

CHARLEVOIX COUNTY COMMUNITY
FOUNDATION



Giving Back. Moving Forward.

East Jordan, Michigan
(231) 536-2440

EXECUTIVE COMMITTEE

Thursday – April 21, 2022

12:30 p.m. to 2:30 p.m.

Lunch at Noon

C3F Conference Room

AGENDA

I. Preliminary Activities/Motions

1. Call to Order
2. Amendments to the Agenda
3. Approval of Executive Committee Minutes

II. Discussion/Acceptance/Action Items

1. Fund Modifications and Efforts to Standardize
 - a. Phyllis Malpass Critical Needs Fund
 - b. Taylor Endowment Fund – Christ Episcopal Church
 - c. Wisser-Saworski Endowment for the Arts
2. Staffing Update
3. Scholarship Policy Considerations
4. Strategic Planning Preview
5. Other

III. Adjournment

I. Preliminary Activities/Motions

1. Call to Order

CCCCF Chair, Fred Malpass, will call the meeting to order.

2. Amendments to the Agenda

Any amendments to the agenda can be managed at this time.

3. Approval of Executive Committee Minutes

Following review, a motion to approve the minutes (Attachment 1) of the 1/21/2022 meeting of the Executive Committee will be in order.

II. Discussion/Acceptance/Action Items

1. Fund Modifications

Sara will share several fund modifications, including:

- The *Phyllis Malpass Critical Needs Fund* was established in 1996. The purpose of the Fund is to support health care and other urgent and unmet needs of children at EJPS. The Fund has a current balance of \$47,726. The administrative recommendation is to change the fund type from Field of Interest to Designated, resulting in better management and a lower administrative fee.
- The *Joan R. and Charles M. Taylor II Endowment Fund – Christ Episcopal Church of Charlevoix Fund* was established in 1998. The purpose of the Fund is to support church programs and services. The current balance of the Fund is \$685,868. The administrative recommendation is to change the fund type from Designated to Organizational, which better matches the purpose and function of the Fund with no change in administrative fee.
- The *Wisser-Saworski Endowment for the Arts* was established in 2011. The purpose of the Fund was to support classical arts and cultural programs, projects, and services. The Fund has a current balance of \$606,400. The administrative recommendation, which is supported by the Fund Advisor (Bill Aten) is to broaden the purpose of the fund by removing the Fund's classical focus. The Fund will work alongside the Arts & Culture Fund moving forward, greatly expanding C3F's capacity in the arts/culture space.

The modification forms are included collectively as Attachment 2. The modifications will be advanced to the full Board of Trustees for their consideration as part of the consent agenda on April 28th.

2. Staffing Update

C3F staff has been engaged with Anthony Rupard (Size Effect Consulting/Traverse City) to begin to address the organization's short and long-term staffing needs. Over the past few weeks, Mr. Rupard has conducted individual interviews with each staff member. The interviews focused on the following key questions:

Staff Transitions & Hiring

- As you contemplate upcoming staff transitions and staff additions what excites you? What worries you?
- What areas of our work do you think need support/attention first? Why?
- What ideas do you have about structuring job responsibilities to best advance the C3F mission?
- What personal or professional qualities would be most important in new staff members as we work to maintain and improve our culture over time?
- How can C3F best ensure redundancy (cross-trained) in operations? *In other words, having multiple staff members who can operate in multiple roles to maintain core functions if needed?*

C3F

- What excites you most about C3F's strategic direction?
- How would you describe C3F's culture to a job applicant?
- What qualities/characteristics do staff members expect from their C3F (staff) colleagues?
- Do you believe we are currently a best-in-class community foundation? Why or why not? If not, what opportunities/changes could move us closer to actualizing this reputation?

Professional Growth and Fulfillment

- What do you value most about working at the C3F?
- How would you like to grow professionally over the next 3-5 years?

Conclusion

- Is there anything else you would like to share that we didn't get a chance to discuss today?

Chip, with Sara's support, will summarize the key take-aways from the process, while outlining what the Executive Committee and the Board of Trustees should expect to see moving forward.

3. Scholarship Policy Considerations

Over the past several months, Mishelle and Sara have worked to engineer some important recommendations related to the C3F Scholarship Policy. Sara will review the recommendations, which are highlighted in Attachment 3. Assuming support, the following (or a similar) motion will be necessary:

***“I MOVE THAT WE SUPPORT THE ADMINISTRATIVE RECOMMENDATIONS
TO REVISE THE SCHOLARSHIP POLICY AS NOTED, AND TO FORWARD
THE REVISED POLICY FOR THE FULL BOARD OF TRUSTEES’
CONSIDERATION AT THEIR APRIL 28, 2022, MEETING.”***

4. Strategic Planning Preview

Chip will provide a brief overview of the agenda for the upcoming Strategic Planning Retreat, which will highlight the April 28th meeting of the Board of Trustees.

5. Other

Other issues of interest to the Committee could be heard during this segment of the meeting.

III. Adjournment

A motion to adjourn the meeting should be in order.

CHARLEVOIX COUNTY COMMUNITY
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EXECUTIVE COMMITTEE MEETING
Thursday – January 20, 2022

MINUTES

PRESENT: Jennifer Boyer, Don Jess, Bill Lorne, Fred Malpass, Monica Peck

ABSENT: None

STAFF: Chip Hansen, Sara Ward

Fred Malpass, with support from Chip Hansen, called the Zoom meeting to order at 12:32 p.m.

Motion by D. Jess, supported by F. Malpass, to approve the minutes of the October 28, 2021 meeting of the Executive Committee, as presented. Motion passed, 5-0.

The group reviewed the President's goals for 2022, which included:

- 1) Provide opportunities for Sara Ward to experience and practice leadership responsibilities, while creating space for her to learn from other experienced and emerging leaders.
- 2) Engage the Board of Trustees and staff in the development and implementation of the next evolution of the C3F Strategic Plan.
- 3) Work with the staff and the Board of Trustees to identify short and long-term staffing needs and responsibilities, consistent with our desire to staff the C3F at an appropriate level reflective of the organization's growth and path.
- 4) Begin to consider the impact of additional staffing on facilities (space, parking, etc.).

Motion by F. Malpass, supported by B. Lorne, to approve the President's 2022 goals as reviewed. Motion passed, 5-0.

The Committee reviewed several key elements of the 2021 CMF Databook. Members focused on the growth of the C3F and the impact that growth may have on staffing, services, administrative fees, the spending rate, and more. Additional discussion is expected at the April meeting of the Board of Trustees, which will serve as a Strategic Planning Retreat.

Chip Hansen shared a handout that summarized staffing patterns in each of the four (4) Michigan community foundations with net assets totaling \$87 million to \$102 million. Mr. Hansen noted that, generally, each \$10 million in net assets equates to a full-time staff member, highlighting the need to begin to consider additional staff at the C3F soon. Mr. Hansen reported that the Executive Committee could expect a staffing recommendation at their April meeting. The group also discussed the need to expand (or modify) office space to accommodate additional staff. The existing facility was designed to comfortably house 6 or 7 staff members. A healthy discussion ensued with members favoring modifying the existing facility when needed, while considering hosting larger meetings off-site, and in different communities.

Sara Ward shared the administrative recommendation to include the *East Jordan Garden Club Fund* in the East Jordan Scholarship Collaborative. Established in 2002, the Fund's current market value (\$23,000+) makes it better suited to the collaborative format moving forward. Ms. Ward noted that the Garden Club's leadership supported the administrative recommendation. The modification will be forwarded to the consent agenda at the April meeting of the Board of Trustees.

The Committee discussed the internal process required to vet applications and make grants from the SUN Fund. In the past, the Board Chair's approval has been required for grants exceeding \$500, up to the Fund's cap of \$1,000. Chip Hansen recommended making the process entirely staff-driven, with Mishelle Shooks and the President vetting applications and making all grant awards up to the \$1,000 cap. *Motion by D. Jess, supported by F. Malpass, to approve the administrative recommendation to manage SUN Fund grant requests and awards internally, as proposed. Motion passed, 5-0.*

The Committee discussed the ongoing surge of the pandemic, fueled by the Omicron variant, and agreed through consensus that the level of community transmission validated the administrative recommendation to move the January 28, 2022, meeting of the Board of Trustees to a virtual format.

Motion by D. Jess, supported by B. Lorne, to adjourn the meeting. Motion passed, 5-0. The meeting adjourned at 1:32 p.m.

Fund Closure and Re-Opening Form

Original Fund Name: Phyllis Malpass Critical Needs Fund	Fund ID: EJMed
Original Purpose: To support the health care needs and other urgent and unmet needs of children enrolled in the East Jordan schools.	
Fund Type: Field of Interest	Date Established: May 1996
Date of Recent Gift: December 2021	Date of Recent Grant: February 2022
Current Fund Balance: \$47,726	Endowed/Non-endowed: Endowed
Fund Rep: Community Foundation	

Administrative Recommendation

Change the fund type from Field of Interest to Designated. Annual distribution will be sent to East Jordan Public Schools.

Rationale

This fund was originally a bit like a bank account – EJPS could draw on the available dollars as needed. This became very arduous to manage over the years, especially for an endowed fund. The Community Foundation has worked extensively with EJPS school leaders to improve the function of this fund to meet the needs of financially disadvantaged students. The fund now functions well as a designated fund, producing an annual distribution for the fund's purpose with some additional oversight provided by Community Foundation staff.

Modified Fund Name: no change	Fund ID: no change
Modified Purpose: no change	
Fund Type: Designated	Endowed/Non-endowed: Endowed (fee is reduced from 2% to 1%)
Fund Rep: no change	
Date Established – original or new?	Interested Party?

Certification

R.A. Hansen, Jr.
President

_____/_____/_____
Date

ATTACHMENT 2**Fund Closure and Re-Opening Form**

Original Fund Name: Joan R. & Charles M. Taylor II Endowment Fund - Christ Episcopal Church of Charlevoix	
Original Purpose: To support the programs and services of the Christ Episcopal Church of Charlevoix, Michigan.	
Fund Type: Designated	Date Established: June 1998
Date of Recent Gift: November 2021	Date of Recent Grant: February 2022
Current Fund Balance: \$685,868.11	Endowed/Non-endowed: Endowed
Fund Rep: Christ Episcopal Church of Charlevoix	

Administrative Recommendation

Change the fund type from Designated to Organizational.

Rationale

This fund was established by a representative of Christ Church of Charlevoix using funds that were probably given to the Church by the Taylor Foundation. The C3F's interpretation of donor-designated funds and organizational funds has changed since then, so we propose modifying the fund type of this endowment to recognize the Church as the founder of the fund. Because of the close relationship with the Taylor Foundation over the years, we will continue to provide fund statements at this time, though that is a practice that is not typical of other organizational funds.

Modified Fund Name: no change	Fund ID: no change
Modified Purpose: no change	
Fund Type: Organizational	Endowed/Non-endowed: no change
Fund Rep: no change	
Date Established – original or new?	Interested Party?

Certification

R.A. Hansen, Jr.
President

_____/_____/_____
Date

Fund Modification Form

Original Fund Name: Wisser-Saworski Endowment for the Arts	
Original Purpose: To support classical arts and cultural programs, projects, and services.	
Application of Grant Dollars: through the Community Priorities Cycle, but independently due to restrictions	
Fund Group/Type: field of interest	Date Established: September 2011
Date of Recent Gift: May 2018	Date of Recent Grant: May 2021
Current Fund Balance: \$606,400	Endowed/Non-endowed: endowed
Fee: 2%	Fund Rep: Bill Aten, Community Foundation

Administrative Recommendation

Update the fund language to echo the fund language of Arts and Culture Fund, allowing for collaborative cycle grantmaking with other arts and culture funds.

Rationale

The main issue with this fund is that the purpose is overly narrow, which limits grantmaking to a handful of grantees. The fund balance is large and produces more grantmaking dollars than can be applied with strong review of merit. In last year's cycle, there was "money left on the table" (\$2,125). Although the Arts and Culture resources have grown in recent years, available grantmaking is still less than \$4,000 because of the rolling quarter approach to our spending policy. Wisser-Saworski has a grantmaking balance of close to \$30,000 for this year that could make a difference for a wider range of arts activities if applied collaboratively with other arts and culture funds through the responsive grant cycle.

In the past we have offered review and recommendation privileges on this field of interest fund to Bill Aten, which is not typical. With these changes, which he has supported, he would be an "interested party" and would receive a report out on arts and culture grantmaking every year.

Fund Name: no change	
Purpose: To support arts and cultural programs and projects.	
Application of Grant Dollars: through the Arts and Culture Grantmaking Collaborative	
Fund Group/Type: no change	Endowed/Non-endowed: no change
Fee: no change	Fund Rep: Community Foundation

Certification

At their board meeting held on April 28, 2022, the Board of Trustees reviewed and approved this administrative recommendation.

Frederick Malpass - Board Chair

Date

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SCHOLARSHIP POLICIES

Purpose

The Charlevoix County Community Foundation ("the Community Foundation") holds and administers endowments and funds (the "funds") that provide scholarship awards ~~that~~ to support individuals for the purpose of post-secondary education. Scholarship endowments and funds exist to enable continued education and positive outcomes for the young people of Charlevoix County. These scholarship awards strive to provide multi-year financial support to students who demonstrate academic achievement, perseverance, personal motivation, and the potential for success in post-secondary learning and beyond with a focus on students without adequate financial resources.

The Community Foundation has established the following policies to guide the administration of the Scholarship Program. The policies outline the Community Foundation's compliance with all applicable requirements of the Internal Revenue Code, including Section 4966, accompanying Treasury Regulations and guidance from the Internal Revenue Service, and these policies may be amended from time to time.

Definitions

Donors: Individuals and others who make contributions to ~~support~~ a fund.

Fund Representative: The individual designated to make decisions related to the scholarship fund.

Scholarship Reviewer: A person on the scholarship selection committee/reviewer of scholarship applications.

Educational Institution: An accredited institution that has a regular faculty, a curriculum, and an organized body of students in attendance at the place where educational activities, both physical and virtual, are held.

Scholarship Recipient: The individual selected by the review committee to receive the scholarship award.

Scholarship Award: The financial support awarded to the scholarship recipient. The minimum award amount will be determined every other year – in October of the 'even' years – based on 10% of the average annual tuition at public colleges and universities in Michigan. When possible, awards will be renewable beyond the first year. In general, the award amount will come from the fund balance. The Community Foundation prefers not to "pass through" additional dollars contributed to make the award larger than the fund can provide.

Renewal Award: Scholarship awards that support scholarship recipients who maintain eligibility and continue post-secondary education. For example, a multi-year scholarship award can be renewed beyond the student's first year of post-secondary education. Recipients renewing a multi-year award must claim the renewal award by contacting Community Foundation staff by the established deadline.

Grantee: The educational institution (~~college, university or trade/vocational school~~) that receives scholarship award payments on behalf of the scholarship recipient.

Qualified Expenses: IRS guidelines state that funds can only be used for certain nontaxable expenses incurred in attending an educational institution. Community Foundation scholarship awards are to be used for tuition and fees for enrollment and attendance.

Promotion of the Scholarship Program

Community Foundation staff members contact Charlevoix County high schools to advertise the Scholarship Program and to request that school staff encourage students to submit applications for scholarship awards. The Community Foundation will also promote the availability of scholarship support through a variety of communication channels.

Application and Nomination Process

In general, students will apply for scholarship awards by completing the Community Foundation's scholarship application, made available and due on a schedule to be determined by the Community Foundation.

Eligibility Criteria and Selection Criteria

Eligibility criteria guides applicants to apply for scholarship awards. The Community Foundation provides eligibility criteria for scholarship funds except in certain cases when a fund representative may direct elements of the eligibility criteria. Applicants must meet the listed requirements for each scholarship in order to be eligible and considered for those awards.

Selection criteria guides scholarship reviewers in evaluating applicants in order to accomplish the underlying purpose of the fund. The Community Foundation provides selection criteria for scholarship funds except in certain cases when a fund representative may direct elements of the selection criteria.

Scholarship recipients are to be selected on an objective and nondiscriminatory basis. The group from which scholarship recipients are selected must be sufficiently broad so that giving grants to one or more members of the group fulfills a charitable purpose.

Eligibility and selection criteria may include, but are not limited to, the following:

- Academic performance;
- Financial need;
- Performance of each applicant on tests designed to measure ability and aptitude for educational work;
- Perseverance, personal motivation, and the potential for success in post-secondary learning and beyond;
- School district.

Scholarship Recipients must be:

- Graduating high school students;
- Undergraduate students at a college or university who are pursuing studies to meet the requirements necessary to earn an advanced degree; or
- Students, whether full or part-time, who are eligible for study at an educational institution that provides an educational program acceptable for full credit toward a bachelor's degree, or offers a training program to prepare students for gainful employment in a recognized occupation and is authorized under state and federal law to provide such a program, while also being accredited by a recognized accreditation agency.

Scholarship Review and Approval

The Community Foundation must appoint a majority of the members of any review committee charged with the evaluation of applicants for scholarship funds covered by this policy, as specified in the Pension Protection Act of 2006. Appointments shall be made by designated staff of the Community Foundation.

A fund's donors may not control the review committee. This means that no combination of donors, persons appointed or designated by donors, and persons related to them may constitute a majority of the committee, be given a veto power, be allowed to chair the committee or otherwise be permitted to control the committee's decisions. If a donor recommends a person for appointment to a review committee based on objective criteria related to the expertise of such person, such person will not be deemed to be appointed or designated by the donor.

Donors and related persons may provide a recommendation with respect to the selection of grant or award recipients solely as members of a review committee. This means that donors may not pre-screen applications and choose those to be referred to the committee. It also means that donors may not make a final selection from candidates approved by the committee.

Every member of the review committee must adhere to the relevant policies of the Community Foundation as they may be adopted and amended from time to time, including without limitation the Community Foundation's conflict of interest and confidentiality policies. Each member of any review committee covered by this policy must disclose any personal knowledge of and relationship with any potential grantee under consideration and refrain from participation in the review process in a circumstance where he or she would derive, directly or indirectly, a private benefit if any potential recipients are selected over others.

Scholarship awards covered by this policy may not be awarded to any member of the Community Foundation's Board of Trustees, any substantial contributor to the Community Foundation or any employee of the Community Foundation, or any other disqualified person with respect to the Community Foundation. Grants also may not be awarded to any donor or substantial contributor to the fund making the award, to any member of a selection committee for such award, or to any members of their families. Finally, awards covered by this policy may not be made for a purpose that is not charitable.

Each review committee established under this policy shall forward its recommendations to the Community Foundation staff in such form and on such schedule as the staff shall establish. The Community Foundation Board of Trustees shall approve each award made under this policy.

~~Grant~~ Scholarship Award Deferrals

Scholarship awards may be deferred for a period of up to one year. Recipients interested in deferring the award must request a deferral by contacting Community Foundation staff by the established deadline.

Scholarship Awards are Paid Directly to the Educational Institution: The Community Foundation will pay scholarship awards directly to the educational institution for the use of the scholarship recipient. The educational institution is asked to divide the award between the semesters/terms for the designated scholarship year unless otherwise directed by the C3F. Scholarship awards will not be paid directly to the scholarship recipient. A condition of each scholarship award is that it can only be used for qualified educational expenses (see definition).

Investigation of Jeopardized Grants-Scholarship Awards: The Community Foundation is not required to investigate the use of scholarship awards paid directly to an educational institution unless the award is used to pay for something that is not a qualified educational expense.

Recordkeeping Requirements

The Community Foundation shall retain the following records in connection with all awards covered by this policy for no less than seven years:

- All information obtained by the Community Foundation to evaluate the qualifications of applicants, including applications submitted by successful and unsuccessful applicants;
- The identification of scholarship recipients;
- The purpose and amount of each award and any additional information the Community Foundation obtains in complying with its administration procedures.

Inactive Funds

A fund is deemed inactive if there are no applicants or awards for a period of two years.

At that time, the Community Foundation will attempt to contact the fund advisor to make changes to the fund's criteria in order to increase the likelihood that the scholarship will be awarded. Community Foundation staff will attempt to make contact using phone calls, emails, and letters delivered through the U.S. Postal Service.

If after one year from initial contact, the fund advisor has not responded, the Community Foundation will modify the fund, though it will continue to be maintained as a separate named scholarship fund. Modifications will include endowing the fund if it is non-endowed, changing fund purpose language to allow for the fund to participate with the scholarship collaborative that most closely fits the donor's original intent, and adjusting the fee as indicated by the Fund Minimums and Fees Policy.

These Scholarship Policies were adopted at a regularly scheduled meeting of the Charlevoix County Community Foundation Board of Trustees held on April 28, 2022.

Jennifer Boyer
Secretary

____/____/____
Date