EXHIBIT B

# Current Board Policies

# Management

The governing board of Communities Foundation of Oklahoma has the final authority over all Funds, investments, methods of covering costs of operation, and grant distributions. Donated securities and assets other than cash or cash equivalents will be liquidated as soon as possible and pooled with other assets in accordance with current investment policies of Communities Foundation of Oklahoma unless it is determined by the governing board that it would be more prudent to retain donated assets or to sell at a later date. Donors therefore shall release and hold harmless CFO, its employees, officers, directors and representatives for all actions or inaction taken with respect to assets donated, including but not limited to their sale and maintenance.

# Distribution Policy

Communities Foundation of Oklahoma acknowledges it is appropriate for donors to determine the charitable and investment goals of the funds they establish within this Foundation. Distribution policies vary with the type of fund in accordance with Oklahoma statutes and United States Income Tax Code and Regulations. No portion of endowment funds received from third party contributors is eligible for distribution without the express consent of the original donor. Funds that prohibit distribution of principal (i.e., endowments) will be eligible for distribution of a percentage of the average of the fair market value of assets over the previous eight quarters. Such percentage (known as spending policy) will be determined by the Foundation annually in consideration of the Foundation’s long- and short-term needs in carrying out the charitable purposes of the Fund, expected total return on investments on the Fund, price level trends, general economic conditions, the general fiscal policies of the Foundation and any and all other factors which it deems relevant in its sole discretion.

**Agency Funds**

If the Donor Agency’s Board of Directors (“Directors”), by an affirmative vote of two-thirds of the Directors, deem unusual circumstances of need or opportunity exist, said Directors through the Fund Advisors may recommend and request distribution to the Agency, in the form of an extraordinary grant to the Donor Agency, of all or any portion of the distributable assets of the Fund. The CFO Board may grant such request if it concludes, upon independent review, that such distribution is neither unreasonable nor inconsistent with the charitable purposes of the Foundation, the Agency, and the established purpose of the Fund; however, the Foundation shall have the ultimate authority over and control of all property in the Fund and all distributions from the Fund. Distributable assets do not include the amounts contributed by third parties to endowment funds. Distributable amounts do include amounts contributed by the Agency as long as the Agency did not acquire the funds from a donor with

the express intent that these funds are to be held in perpetuity and only the earnings thereon could be expended (i.e. not an endowment). The agency, however, will forfeit all matching grants they have received at such time an extraordinary grant is issued.

# Giving Restrictions

Communities Foundation of Oklahoma will not authorize contributions for which no charitable purpose exists. Each type of fund may have specific policies that govern gifts to the fund and grants from the fund. Other giving restrictions are addressed in CFO’s Gift Acceptance Policies.

CFO will conduct independent investigations of all charities contemplated for support. CFO will require grantees' current nonprofit tax status to be on file. Further, CFO may request financial data, board lists, and reports on charitable activities from time to time. Guidelines for support will be published and available to the public. Further, CFO will share these guidelines with donors and suggest possible grant recipients when appropriate.

# Code and Regulatory Matters

A Fund established by Communities Foundation of Oklahoma will be a component part of CFO as defined in Section 1.170A-9(f)(11) of the United States Income Tax Regulations, and nothing in the establishing fund agreement is intended to affect the status of CFO as a publicly supported, tax-exempt organization. Contributions to a Fund are intended to be deductible to the donor as contributions to a public charity. Pursuant to Section 1.170A-9(f)(11)(v)(B),(C), and (D) of the United States Income Tax Regulations, Funds will be subjected to the "variance power" of CFO's governing board of directors to modify any restriction of the donor as to distributions of the Fund if CFO's governing board determines such restrictions to be unnecessary, incapable of fulfillment or inconsistent with the charitable needs of the community.

A private foundation or other tax-exempt organization may become affiliated with Communities Foundation of Oklahoma while maintaining a separate identity and active role in the nonprofit community by means of the supporting organization provision of section 509(a)(3) of the United States Internal Revenue Code.

**Minimum Fund Level Requirement to Establish an Endowment**

On April 27, 2016, CFO’s governing body established a minimum requirement of Twenty-five Thousand ($25,000.00) Dollars to open a new endowment account. CFO’s governing board retains the right to exercise variance power when minimum fund level requirements are not achieved or maintained.

# Fee Schedule

# Communities Foundation of Oklahoma acknowledges the necessity of assessing fees for services rendered. Fees help to defray the costs of fund management and are related to the complexity of the services performed by the foundation for each type of fund.

#

 **Fund Type Associated Fee**

**Agency Endowment Funds** 1.0% on assets up to $1,000,000.00

Permanent funds established by a nonprofit agency 0.75% on assets between $1,000,000.01 and $5,000,000.00

for the benefit of the nonprofit agency. CFO annually 0.60% on assets over $5,000,000.01

distributes a percentage of net assets back to the agency

for purposes stated in the fund agreement.

**Designated Endowment Funds** 1.0% on assets up to $1,000,000.00

Permanent funds established by a donor who specifies 0.75% on assets between $1,000,000.01 and $5,000,000.00

that the fund’s available grant dollars be distributed annually 0.60% on assets over $5,000,000.01

to one or more specific public charities in perpetuity.

 **Donor Advised Funds** 1.50% on assets up to $1,000,000.00

Endowed or non-endowed funds in which the donor 1.25% on assets between $1,000,000.01 and $2,000,000.00

(or a person or committee appointed by the donor) may 1.00% on assets between $2,000,000.01 and $3,000,000.00

recommend eligible charitable recipients for grants 0.75% on assets over $3,000,000.01

from the fund.

 **Scholarship Funds** 2.0% on endowed funds

Endowed or non-endowed funds established by a donor

or donor organization to provide support for individuals

who are pursuing some training or educational opportunity.

 **Field of Interest Funds** 1.0%

Endowed funds that utilize the available grant dollars in

a specific program area or charitable purpose.

 **Community Funds** 1.0 to 2.0%

Endowed and non-endowed community-wide fund(s)

with a local advisory board that utilize available grant

dollars for a broad range of issues and needs within a

specific community, county, or region.

**Fiscal Sponsorship Funds** 3.0% of gifts received

Temporary funds established for (a) an emerging nonprofit ($250 minimum annual fee)

organization, (b) a specific short-term project, (c) small scale

volunteer directed charitable activity, or (d) corporate

disaster/hardship fund.

 **Escrow Fund** No Fee

 Temporary funds established by a donor or donor

organization for some future yet undesignated

charitable purpose.

 **Unrestricted Fund** 1.0%

Permanent funds that utilize available grant dollars

to support a broad range of community issues.

Exceptions to the fee scheduled must be authorized by the Executive Committee when new funds are established. The Executive Committee may authorize exceptions for existing funds. The Board of Directors must ratify any approved exceptions at its next meeting. Upon death of Donor(s) or their designees, a Donor Advised Fund or Escrow Fund may be converted to an Endowment Fund or added to an existing Endowment Fund at the discretion of CFO’s Board.

 Approved by Trustee Action 04/27/16