: This trust provides an income stream to noncharitable beneficiaries for a period of time. These beneficiaries can include the donor, his/her spouse, and/or their children. At the end of that period, the trust assets are distributed to a charity such as the North Valley Community Foundation. The donor receives an immediate tax deduction, removes assets from his/her estate (thus eliminating estate taxes on those assets) and often increases the income stream produced by those assets while ultimately benefiting his/her favorite charity.

Community Foundation: A tax-exempt organization serving a specific geographic area and enabling residents of that area to establish funds for charitable giving without the costs of establishing separate private foundations.

Community Philanthropy: The Foundation's role as a catalyst for giving in the North Valley Community Foundation through other local philanthropic organizations and efforts as well as the Foundation's own corpus of funds and endowment.

Community Philanthropy Initiative: (see Affiliate Funds)

Component Fund: An individual fund treated as part of a community foundation and permitted by the IRS to be included among the exempt assets of the foundation. The Foundation's governing board must have total control over all assets- principal and income-of a component fund.

Corporate Foundation: A private philanthropic organization set up and funded by a corporation.

Designated Funds: Funds typically created to ensure the support will be provided to one or more specific charitable organizations named by the donor. Designated funds often are endowed in perpetuity with the income used to support the organizations on an ongoing basis. The Foundation ensures that disbursements are made to appropriate charitable agencies as specified in the tab fund document. If an agency stops functioning as an exempt charity or ceases to exist, the Foundation's board may select an alternative charity as indicated in the fund document.

Donor: An individual or organization that makes a grant or contribution to a grantee. (Also known as the grantor.)

Donor Advised Funds: A flexible tool for charitable giving, operating much like a personal or family foundation. Donors can contribute to their fund when it is most convenient and then recommend gifts over time to nonprofit organization of their choice. The donor selects a fund name and investment strategy and then makes grants to organizations committed to the causes he or she cares about. Donors sometimes involve their children and grandchildren to share in a family tradition of giving.

Endowment: Money donated to the Foundation with the intention that it be invested to generate income for philanthropic purposes. The donor may require that the principal remain intact for a specific period of time or in perpetuity.

DTC (Depository Trust Company): Stocks held at DTC are stocks held in a brokerage or bank trust account in electronic form. Selling, trading or gifting stocks held at DTC is done electronically.

Field of Interest Funds: Donors can support an area of charitable interest, defined broadly (such as education) or narrowly (such as advanced vocal music training). Donors also can select a defined geographic area or specific community to benefit from their named fund. A donor would then tab a process to make gifts to organizations or projects doing work in this area. The donor can stay involved, appoint an advisory committee or leave the work to the Foundation staff.

Giving Circles: Groups of people who meet regularly to share information and to make joint giving decisions to their charitable giving.

Grant: An amount of money given to an organization or person in order to perform charitable or tax-exempt activities.

Grantee: The recipient of a grant. (Also known as the grant recipient, grantee or beneficiary.)

Grant Monitoring: Continuing evaluation of the progress of the programs funded by a donor in order to determine if the terms and conditions of the grant are being met and if the objectives of the grant are being achieved.

Grants Lists: Reports issued yearly to provide donors, prospective donors, grantees and others with information about the grants that the Foundation has made from its endowment and from donor funds.

Initiatives: The Foundation has united key community leaders, local and national funders and regional public service organizations to address issues like youth safety, land development, arts education and more.

In-Kind Contribution: A contribution of equipment, supplies or other tangible resources as distinguished from a monetary contribution. Some organizations also may donate the use of space or staff time as an in-kind contribution.

Leverage: A method of Grantmaking designed to attract additional funding. Leverage occurs when an amount of money is giving with the express purpose of attracting larger funding from other sources or of providing the organization with the tools it needs to raise other kinds of funds. Sometimes known as the "multiple effect."

Life Income Plans: Planned gift arrangements offer a current income stream and a current tax deduction to the donor in exchange for a irrevocable commitment to a charitable purpose or purposes at some later date. The result may be an increase in current expendable income for a donor.

Medallion Guaranteed Signature: A Signature executed in the presence of bank personnel authorized to apply the medallion guarantee to the document.

Mission Statement: A mission statement reflects an organization's core values and reason (s) for existing. It should capture what the organization does, why it does it, how it does it and for whom it does it. A mission statement broadly addresses the current and future purpose(s) of the organization.

Principal: The dollar value of an asset. When used in relation to an endowment, it means the sum of the dollar values of all gifts to the endowment using the dollar value of each gift on the day the gift was completed.

Private Foundation: A 501(c) (3) organization that is originally funded from one source that derives revenue from its earnings on investments and that makes grants to other charitable organizations as opposed to administering its own programs.

Restricted Funds: Monies that must be used for a specific purpose or in a way by the recipient.

RFP: An acronym for Request for Proposal. When the government or other organization issues a new contract or grant program, it sends out RFPs to agencies that might be qualified to participate. The RFT lists project specifications and application procedures. While a few foundations occasionally use RFPs in specific fields, most prefer to consider proposals that are initiated by applicants.

Site Visit: The donor or grantor's visit to the physical location of a grantee to meet with the grantee's staff, directors and/or clients. Often the grantor conducts an informal evaluation during this time.

Stock Power Form: A form that transfers authority for transactions involving a stock from one party to another. These forms must have a medallion guaranteed signature from the original owner of the stock.

Supporting Organization (Supporting Foundation): The community foundation version of a private foundation. Supporting organizations or supporting foundations allow major donors to create a foundation distinct from the North Valley Community Foundation but administered by the Foundation. In order to qualify as a supporting organization, the organization must ensure that the organization being supported has some influence over the actions of the supporting organization. Supporting organizations are distinct legal entities, which distinguishes them from donor advised funds.

Trust: A legal device used to set aside assets of one individual for the benefit of one or more persons or organizations.

Unrestricted Funds: Funds that allow the Foundation to determine where grants will do the most good. Unrestricted funds offer maximum flexibility to react to changing needs in the community. Using grants from unrestricted funds in combination with board leadership, the Foundation has acted as a community problem solver in areas ranging from advocacy for children's issues, increasing participation in the arts and addressing homelessness issues.

Venture Philanthropy: A model for charitable giving that arose in the 1990s, based on venture capitalism in the business world. The funder "invests" not just money but energy and expertise in the nonprofits they support. Generally, donors track their donations just as venture capitalists follow their investments with nonprofits asked to provide evidence of results and impact on a regular basis. Venture philanthropy is often associated with "new wealth" individuals and high tech entrepreneurs.

REAL PROPERTY GIFTS

Policy Statement

The North Valley Community Foundation (NVCF) is pleased to accept gifts of unencumbered real estate to your fund.

With any gift of real estate to the North Valley Community Foundation, you must sign and date a statement asserting that the following is true to the best of your knowledge and provide supporting documentation as necessary:

- the property and all operations thereon comply with applicable environmental laws, regulations, and court or administrative orders;
- there are no pending or threatened private, governmental, judicial or administrative actions or claims relating to environmental impairment or regulatory requirements;
- all necessary permits, licenses and government approvals have been obtained for use of the property;
- any areas of the property where hazardous or toxic materials or substances have either been disposed of, discharged or found have been brought into compliance with current environmental standards;
- there are no hazardous or toxic materials or substances other than possible asbestos contained in the material used to insulate the heating pipes(which was common in many building products prior to 1978) on the property or in improvements constructed on the property;
- the property is not in a flood plain, and there is no history of soil erosion on the property;
- all buildings meet or exceed seismic standards based upon local, state and federal regulations; and
- this property is transferred to the North Valley Community Foundation without any restrictions, claims or sales provisions whatsoever.

In addition, grantors of property to the North Valley Community Foundation are normally expected to indemnify NVCF against environmental and seismic liabilities; such indemnification is required with gifts of commercial real estate.

Final acceptance of gifts of real estate are based on a professional appraisal of the fair market value of the property and are made only after completion of the title report, Phase I environmental assessment and, where appropriate, a seismic and soil stabilization assessment.

REAL PROPERTY GIFTS

Procedures

- 1) Gifts of real property to the North Valley Community Foundation (NVCF) that have been accepted by its board of trustees will be held in a restricted operating fund for as long as the Foundation retains title of the property.
- 2) The charitable fund established by the gift of real property will be vested after the property has been sold by the Foundation. Charitable distributions from that fund will begin after the fund is vested.
- 3) If the property is not income-producing, all costs incurred for maintaining the property until it is sold will be deducted from the net proceeds of the sale of the property.
- 4) If the property is income producing, all income will be placed in a restricted fund and be used to pay costs associated with receiving, maintaining and liquidating the property. Any costs not paid from income received will be deducted from the net proceeds of the sale of the property. The following list breaks down specific costs associated with the receipt, maintenance and liquidation of the property:
 - Costs of receiving the property
 1. Appraisal of the property by an independent appraiser
 2. Phase I environmental assessment
 3. Seismic assessment (when appropriate)
 4. Soil stabilization assessment (when appropriate)
 5. Title insurance policy
 6. Title transfer costs
 7. Legal costs involved in receiving the property
 - Costs of maintaining the property
 1. Insurance
 2. Legal costs involved in ownership and/or usage
 3. Maintenance and repair
 4. Occupancy costs
 5. Capital expenditures to bring the property to current code
 - Costs of liquidating the property
 1. Marketing the property
 2. Legal and other costs involved in selling the property

PUBLIC FUNDRAISING FOR COMPONENT FUNDS

Policy Statement

When individuals or groups conduct fundraising activities and solicitations on behalf of component funds at the North Valley Community Foundation, keep in mind that, for tax and liability purposes, such fundraising is being done on behalf of the North Valley Community Foundation. A number of significant tax and accounting issues will arise. For example, it is important that these activities be conducted under the observation and fiscal guidance of the Foundation to ensure that donors to the fund are entitled to the appropriate tax deductions, to protect the fundraising groups from unintended tax consequences to themselves, and to determine that the North Valley Community Foundation is not exposed to penalties for failing to make proper solicitation disclosures.

We appreciate your cooperation in fulfilling the following requirements which were designed to protect donors and fundraising groups.

➤ Foundation Approval of events

Before undertaking public fundraising events, the fundraising group will define in advance to the Foundation each program, event or other effort to raise money for the fund. The fundraising group should submit a written proposal and attain advance approval from the North Valley Community Foundation. The fundraising group will then proceed according to the Foundation's guidelines. All uses of the Foundation's name in advertising and promotion must be approved in advance by the Foundation. All fundraising materials should be make clear, where applicable, that funds are being raised on behalf of rather than by the North Valley Community Foundation. An administrative fee may be charged if extra administrative services will need to be expended by the Foundation.

____ Initial of individual responsible for fund

➤ Responsibility of the North Valley Community Foundation

The responsibility of the Foundation will be for:

- The management of such money and property as it may accept into the component fund from donors, other contributors and sources;
- the application of income and principal to charitable uses, all in accord with the governing documents of the Foundation; and
- providing appropriate acknowledge to donors.

____ Initial of individual responsible for fund

➤ Responsibilities of the fundraising group

The fundraising group will retain responsibility for all public fundraising events and matters related to them including:

- Payment of all costs and expenses
- Compliance with laws; and
- Reporting and other requirements of every kind such as licensing, tax payment and liability insurance covering the Foundation.
- Procurement of appropriate liability insurance covering the Foundation and any other parties who could be held responsible.

___Initial of individual responsible for fund

➤ **Payments of expenses**

The fundraising group will be responsible for all expenses and maintain appropriate financial controls and records related to fundraising events. The fundraising group will establish a budget for submission to the Foundation prior to all events. How expenses will be paid (either by the fundraising group or the North Valley Community Foundation) must be discussed prior to the event. Regardless of who pays the expenses, invoices and/or original receipts must be provided to the North Valley Community Foundation for our record keeping.

___Initial of individual responsible for fund

➤ **Designation of checks and receipt of cash**

Checks related to the event must be made payable to the component fund of the Foundation. Cash receipts are to be deposited intact. That is, cash receipts are not to be used to pay expenses, and then the net cash amount deposited. All proceeds, checks and cash, must be delivered to the Foundation along with an accounting of all monies received within one week after the fundraising event.

___Initial of individual responsible for fund

➤ **Tax requirements and acknowledgements**

The IRS has imposed strict requirements which impact any fundraising. If the steps outlined below are not taken; donors will be denied a tax deduction; the fundraising group might find themselves unexpectedly subjected to tax on the funds they raise; and either the North Valley Community Foundation or the fundraising group might be subjected to a penalty.

Donors who contribute \$250 or more will need a written acknowledgement from the North Valley Community Foundation in order to claim a tax deduction for the contribution. The North Valley Community Foundation will provide the appropriate acknowledgement to the donors, but will require certain detailed information in order to do so. Specifically, the fundraising group will need to provide the North Valley Community Foundation with:

- the donor's complete name and address;
- the date and amount of the contribution;
- whether the contribution was in cash or property;
- in property, a description of the type of property and a good faith estimate of the fair market value; and
- a detailed description of any goods and services provided in exchange for the contribution.

Contribution of services, while appreciated, are not generally deductible.

If the fundraising group provides goods or services in exchange for a donation, certain disclosures are required to be made upon solicitation. For example, if the group is sponsoring a dinner, the donor can only deduct the excess of the ticket price above the fair market value of the dinner. This limitation on the deduction, known as a "quid pro quo disclosure", must be disclosed at the time of solicitation. Disclosure on the ticket of the event is atypical method for making this disclosure.

The North Valley Community Foundation will assist the fundraising group in determining the fair market value amounts and the appropriate disclosure language for the event. However the North Valley Community Foundation will have to work with the group prior to the solicitation activity, and will need information pertaining to the event such as the ticket prices and values of the goods or services donors are to receive. The fundraising group needs to see that the required quid pro quo disclosures are made.

Raffle Tickets are not tax deductible. This must be stated clearly on the face of the distributed tickets.

Rummage sale purchases are not tax deductible.

Auctions –Legal counsel for the Foundation shall review, on the case-by-case basis, any proposed ideas for an auction. At that time, tax deductibility of items will be determined.

___Initial of individual responsible for fund

➤ **Raffles**

In California, charities and certain other private nonprofit organizations may conduct raffles to raise funds for beneficial or charitable purposes in the state.

This exception to the general constitutional prohibition against lotteries requires that at least 90 percent of the gross receipts from these raffles go directly to beneficial or charitable purposes in California. This generally excludes auctions where a prize of significant value, such as a car, must be purchased from the auction proceeds.

Unless specifically exempted, a nonprofit organization must register with the Attorney General's Registry of Charitable Trusts prior to conducting the raffle and file financial disclosure reports on each raffle event. Forms for registering and reporting activities are provided on the web page of the California Attorney Generals' Office of Charitable Trusts., <http://ag.ca.gov/charities/raffles>.

___Initial of individual responsible for fund

➤ **Liability Insurance and Liability for Losses**

The Foundation will not be responsible for any liabilities or losses as a result of activities conducted by individuals or funds for which the Foundation serves as Fiscal Agent.

The fundraising group will contact the Foundation prior to having a fundraising event to assess the need to secure liability insurance for the group and for the Foundation. Insurance coverage must be reviewed and approved by the Foundation. All cost incurred by the Foundation to provide said coverage shall be paid for by the Fund.

The fundraising group will be responsible for all losses incurred by events. The Foundation will not be held responsible for such losses. The Foundation may require the fundraising group to purchase a letter of credit or provide a written personal guarantee.

___Initial of individual responsible for fund

I have read all of the above policies regarding Public Fundraising for Component Funds and agree to abide by all provisions of these policies.

Print name

Signature

Date

HOW TO CONTACT US

By Mail: 3120 Cohasset Rd. Ste. 8 Chico, CA 95973
By Phone: 530.891.1150
By Fax: 530.891.1502
By Email: nvcf@nvcf.org
Website: www.nvcf.org

FACEBOOK!

FISCAL SPONSORSHIP

Policy Statement

NVCF FISCAL SPONSORSHIP GUIDELINES

Guidelines for NVCF Funds that do not have an independent 501(c)3

1. All contracts, agreements, etc. on behalf of your Fund must be authorized and signed by the appropriate NVCF staff member, including but not limited to, the renting of a facility, tables, chairs, musicians, comedians, city parks, etc.
2. All RFPs (grants) submitted to outside funders on behalf of your fund must be approved by NVCF. We ask for a least seven business days to review grants.
3. The NVCF logo and/or company name must be present on all marketing materials including but not limited to brochures, websites, FACEBOOK, etc.
4. No other bank accounts can exist outside of NVCF
5. All monies must be deposited and held at NVCF
6. NVCF must authorize all fundraising activities, programs, projects and events
 - A. Written submission is required with approval from NVCF staff
 - B. Please refer to the fundraising section within this handbook for more information
7. All costs associated with authorized activities of your fund will be accrued by your fund
8. Your fund must have an existing balance sufficient to cover all costs
9. Please refer to Section 3 of this handbook for all rules regarding deposits and requests for expense disbursements and grants from your fund
10. Contract signatories can only be changed via written letter from existing signatories. Please note that only signatories may email (Karen White, CFO) requests related to your fund
11. Fund advisors (signatories) cannot be reimbursed or paid as consultants of their fund unless written permission is given in advance of the expenditure.

PUBLICITY FOR AFFILIATES

Policy Statement

We encourage our funds/organizations to publicize their efforts. You may want to do this in order to acknowledge donors, to encourage additional support, and/or to bring attention to the good works accomplished with your efforts. This is also an opportunity to further the goals of NVCF through increased understanding of our role in supporting your organization and/or fund, and the many others that operate through NVCF. For this reason we ask that any publicity from your group include acknowledgement of North Valley Community Foundation.

If you are a 501 (c) (3) with an endowment fund, we ask that you include recognition of NVCF when soliciting monies for your endowment.

NVCF staff are always available to assist in telling your story to the media. Simply give us a call at 891-1150 and take advantage of our extensive experience and local media contacts.

For publicity that is generated by you and/or your organization, we ask that you include the following.

1. There are a variety of ways you can state your relationship with North Valley Community Foundation. Please state clearly that your fund or organization is “affiliated with,” “administered by”, “a partner with,” or “a component fund of “ North Valley Community Foundation.
2. On your website, please provide a prominent mention of your relationship with North Valley Community Foundation with a link to the NVCF web page, www.nvcf.org.

Please make clear in your publicity and to all your donors that contributions must be made payable to NVCF/Your Fund Name

**Donations can be sent to your organization or mailed directly to:
North Valley Community Foundation (NVCF)
240 Main Street Suite 260
Chico, CA 95938**

Sample Media Release (Grants)



MEDIA RELEASE

FOR IMMEDIATE RELEASE

Contact: Alexa Benson-Valavanis
(o) 530-891-1150 Ext. 28
(e) avalavanis@nvcf.org

(Your Fund Name) Provides Support for Local Efforts

Chico, California (March 22, 2007) – The (Your Fund Name) Fund has provided a gift of \$10,000 to The Sacramento Valley Wildlife Fund to support their program educating local school children regarding riparian habitat on the shores of the Sacramento River. This gift from The (Your Fund Name) Fund advances one of the goals of this organization; to raise awareness in this region of the importance of our natural environment. The (Your Fund Name) Fund is a component fund of North Valley Community Foundation.

This gift will allow the Sacramento Wildlife Fund to expand their educational efforts to 250 school children from the communities of Hamilton City, Orland, Willows and Corning. These children will participate in monthly field trips to the shores of the Sacramento River where they will assist Sacramento Wildlife Fund staff in monitoring water quality, tending recently planted native trees, and planting native grasses.

The (Your Fund Name) Fund was established in 2001 by the (Your Fund Name) family to commemorate Frank and Edna (Your Fund Name) and the importance they placed on the natural environment. Their children, after growing up and making their living in this region, chose to honor their parents to continue their legacy of stewardship of the environment in this region.

North Valley Community Foundation, administrator of The (Your Fund Name) Fund, is a non-profit, philanthropic organization that builds financial resources to meet community needs through grants and programs primarily for residents in the Butte, Colusa, Glenn and Tehama counties. With net assets of more than \$20 million, NVCF provides financial and administrative services to donors, professional advisors and nonprofit organizations with the goal of enriching the quality of life of its community members. Since 1986, over 600 individuals, families, businesses, and community groups have established funds at the Foundation.

The NVCF office is open Monday – Friday, 8am-5pm and by appointments on the weekends. NVCF is located at 240 Main Street Suite 260 in Chico, California, (530) 891-1150.

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Sample Media Release for NVCF Funds



Bridging the Gap by Giving

MEDIA RELEASE

FOR IMMEDIATE RELEASE

Contact: Fund Advisor
(o) phone #
(e)

Bridging the Gap Fund Announces Endowment Effort

Chico, California (June 1, 2007) – The Bridging the Gap Fund has established an endowment fund at North Valley Community Foundation, with a gift of \$5000 from founder, Shirley Adams. Income from the endowment fund will provide permanent support to Bridging the Gap, which helps to provide clean water in developing countries.

Bridging the Gap by Giving was created by Shirley Adams a few months after returning from a trip to Nepal in 2005, where she came the realization that the abundance in her life was meant to be shared with others. Since that time, Bridging the Gap has paid for drilling a new well in a village in Peru, paid for 2 deep wells that supply water for an orphanage in Uganda, provided funds for 20 “Elephant” pumps in Malawi, and helped create water systems in Mali.

“Eighty percent of the diseases in developing nations are caused by unclean water,” states Adams. “Often, women and children spend up to five or six hours walking each day to supply clean water to their family.” Drilling more wells allows these people to spend their time on more productive efforts, such as school or farming.

More information on the efforts of Bridging the Gap can be found on their web site, www.bridgingthegapbygiving.org.

Contributions to the Bridging the Gap endowment fund at North Valley Community Foundation are welcome. This fund is an opportunity for community members to help build a permanent source of funding for these efforts. Endowment funds are invested and often times the income (or part of it) is used to support designated efforts. The principal remains intact to generate future income. The community foundation currently 150 endowment funds established for a wide variety of endeavors.

North Valley Community Foundation, administrator of the Bridging the Gap Fund, is a non-profit, philanthropic organization that builds financial resources to meet community needs through grants and programs primarily for residents in the Butte, Colusa, Glenn and Tehama counties. With net assets of nearly \$10 million, NVCF provides financial and administrative services to donors, professional advisors and nonprofit organizations with the goal of enriching the quality of life of its community members. Since 1986, over 400 individuals, families, businesses, and community groups have established funds at the Foundation. Last year, \$3 million in funds were distributed to benefit the community.

The NVCF office is open Monday – Friday, 8am-5pm and by appointments on the weekends. NVCF is located at 240 Main Street Suite 260 Chico, California, 95938 (530) 891-1150. More information can be found at their web site, www.nvcf.org.

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(Sample Solicitation Letter for NVCF Funds)

YOUR LETTERHEAD HERE

Dear Friend,

We are pleased to announce the Bridging the Gap Fund has established an endowment fund at North Valley Community Foundation. Income from the endowment fund will provide permanent support to Bridging the Gap, which helps to provide clean water in developing countries.

Please consider making a contribution to the Bridging the Gap endowment fund. This fund is an opportunity for community members to help build a permanent source of funding for these efforts. Endowment funds are invested and only the income (or part of it) is used to support designated efforts. The principal always remains to generate future income.

Bridging the Gap was created by Shirley Adams a few months after returning from a trip to Nepal in 2005. It was on this trip that she came the realization that the abundance in her life was meant to be shared with others. Since that time, Bridging the Gap has paid for drilling a new well in a village in Peru, paid for 2 deep wells that supply water for an orphanage in Uganda, provided funds for 20 "Elephant" pumps in Malawi, and helped create water systems in Mali. More information on the efforts of Bridging the Gap can be found on their web site, www.bridgingthegapbygiving.org.

Eighty percent of the diseases in developing nations are caused by unclean water. Often, women and children spend up to five or six hours walking each day to supply clean water to their family. Drilling more wells allows these people to spend their time on more productive efforts, such as school or farming.

The goal of Bridging the Gap Fund is to have \$100,000 (?) in the Endowment Funds. With a gift of \$??? from founder, Shirley Adams, we have started towards this goal.

North Valley Community Foundation, administrator of the Bridging the Gap Fund, is a non-profit, philanthropic organization that builds financial resources to meet community needs through grants and programs primarily for residents in the Butte, Colusa, Glenn and Tehama counties. With net assets of nearly \$20 million, NVCF provides financial and administrative services to donors, professional advisors and nonprofit organizations with the goal of enriching the quality of life of its community members. Since 1986, over 600 individuals, families, businesses, and community groups have established funds at the Foundation.

The NVCF office is open Monday – Friday, 8am-5pm and by appointments on the weekends. NVCF is located at 240 Main Street Suite 260 in Chico, California, (530) 891-1150. More information can be found at their web site, www.nvcf.org.