



Foundation *for*  
Appalachian Kentucky  
RISING WHERE WE'RE ROOTED

# Affiliate Manual

UPDATED 2023

## WELCOME TO THE FOUNDATION FOR APPALACHIAN KENTUCKY'S AFFILIATE COMMUNITY FOUNDATION NETWORK!

Thank you for your willingness to serve! Your leadership with your local community foundation affiliate board will have a positive impact in your community for years to come and the Foundation for Appalachian Kentucky is here to help along the way.

This Affiliate Manual is to help guide your service on your local Affiliate Advisory Board.

It covers a wide range of topics including the practical details of community foundations and the expectations of affiliate advisory board. It also includes several documents and resources that will enhance your understanding of a community foundation as you become an ambassador for your local community.

We recognize community foundations are complex organizations and anticipate it will take time for you to fully familiarize yourself with the work we do. Please do not hesitate to ask any questions and reach out for additional resources. Your increased knowledge will help ensure that you have a rewarding experience during your time on the affiliate board.

Sincerely,



**Gerry Roll, CEO**

Foundation for Appalachian Kentucky

<https://appalachianky.org/>

In addition, there are several resources available to help you carry out your work.

These include:



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## WHAT IS A COMMUNITY FOUNDATION?

The Foundation for Appalachian Kentucky is a 501(c)(3) non-profit, community-based corporation created by and for the people of Appalachian Kentucky. We are here to help our citizens make a positive impact on the region through community building and philanthropy. The main purpose of a community foundation is to serve the needs and philanthropic aims of people in the community – our donors – who wish to better their community, now and in the future by contributing to a permanent endowment for charitable purposes.

Community Foundations can accept gifts of various sizes and types from individuals, corporations, government agencies, and other foundations. Nearly every type of gift- including real estate, closely held stock or artwork- can be given. An endowment acts like a permanent savings account for the community from which a preset percentage of the interest earned can be granted out to the community each year. Since only a percentage is spent, the fund and the amount granted out to the community will continue to grow each year.

Community Foundations manage several types of endowed funds to help donors give back to their communities and make a lasting impact on their hometown or a cherished activity. Gifts are always donor driven and donors can be as general or as specific as they choose to be in determining which charities benefit from their fund. Some examples include:

- **Named Funds** - for the purpose of make grants based on changing community needs and priorities; can focus on a specific designation or field of interest.
- **Donor Advised Funds** - involve the donor in selection of fund recipients
- **Agency Endowment Funds** - used to serve and support the overall mission of a specific organization.
- **Community Fund** - advised by a Board of Advisors used for the purpose of continued grantmaking within a specific geographic community
- **Affiliate Community Foundation** - A family of funds advised by a local Board of Advisors within the defined area of service.

Community Foundations may also accept non-endowed funds to pass-through short terms gifts used for a specific purposes or seedling funds that can be used to be principal until it reaches endowment level. Fundamentally, a community foundation represents a trust in the community and a commitment to its future.



## HISTORY OF THE FOUNDATION FOR APPALACHIAN KENTUCKY

The Foundation for Appalachian Kentucky formed as an independent organization recognized by the Internal Revenue Service as a 501(c) 3 non-profit community foundation in 2009. The Foundation is a nationally accredited community foundation located in and serving Appalachian Kentucky. We approach grantmaking from a commitment to keeping the power, wealth, and decisions with people rooted in these communities; by sharing experience and expertise, we provide a platform for communities to speak for themselves. The Foundation meets communities where they are instead of telling them where they should be, because we believe that investing in the people rooted in communities is the way to make them better.



Excellence. Accountability. Impact.™

The Community Foundations National Standards accreditation seal represents our commitment to rigorous, sector-driven best practices that exceed federal and state requirements to demonstrate accountability and excellence to communities, policymakers, and the public. As community foundations face regulation at the state and the federal level, the accreditation program provides an additional layer of rigorous and enforced accountability.

The Accreditation Seal is only awarded to those community foundations that continue to meet comprehensive standards in the areas of Mission, Structure & Governance; Resource Development; Stewardship & Accountability; Grantmaking; and Donor Relations. Those receiving the Accreditation Seal have demonstrated their commitment to the success and well-being of every cause and person they support, and are willing and able to stand by every grant they have made. Dollars set aside for charity are limited. The Accreditation Seal signals to donors and to their professional advisers that a community foundation is a sound place to give and make a difference.

## LANGUAGE CLARIFICATION:

### Affiliate Community Foundation, Affiliate Advisory Board, Affiliate Funds... What is the Difference?

#### Affiliate Community Foundation

In order to ensure local control in fund distribution, the Foundation for Appalachian Kentucky supports both county/community based and regional "Affiliate Community Foundations". They maintain their own Affiliate Board and have their own Affiliate Funds. Affiliate Community Foundations make decisions on how their funding is allocated, and these decisions are verified and ratified by the Foundation for Appalachian Kentucky's Board of Directors.

#### Affiliate Advisory Board

The group of 5-15 community leaders, called Affiliate Advisory Board Members, act as advisors of the Affiliate Community Foundation. Each Affiliate's Board acts as a standing committee for the Foundation for Appalachian Kentucky's Board of Directors. This enables them to make decisions about the utilization of their funds.

#### Affiliate(d) Fund(s)

This term refers to all funds housed under the Affiliate Community Foundation. Affiliated funds that are endowed are pooled within the Foundation for Appalachian Kentucky's portfolio to accrue interest and grow.

#### Endowed Fund(s)

Investment funds established for the purpose of supporting a non-profit organization.

# FOUNDATION FOR APPALACHIAN KENTUCKY

## AFFILIATE COMMUNITY FOUNDATION CAPACITY BENEFITS

### **Nonprofit Status:**

An affiliate receives 501(c)(3) status enabling the fund to receive tax-deductible contributions.

### **National Standards:**

Affiliate funds receive compliance with National Standards established by Council on Foundations demonstrating integrity and accountability to donors.

### **Local Control:**

The advisory board members are local community members leading the affiliate by making grant recommendations, raising funds to support the vision, and educating the community. Affiliate advisory board members are philanthropy leaders with local control.

### **Investments:**

Affiliate endowed funds can be pooled providing a balanced portfolio, diversification, appreciation, and lower management costs (following policy).

### **Administrative Services:**

Affiliates benefit from back-office record keeping such as management of donor contributions and profiles, processing disbursements and grants, issuing receipts, etc.

### **Financial Services:**

Affiliate funds are part of the Foundation's 990, independent audits, and the online accounting platform.

### **Training and Technical Assistance:**

Guidance for strategic planning, leadership, community development, etc. is offered to affiliate board members.

### **Donor Development:**

Customized material on charitable giving is available and donor development assistance provided.

**Multiple Funds:**

Affiliates can add sub-funds to benefit specific community priorities.

**Marketing and Public Relations:**

Coordinated and branded marketing and media relations material can be developed for each affiliate.

**Website:**

Affiliates have individual website pages on the Foundation for Appalachian Kentucky's website and these pages list affiliate sub-funds, community stories, and provide an online donation link.

**Peer Learning:**

Affiliates use and apply peer learning to assist in their efforts to build community involvement and leadership.

**Partnerships and Initiatives:**

Utilizing the affiliate network, partnerships can be established to address regional issues.

**Endow Kentucky Tax Credit:**

The Endow Kentucky Tax Credit Program makes tax benefits available to donors who give to endowments at the Foundation for Appalachian Kentucky.

A tax credit is different than a tax deduction. A tax deduction reduces your taxable income, so the value depends on your income tax bracket. A tax credit lowers your tax bill dollar for dollar, no matter your tax bracket.





# Section 1:

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## **AFFILIATE BOARD BEST PRACTICES**

## AFFILIATE BEST PRACTICES

### Purpose and General Description

Each Affiliate serves as a standing committee of the Foundation for Appalachian Kentucky and will be facilitated by a local leadership group called an Advisory Board. The role of the Board Members is to serve as a source of leadership, commitment, and philanthropic giving in the community and to establish or cultivate philanthropic funds for broad charitable purposes within specific geographic boundaries.

### Composition of Affiliate Board

It is recommended that each Affiliate Board of Advisors be composed of no fewer than 5 and no more than 15 members (optimum number is 9). Affiliate Board of Advisors should be broadly representative of the geographic area served.

### Rules of Order

Effective Affiliate Boards of Advisors shall meet a minimum of four (4) times a year with a minimum of 50% plus 1 attendance and participation. Subcommittees may set their own meeting schedule to accomplish the tasks assigned to them and report back to the full board in a timely manner. Board and committee meetings shall follow the basic Rules of Order to conduct business:

- A quorum must be present either in person or via telecommunications to take official action. A quorum is defined as a majority (50% plus 1) of the Affiliate Board of Advisors. For example, for a board of 8 members, a quorum would be 5 members present.
- Minutes will reflect the following information: members present; summary of agenda items discussed; all actions taken by a vote; and all conflict of interests and abstentions voiced. Minutes must be sent to your assigned Community Engagement Officer within a week of the meeting (no grants can be processed until minutes are received by the Foundation). Minutes are kept in the Foundation's archives as official committee records.
- All grant and sponsorship recommendations require approval by majority vote of those present at an Affiliate Board of Advisors meeting at which quorum has been established. If voting is conducted electronically (email or text), a unanimous vote must be achieved (a board member may abstain, but all board members must respond).
- For voting, the following procedures will be used: The Chair will ask for a motion with a second; discussion will begin; Chair will ensure that all members have the opportunity to participate in the discussion; a vote will be taken; the vote will be noted in the meeting minutes; and abstentions (by name) will be recorded.
- Grant applications to the Foundation are submitted through the website portal and the Community Engagement Officer will notify the respective Affiliate Board of Advisors of the grant submission. The Community Engagement Officer will conduct due diligence prior to the Affiliate Board of Advisors vote.

## AFFILIATE BOARD MEMBER DESCRIPTION

Affiliate Board of Advisors members help build funds by developing and monitoring goals, finances, programs, and overall impact. Success is achieved by building relationships, developing leaders, making connections, and understanding your community through donor stewardship and community impact.

### **Obligations of the Affiliate Board of Advisors Members:**

- Establish and utilize mission, vision, and values.
- Create a strategic plan, monitor progress, and assist in achieving goals.
- Sign Foundation for Appalachian Kentucky confidentiality and conflict of interest disclosure forms annually.

### **Responsibilities of the Affiliate Board of Advisors Members:**

- Be an ambassador for the Affiliate Community Foundation Network and the Foundation for Appalachian Kentucky.
- Commit to the mission, purpose, vision, and strategic framework of the Affiliate Community Foundation.
- Attend meetings of the Affiliate Board of Advisors; board members are encouraged to attend all meetings.
- Serve on and attend Committee meetings.
- Contribute expertise and participate in strategic development and priorities of the Affiliate Community Foundation.
- Participate in and attend special events hosted by the Affiliate Community Foundation and the Foundation for Appalachian Kentucky.
- Make a personal contribution to the Affiliate Community Foundation through in-kind contributions of time, talent, and/or resources.
- Develop funding support; board members shall assist in the fund development of the Affiliate Community Foundation by arranging introductions, signing letters to friends and associates, and opening doors to funding sources.
- Represent the Affiliate Community Foundation to the community at large; board members should be familiar with and speak in support of the Affiliate Community Foundation and the Foundation for Appalachian Kentucky, and allow his/her name to be used in support of the goals and purposes of the Affiliate Community Foundation.
- Disclose any potential conflict of interest with the Affiliate Community Foundation and the Foundation for Appalachian Kentucky.
- Consider making personal provisions for a planned gift to the endowment of the affiliate community foundation fund.

## AFFILIATE ADVISORY BOARD LEADERSHIP ROLES

Understanding that all affiliates are different, at minimum an affiliate must have a Chair and a Secretary, and it is recommended affiliates also have the offices of Vice Chair and Treasurer. As an alternative, many affiliates have found success with a Co-Chair model. Officers will serve one (1) year terms. The Chair shall serve no more than three (3) consecutive one year terms. The Affiliate Board Chair, Vice Chair, Secretary, and Treasurer will work together to ensure consistent leadership succession planning. Officers may continue to hold the position until a new officer is confirmed.

### Chair:

- Presides over meetings
- Ensures each subcommittee has an appropriate number of volunteers
- Oversees Board nomination and recruitment
- Maintains compliance with Foundation policies and procedures
- Understands and articulates the relationship between the Affiliate and the Foundation

### Vice Chair:

- Performs the duties and exercises responsibility of the Chair during the absence or unavailability of Chair
- Takes a more active role during the transition year to ensure a smooth transition

### Secretary:

- Record all proceedings of the members of the Affiliate Board of Advisors.
- Submits affiliate board meeting minutes to the Foundation.

### Treasurer:

- Works closely with the staff of the Foundation for Appalachian Kentucky to maintain accurate financial records.
- Ensure financials are available one week prior to the affiliate board meeting.
- Donations and any event proceeds received by the Treasurer should be submitted to the Foundation staff within two weeks of receipt.
- Upon receiving a cash donation, a receipt needs to be written and given to the donor. This receipt should indicate the donor's contact information for official acknowledgement for the gift. \*If the cash contribution is given without the request of a receipt, then the donation should be listed as "Anonymous".

## AFFILIATE BOARD MEMBER NOMINATION, APPOINTMENT, AND TERMS OF SERVICE

### **Nominating Process for Affiliate Board of Advisors Members**

The recruitment and nomination of potential members is the responsibility of the full Affiliate Board of Advisors and may be facilitated by an Affiliate Nominating Subcommittee.

### **Confirmation of Affiliate Board of Advisors Members**

Affiliate Board of Advisors members are confirmed by the Foundation for Appalachian Kentucky's Board of Directors at the first meeting of the fiscal year.

### **Terms of Service/Best Practice**

Initial members of the Affiliate advisory Board may serve a preliminary term until the Affiliate is established and considered well-founded. In order to stagger terms, the Board shall select one-third of the initial members to serve for a one-year term; one-third of the initial members to serve a two-year term; and one-third of the initial members to serve a three-year term. Thereafter, the term of office for each Affiliate Board of Advisors Member subsequently appointed shall be three (3) years.

Subsequent terms of service are three (3) years. Members should not serve more than two (2) successive full three-year terms, except when a member began their initial service by completing the unexpired term of another member. In such a case, a Board member may be appointed to complete the unexpired term and then may be appointed for up to two (2) additional three-year terms. Members who have served six (6) consecutive years are eligible for reappointment after a period of one (1) year.

### **Removal of an Affiliate Board of Advisors Members**

Affiliate Board of Advisors Members may be removed from office prior to the end of their term of service for misfeasance, malfeasance, or willful neglect of duty to the Foundation upon the affirmative vote of two-thirds of the Affiliate Board of Advisors Members present and voting.

Additionally, as Affiliate Boards are legally standing committees of the Foundation for Appalachian Kentucky's Board of Directors, an Affiliate Board of Advisors Member may also be removed from office upon the affirmative vote of two-thirds of the Foundation's Board of Directors present and voting.

## AFFILIATE BOARD SUBCOMMITTEES

Each Affiliate will determine their own readiness and need for establishing subcommittees. Readiness may be determined by the number of Board members currently available to serve and/or opportunities present in the community. The following are three subcommittees most often needed:

### **1. Fund Development**

The Fund Development Subcommittee plans and implements an overall development strategy for growing the Affiliate consistent with the Foundation policies and procedures. The development strategy includes gathering information on donor charitable interests, identifying ways to build relationships with professional advisors and donors, creating donor recognition opportunities and promoting the establishment of charitable funds associated with the Affiliate. The strategy identifies roles and tasks for all members of the Affiliate Board of Advisors.

### **2. Grantmaking**

The Grantmaking Subcommittee formulates and advises the grantmaking strategies for the Affiliate. The Affiliate Board of Advisors as a whole will assess the community needs and recommend the broad grantmaking focus areas for the Fund. The subcommittee will review grant proposals and determine if the proposal should go to the full Board of Advisors for discussion, and if so, presents the grant at the following meeting.

### **3. Nominating**

The Nominating Subcommittee will identify potential members and interview those interested. In addition, the Nominating Subcommittee shall also recommend individuals, consistent with the qualifications outlined herein, to fill the leadership positions of all Affiliate Board Leadership Roles.

## AFFILIATE MEETING GUIDELINES & CHECKLIST

Affiliate Boards are required to meet a minimum of four times per year.

- The Foundation for Appalachian Kentucky recommends setting regularly scheduled meetings (i.e. 3rd Monday of the month, etc.)
- The chair will convene each meeting.
- The Community Engagement Officer will be the point of contact for the Foundation for Appalachian Kentucky and the Affiliate Community Foundation.

The checklist below relays the Foundation's logistical expectations from Affiliate Board Meetings:

### 1. No less than One Week Prior to the Meeting

- Notify your assigned Community Engagement Officer of the meeting date, location, and time
- Email Board members a reminder of the meeting and a copy of the agenda

### 2. During the Meeting

- Meeting Called to order by Chair
- Secretary records minutes
- Approve previous meeting's minutes
- Review Financial Statement(s)
- Discuss and approve any grant/sponsorship applications
- If applicable, Sub Committees will report on decisions

### 3. After the Meeting

- Submit minutes to the Foundation within one week

The Foundation for Appalachian Kentucky maintains transparency between its Affiliates and Board of Directors. Any questions, comments, or concerns that arise from an affiliate meeting are welcomed by Foundation staff.

## COMMON AFFILIATE PROCEDURES AND PRACTICES

### **Issuing a Grant:**

Issuing a grant requires a majority vote by an Affiliate Board of Advisors during a meeting where a quorum is present or via a unanimous e-vote (a board member may abstain from an e-vote but a response is needed). Once such a vote has been made, the Board Chair or Secretary should provide either the meeting minutes or an e-vote summary to the Community Engagement Officer who will initiate the paperwork to process the grant.

### **Filing an Invoice for an Affiliate Fund:**

Invoices must be approved by the Affiliate Board of Advisors and recorded in the meeting minutes and be submitted for reimbursement to the Community Engagement Officer.

### **Approaching a Potential Donor:**

Foundation staff are readily available to reach out to potential donors. If you would like assistance, reach out to your Community Engagement Officer.

### **Submitting Cash/Checks from a Fundraiser:**

Cash and checks received at the fundraiser are to be submitted to an employee of the Foundation for Appalachian Kentucky. All monetary donations received at the fundraiser should be reflected in a hard copy receipt and should accompany the monies upon submission.

### **Establishing a New Fund:**

See Fee Schedule in Section 2 or contact your Community Engagement Officer for types of funds and the process to establish a fund.



## GRANTMAKING QUESTIONS

**Q: For what purposes can an Affiliate make a grant?**

A: IRS rules prescribe that the assets of a 501(c) (3) organization such as the Foundation for Appalachian Kentucky (and its Affiliates) be used solely for charitable purposes\*. Charitable purposes do not include political activities.

**Q: To whom can your Affiliate make grants?**

A: Grants from your Affiliate for charitable purposes may be made to:

1. 501(c)(3) public charities (i.e., not private foundations)
2. Governmental entities
3. Charitable causes

\*As defined on irs.gov, The term charitable is used in its generally accepted legal sense and includes relief of the poor, the distressed, or the underprivileged; advancement of religion; advancement of education or science; erection or maintenance of public buildings, monuments, or works; lessening the burdens of government; lessening neighborhood tensions; eliminating prejudice and discrimination; defending human and civil rights secured by law; and combating community deterioration and juvenile delinquency.



# Section 2:

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## FINANCE

## FEE SCHEDULE

The Foundation for Appalachian Kentucky's fee schedule can be found here:



FUND	PURPOSE
<b>Donor Advised Fund</b>	Donor or someone named by the donor makes grant recommendations from the fund to support various charitable organization(s). XYZ Donor wishes to support various causes as the need arises and provide input on funding decisions
<b>Agency Endowment Fund</b>	Nonprofits may create an endowment fund and receive annual grants from the fund while allowing the corpus to grow. XYZ Nonprofit wishes to support their work in perpetuity and receive annual grants for operating.
<b>Named Fund</b>	Fund is directed to support a specific named purpose that the donors have named in the Fund Agreement. XYZ Donor wishes to set-up a fund to support their local Farmer's Market.
<b>Field of Interest Fund</b>	Fund is directed to support specific areas of need that have meaning to the donors: arts, education, health and human services, animals, etc. XYZ Donor would like to support nonprofits that service his/her area of interest.
<b>Special Project/ Campaign Fund</b>	A temporary fund created for an event or until the fund meets the requirements and minimums to become a permanent fund. XYZ Donor wants to set up a Memorial Fund for a recently deceased friend. Friends and Family can donate. At the end of 18 months, the fund can be converted to a permanent fund (meeting all requirements) or can be spent out and closed.

CONTINUED ON NEXT PAGE

<b>FUND</b>	<b>PURPOSE</b>
<b>Scholarship Fund</b>	Fund structured to assist youth and adults wishing to pursue higher education. XYZ Donor wishes to support education and individuals pursuing higher learning.
<b>Fiscal Sponsorship</b>	Working under the Foundation's charitable umbrella, a group of people or organization can achieve their charitable mission by soliciting tax-deductible donations, applying for, and making grants, hosting fundraisers, and operating mission driven programs. X, Y, & Z want to start a literacy program in their neighborhood but are not ready to apply for tax exempt status with the IRS. They enter a Fiscal Sponsorship with the Foundation to start fundraising and implementing their program.
<b>Community Affiliate Fund</b>	A core group of community members establishes an affiliate community foundation to meet the charitable needs of residents of their community. Must be approved for affiliation by the Foundation for Appalachian Kentucky Board of Directors. X, Y, & Z want to start raising funds and build an endowment for their community.

## GIFT ACCEPTANCE POLICY

Gift acceptance policy is listed online and can be found here:



## DONATION

Donations can be made in the form of cash, check, or online. All donations should be submitted via mail or hand delivery to the Foundation for Appalachian Kentucky office.

## GIFT RECEIPTING PROCEDURES

The Foundation for Appalachian Kentucky issues charitable gift receipts to donors of the affiliate fund. The receipts note the amount and type of gift and the name of the affiliate and account within the fund to which the gift was directed, and comply with IRS rules for charitable gift receipts.

Additional information about the gift receipting process used by the Foundation is as follows:

- Donors are required to have written confirmation from the recipient public charity for any single gift to claim a tax deduction.
- Receipts are sent to donors approximately 2-4 weeks following the date in which the Foundation received the donation
- The Foundation for Appalachian Kentucky, its Affiliate Community Foundations, staff, and consultants do not provide tax, legal or accounting advice. This material has been prepared for informational purposes only, and is not intended to provide, and should not be relied on for, tax, legal or accounting advice. You should consult your own tax, legal and accounting advisors before engaging in any transaction.
- The receipt issued by the Foundation is for tax purposes and does not take the place of a thank-you. We strongly encourage that affiliate boards send thank-you notes for all contributions received by your affiliated fund. The Foundation will provide each affiliate with access to a list of received contributions and donors via their fund portal.

### **Affiliate Fundraising Event**

Planned fundraising events will be coordinated with the assistance of the Community Engagement Officer and the Foundation for Appalachian Kentucky staff. The affiliate advisory board should consider the fundraising goals and budget limitations as well as projected revenue.

The fundraising committee will proceed in accordance with the Foundation's guidance. All uses of the Foundation's name in advertising and promotion must be approved in advance by the Foundation. All fundraising materials should make clear, where applicable, that funds are being raised on behalf of rather than by the Foundation. The Foundation may assess an administrative fee against the fund to defray the cost of additional services required by the fundraising event or solicitation.

You are not authorized to bind the Foundation to any contract or agreement unless specifically authorized in writing.

### **The Foundation's Responsibilities**

The Foundation will be responsible for:

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

### **The Affiliate Fundraising Committee's Responsibilities**

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

- Compliance with laws
- Reporting and other requirements such as licensing, tax payment, and liability insurance as needed (the Foundation staff will support these requirements).

### **Payment of Expenses**

The fundraising committee will be responsible for submitting invoices for expenses incurred (invoices or receipts for reimbursement). The Foundation and will maintain appropriate financial controls and records related to fundraising events. Expenses may be incurred only in accordance with the event budget. Where appropriate, the Foundation can provide tax acknowledgements allowing donors to deduct reasonable expenses incurred in connection with the fundraiser.

### **Designation of Checks and Receipt of Cash**

Checks related to the event must be made payable to the affiliate fund. Cash payments will receive a receipt. Cash receipts may not be used to pay fundraising event expenses. Within one week after the event, all proceeds, checks and cash, must be delivered to the Community Engagement Officer or the Foundation along with an accounting of all monies received.

### **Tax Requirements and Acknowledgements**

Strict IRS requirements and state charitable solicitation laws impact any fundraising. If the steps outlined below are not taken, donors will be denied a tax deduction, members of the fundraising committee might unexpectedly find themselves subject to tax on the funds they raise, and either the Foundation or the fundraising committee might be subjected to penalties.

Donors who contribute will receive a written acknowledgement from the Foundation which can be used to claim a charitable deduction for the gift. The Foundation will provide the appropriate acknowledgement to donors when it receives certain detailed information. Specifically, the fundraising committee must provide the Foundation with:

- The donor's complete name and address.
- The date and amount of the contribution.
- A detailed description of any goods and services provided in exchange for the contribution.

If the fundraising committee provides goods or services in exchange for a donation, certain disclosures are required. 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 event ticket is a typical method for making this disclosure.

The Foundation will work with the fundraising committee in determining the fair market value amounts and the appropriate disclosure language for the event. However, the Foundation will have to work with the group prior to the solicitation activity and will need information pertaining to the event such as ticket prices and the value of the goods or services the donors will receive.

- Raffle tickets are not deductible (gaming licenses can be acquired on a case-by-case basis). This must be stated clearly on the face of distributed tickets.
- Auctions—Foundation staff will review proposed ideas for auctions on a case-by-case basis and may seek the assistance of its legal counsel in doing so.

### **Liability Insurance and Liability for Losses**

The Foundation for Appalachian Kentucky does carry event liability insurance for affiliate fundraising and events, however the fundraising committee must contact the Foundation prior to the event to assess if any additional liability insurance is necessary. The fundraising committee will be responsible for all losses incurred by the event. The Foundation will not be held responsible for such losses. The Foundation may require the fundraising committee to purchase a letter of credit or provide a written personal guarantee.

### **State Charitable Solicitation Laws**

Information related to charitable giving in the State of Kentucky can be found by visiting:







# Section 3:

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## TRAININGS

The Foundation for Appalachian Kentucky has partnered with Brushy Fork Leadership Institute to provide our affiliate board members with a broad genre of training. All trainings are recorded and can be located on our YouTube page (link below).





# Section 4:

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## FORMS

## SAMPLE MEETING AGENDA



### Meeting Agenda Month Day, 2021

1. Welcome
2. Review and Approval of Minutes from Last Meeting
3. Review and Approval of Financial Statements
4. Donor Development
5. Sponsorship and Grant Requests and Vote
6. Other Discussions
7. Next Meeting (Month Day?)
8. Adjournment

## SAMPLE MEETING MINUTES

Affiliate Name: \_\_\_\_\_

Advisory Board Minutes: \_\_\_\_\_

Location: \_\_\_\_\_

Date: \_\_\_\_\_

<b>BOARD MEMBER/GUEST NAME</b>	<b>IN PERSON OR ZOOM/PHONE</b>

Call to order by \_\_\_\_\_ and quorum determined \_\_\_\_\_ a.m./p.m.

#### Discussion and Approval of Minutes

First motion

Second Motion

Approved/Not approved

#### Discussion and Approval of Financials

First motion

Second Motion

Approved/Not approved

#### List Agenda Items and if any votes

First motion

Second Motion

Approved/Not approved

#### List Follow-up Agenda Items

Committee Reports and if any votes

First motion

Second Motion

Approved/Not approved

Old Business :

New Business :

Next Meeting:

There being no further business, the meeting adjourned at:

**SAMPLE FUNDING MATRIX**



**Community Foundation Funding Matrix**

**HIGHLY LOCAL**



**NOT LOCAL**

Maybe	More Likely To Fund
Less Likely to Fund	Maybe



**LARGE GRANT  
NON-CRITICAL NEED  
SMALL COMMUNITY IMPACT  
DOESN'T MATCH PRIORITIES  
MONEY NOT SPENT LOCAL**

**SMALL GRANT  
CRITICAL NEED  
BIG COMMUNITY IMPACT  
MATCHES PRIORITIES  
MONEY SPENT LOCAL**

# SAMPLE GRANT APPLICATION

Evaluation

Foundation for Appalachian Kentucky

## Floyd County CF 2023 Grant Application

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*Foundation for Appalachian Kentucky*

### *Question Group*

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#### **Program/Project Name**

Name of Program/Project

*Character Limit: 100*

#### **Tax Exemption Status\***

Is this organization a 501(c)(3) or fiscally sponsored project?

#### **Choices**

Yes

No

#### **Geographic Area Served\***

Is this organization/program in the Community Foundation service area?

#### **Choices**

Yes

No

### *Organization/Project Evaluation*

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#### **Planned Activities and Timeline are relevant to the Program\***

Scale 1-5.

1 being the Planned Activities and Timeline are not relevant to the success of the Program.

5 being the Planned Activities and Timeline are relevant to the success of the Program.

(Ask yourself if you think an organization can reasonably achieve the proposed work in the timeframe they give, and if the activities seems like they are necessary for success.)

**Scoring Options:** 1 - 5

#### **Need for the Program/Project\***

Scale 1-5.

1 being the problem identified and needs to be met are not clearly described.

5 being the problem identified and needs to be met are clearly described.

(Ask yourself if after you read their response you can summarize how their proposed program addresses the stated needs.)



**Scoring Options:** 1 - 5

### **Program Goals and Outcomes are achievable?\***

Scale 1-5.

1 being the Program Goals and Outcomes are not achievable.

5 being the Program Goals and Outcomes are very achievable.

(Ask yourself if the goals and outcomes are promising too much, too little, or a reasonable amount for the budget and timeline.)

**Scoring Options:** 1 - 5

### **Approach\***

Scale 1-5.

1 being the Approach to the issue and/or opportunity described is not well thought out or does not make sense.

5 being the Approach to the issue and/or opportunity described is well through out and makes sense.

(Ask yourself if after reading their response you can separately summarize their approach and argue its logic.)

**Scoring Options:** 1 - 5

### **Comments on the Approach**

Please list any comments you have regarding the approach to the issue and/or opportunity addressed by this Project.

*Character Limit: 2500*

### **Partnerships\***

Scale 1-5.

1 being the Organization/Project does not utilize or identify any significant relationships, either formal or informal, with other partners.

5 being the Organization/Project utilizes and has strong and significant relationships with other partners.

**Scoring Options:** 1 - 5

## *Financial Information*

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### **Is this organization fiscally sound?\***

Scale 1-5.

1 being the organization is not fiscally sound.

5 being the organization is very fiscally sound.

(Ask yourself if you think the organization's financial records show that the organization will be able to continue their work for at least 6 months.)

**Scoring Options:** 1 - 5

**Is the Project Budget in line with the Project Goals and Outcomes?\***

Scale 1-5.

1 being the Project Budget is not in line with the Project Goals and Outcomes.

5 being the Project Budget is very in line with the Project Goals and Outcomes.

(Ask yourself if the budget seems to be the right size for what the organization is trying to achieve.)

**Scoring Options:** 1 - 5

## *Grant Award*

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**Impact of Grant on the success of the Project\***

Scale 1-5.

1 being a low impact on the success of the Organization/Project.

5 being a large impact on the success of the Organization/Project.

**Scoring Options:** 1 - 5

**Comment on the Impact of the Grant**

*Character Limit: 2500*

**Do you think this Project should be awarded a grant?\***

**Choices**

Yes

No

**How much should the grant award be for this Project?\***

*Character Limit: 20*

**Comments on why you think this Project should/should not receive funding?**

*Character Limit: 2500*



Foundation *for*  
Appalachian  
Kentucky  
RISING WHERE WE'RE ROOTED

**Rising where we're rooted.**