

Foundation for the Compton Community College District

General Information	
Meeting Name	Foundation Board of Directors Meeting
Date	Thursday, February 17, 2022
Zoom Meeting Information	Join Zoom Meeting https://compton-edu.zoom.us/j/94812461642 Meeting ID: 948 1246 1642 One tap mobile +16699009128,,94812461642# US (San Jose) +12532158782,,94812461642# US (Tacoma) Dial by your location +1 669 900 9128 US (San Jose) +1 253 215 8782 US (Tacoma) +1 346 248 7799 US (Houston) +1 312 626 6799 US (Chicago) +1 646 558 8656 US (New York) +1 301 715 8592 US (Washington DC) Find your local number: https://compton-edu.zoom.us/u/ad1vaA8a9c
Meeting Minutes:	
Notetaker: Paula VanBrown, Executive Assistant to President/CEO	
Agenda	
<ul style="list-style-type: none">- Welcome – Daniel Chenault- Roll Call- Public Comment- Approval of December 9, 2021, Foundation Meeting Minutes- Continuing Foundation Board of Directors Meeting to Hold Virtual Meetings Pursuant to Assembly Bill 316 - Open Meetings: State and Local Agencies: Teleconferences- Potential New Members- 2021-2022 Election of Officers- Foundation for Compton Community College District Bylaws- Update on Foundation for Compton Community College District Policies and Procedures- Foundation Committees – Foundation Event and Fundraising Campaign	

FOUNDATION FOR COMPTON COMMUNITY COLLEGE DISTRICT
BOARD OF DIRECTORS MEETING MINUTES

Facilitator: Daniel Chenault, President

Recorder: Paula VanBrown

Date: December 9, 2021

Location: Zoom

AGENDA:

1. Welcome

Daniel Chenault provided the welcome to participants.

2. Roll Call - Members Present:

Dr. Keith Curry

Daniel Chenault

Sonia Lopez

Edward Magee

Vanessa Madrid

Elizabeth Martinez

Don Mason

Heather Parnock

Rochelle Webb

Members Absent:

Dr. Rodney Murray

Paul Simpson

3. Public Comments:

No requests

4. Review and Approval of Minutes from October 21, 2021 Foundation Meeting

Motion to accept minutes of October 21, 2021. Motion approved.

5. Continuing Foundation Board of Directors Meeting to Hold Virtual Meetings Pursuant to Assembly Bill 361 – Open Meetings: State and Local Agencies: Teleconference – Motion Approved.

6. Potential New Members

Discussion of application of Roberto Chavez, an Art Director, working on international campaigns for various companies. Daniel Chenault suggested inviting him to the next Foundation meeting to introduce himself and understand why he wants to serve on this board.

Dr. Curry reported that he needed to change the District's appointment to the Foundation. Elizabeth Martinez was appointed to the Foundation by the District but retired in January. Dr. Curry said Heather Parnock will now be the District appointment to the Foundation, and Elizabeth Martinez will be a community member appointed by the Foundation.

Heather Parnock was appointed to the Foundation.

7. 2021-2022 Election of Officers

A. Vice President

The committee suggested having Rochelle Webb serve as Vice President. Rochelle Webb asked for time to think about this and respond at the next meeting.

B. Secretary

Dr. Keith Curry nominated Heather Parnock to serve as secretary. Motion seconded by Rochelle Webb. **Motion Approved.**

8. Update on Foundation for Compton Community College District Bylaws

Heather Parnock updated the Foundation for Compton Community College District Bylaws.

Dr. Curry reported that this paragraph needs to be added to the Bylaws as Article 2, Section 2, Paragraph 6 because we provide food for students through our partnership with the Foundation. There is a statement in our Articles of Incorporation about the food. Dr. Curry recommends the Foundation approve the updated bylaws with this one change. We can then proceed with the partnership with the L.A. County Food Bank.

Daniel Chenault made a motion that we add to our Bylaws in Article 2, Section 2, the language in item #6 to our current bylaws with the language highlighted (to provide relief to the poor, distressed and underprivileged in our community: to advance education; provide food and/or shelter and to promote social welfare by carrying on activities to provide support for low to moderate-income households). Motion seconded by Edward Magee. **Motion approved.**

Dr. Curry commented that the updated bylaws can now be posted.

9. Update on Foundation for Compton Community College District Policies and Procedures

Heather Parnock reported that this document was reviewed at the last meeting and all edits recommended by legal and a couple of typographical changes were accepted. Three items remained. The date at the bottom of page 20 (when the policy was adopted) will be filled in once the document is signed. On page 23, Item II, referencing an Executive Director. Heather Parnock said this may have been a carryover from El Camino's policy. We do not have this position in the District, but we do have a Director, and we will be hiring a Foundation manager. Dr. Curry said to replace Executive Director with Foundation Administrator, giving us more flexibility.

Heather Parnock referenced page 34, Board Policy 3280, is for grants. Board Policy 3820-Gifts, Donations, and Requests recommended that Compton Community College District develop a new Board Policy 3820 that we can reference in the Foundation Policy 401-Gift Acceptance. Dr. Curry suggested doing without for now and adding the appropriate language later.

Heather Parnock referred to page 35, item IV-Donor Restrictions. She said this references a policy that neither the District nor the Foundation has (Restricted Fund Policy 203). Heather

Parnock will remove this item, and once either the Foundation or the District has this policy, it can be added back to the document.

Heather Parnock referred to page 38 of the Foundation for Compton Community College District Policies and Procedures document, Paragraph 2, Item 2.3-Approval. The compensation of all other employees will be reviewed and approved by: the Board of Directors.

Dr. Curry suggested that Heather Parnock provide a clean document for review and approval and bring it back at the next meeting,

10. Develop 2021-2022 Foundation Board of Directors Goals:

- A. Identify new members – the Foundation is looking for five to seven new members to be added by year-end 2022. Daniel Chenault suggested reviewing this again in June 2022. Dr. Curry reported that Rodney Murray is still a member of the Foundation Board. He has been very ill but wishes to continue his service and hopefully join us again soon.
- B. Complete the audit – Dr. Nasser will handle this item.
- C. Approve Policies and Procedures – Moving forward
- D. At least one Foundation event – Dr. Curry suggested a social event to kick off and invite chamber members and business leaders from our service area. It was also recommended that spring be an excellent time for introducing the public to our new buildings on campus. Discuss logistics/proper protocols for holding on-campus events – food, weather, location, and safety protocols.
Dr. Curry said he would like a committee to work on this and include Stella Luna, our event coordinator.
- E. Fundraising campaign – What would be the timeframe for the campaign. Vanessa Madrid asked if funds will be raised for something in particular or just for the overall Foundation because we do have some specific needs we need money for. Dr. Curry stated that funds will be used, for now, for the general operations of the Foundation. Elizabeth Martinez mentioned maybe some of these funds could be used for scholarships. She noted that a campaign was held with every employee on campus contributing at least one dollar in the past. Hence, every employee is, on some level, contributing to scholarships and student success.

Don Mason commented that donors want to know where their money is going. He suggested the campaign could be called "Every Dollar Counts," going toward the Foundation and whatever it's going to assist with, such as helping students with food insecurities, scholarships, student loans. Dr. Curry suggested forming a sub-committee for members to work on fundraisers to raise money for the Foundation and another sub-committee to work on events held by the Foundation.

Event Planning Subcommittee – Dr. Curry, Elizabeth Martinez, Rochelle Webb, Vanessa Madrid, Stella Luna.

Fundraising Subcommittee – Don Mason, Daniel Chenault, Edward Magee, Heather Parnock. Daniel Chenault will serve as lead for now but suggested someone with more experience take the lead, but for now, he will step in wherever needed.

- F. Establish an online donation process – Dr. Curry reported he had done a lot of work with "Believe in Students," a nationwide effort regarding fundraising for students. The Believe in Students organization is willing to work with us on an MOU to set up our online giving campaign for minimal cost. They are already working with our Dual-Enrollment program and with the faculty on the Fast Fund. They will work with the Foundation on creating our online system. Dr. Curry said he would provide more information at the next meeting, including the draft MOU. Vanessa Madrid commented that she has been working with this great organization, and they understand students from under-resourced backgrounds. She said she works with them on Fast Funds to provide money to students for emergencies. Not for books or anticipated events, but like cars breaking down, phone service about to be shut off, etc. – the kinds of things that can derail our students. They have been great so far.

11. 2021-2022 Foundation for Compton Community College District Fundraising.

Dr. Curry stated that there is a mechanism for automatic payroll deductions for employee donations.

Heather Parnock asked about AB 361. Dr. Curry responded that it should be addressed at the beginning of every meeting. Heather Parnock will send out the invitations to potential members.

The next scheduled meeting of the
Foundation for Compton Community College District is February 17, 2022

**AMENDED AND RESTATED
BYLAWS**

OF THE

FOUNDATION FOR THE COMPTON COMMUNITY COLLEGE DISTRICT

A California Nonprofit Public Benefit Corporation

**ARTICLE I
NAME AND OFFICES**

Section 1 Name. The name of this corporation is the Foundation for the Compton Community College District (the “Foundation”).

Section 2 Principal Office. The principal office for the transaction of the activities and affairs of the corporation is located at 1111 East Artesia Boulevard, Compton, California. The board of directors may change the location of the principal office of the corporation to any place within the State of California.

Section 3 Other Offices. The board of directors may at any time establish branch or subordinate offices at any place the corporation is qualified to conduct its activities.

**ARTICLE II
PURPOSES AND LIMITATIONS**

Section 1 General Purposes. This corporation is a nonprofit public benefit corporation organized under the Nonprofit Public Benefit Corporation Law for public or charitable purposes. This corporation is not organized for the private gain of any person.

Section 2 Specific Purposes. Within the context of the general purposes stated above, this corporation is organized and at all times hereafter shall be operated exclusively to benefit the Compton Community College District (the “District”), its students and the community of which it is a part, in the following manner:

- (1) Assisting and supporting the District in the attainment of its educational, cultural and scientific goals and in assisting and supporting it in fulfilling its role in serving the community of which it is a part;
- (2) Soliciting contributions and raising funds to support the educational endeavors of the District
- (3) Providing financial assistance to the District by acquiring equipment and supplies for the use, benefit, and enjoyment of the students of the District;

- (4) Establishing and supporting programs and activities within the District which maximize academic achievement and enrichment; and
- (5) Raising and awarding scholarship funds for post-secondary education to students of the District.
- (6) To provide relief to the poor, distressed and underprivileged in our community; to advance education, provide food and/or shelter, and to promote social welfare by carrying on activities to provide support for low to moderate income households.

This corporation shall be operated in connection with the District as specified in Internal Revenue Code section 509(a)(3).

Section 3 Limitations.

- (a) This corporation is organized and operated exclusively for public and charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986 or the corresponding provision of any future United States internal revenue law. Notwithstanding any other provision of these bylaws, this corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the purposes of this corporation, and the corporation shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986 or the corresponding provision of any future United States internal revenue law, or (b) by a corporation, contributions to which are deductible under Sections 170(c)(2), 2055(a)(2) and 2522(a)(2) of the Internal Revenue Code of 1986 or the corresponding provisions of any future United States internal revenue law.
- (b) No substantial part of the activities of this corporation shall consist of lobbying or propaganda or otherwise attempting to influence legislation, except as provided in Section 501(h) of the Internal Revenue Code of 1986, and the corporation shall not participate or intervene (including publishing or distributing statements) in any political campaign on behalf of or in opposition to any candidate for public office except as provided in such Section 501(h).
- (c) The property of this corporation is irrevocably dedicated to the purposes set forth above. No part of the earnings of this corporation shall ever inure to the benefit of any directors or officers of this corporation or to the benefit of any private person.
- (d) Upon the dissolution and winding up of the corporation, its assets remaining after payment, or provision for payment, of all debts and liabilities of this corporation shall be distributed to the Compton Community College District, which is an organization described in Internal Revenue Code section 170(b)(1)(A) or 501(c)(3). If the District shall cease to be an organization described in Internal Revenue Code section 170(b)(1)(A) or 501(c)(3), the directors of this corporation shall designate a publicly supported educational or charitable organization as described in Internal

Revenue Code sections 170(b)(1)(A) or 501(c)(3), in substitution for the District, for purposes of the articles of incorporation and these bylaws.

**ARTICLE III
MEMBERSHIP**

Section 1 Corporation Without Members. The corporation shall have no members.

**ARTICLE IV
BOARD OF DIRECTORS**

Section 1 Number of Directors. The authorized number of Directors shall be not less than nine (9) but no more than twenty-one (21) with the exact number determined by resolution of the board. The authorized board members shall include: (a) two (2) ex officio directors who shall be (i) the President/Chief Executive Officer of the District and (ii) the Vice President of Administrative Services of the District; (b) two (2) directors who are staff members of the District; (c) two (2) directors who are faculty members of the District; (d) at least two (2) directors who are associated with organizations in the nonprofit sector; (e) at least two (2) directors who are associated with organizations in the private sector; and (f) one (1) director appointed by the District governing board, who is also a member of the District governing board.

Section 2 General Powers.

- (a) General Powers. Subject to the provisions of the California Nonprofit Public Benefit Corporation Law and subject to any limitations in the articles of incorporation and these bylaws, the corporation’s activities and affairs shall be managed and all corporate powers shall be exercised by or under the direction of the board of directors. The board may delegate the management of the activities of the corporation to any person or persons, management company, or committee however composed, provided that the activities and affairs of the corporation shall be managed and all corporate powers shall be exercised under the ultimate direction of the board.

- (b) Specified Powers. Without prejudice to such general powers, but subject to the same limitations, the board of directors shall have the power and authority to:
 - (1) Except as otherwise provided in these bylaws, approve any action which would otherwise be required to be approved by members if this corporation had members.

 - (2) Appoint and remove all officers, agents, and employees of the corporation; prescribe such powers and duties for them as may not be inconsistent with law, with the articles of incorporation or with these bylaws; fix their compensation; and require from them security for faithful service.

 - (3) Change the principal executive office or the principal business office in California from one location to another; cause the corporation to be

qualified to do business in any other state, territory, dependency, or foreign country; and conduct business within or outside California.

- (4) Adopt, make and use a corporate seal and alter the form of such seal.
- (5) Borrow money and incur indebtedness on behalf of the corporation and cause to be executed and delivered for the corporation's purposes and in the corporate name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations, or other evidences of debt and securities for such consideration; provided, however, that no loan shall be contracted on behalf of the corporation and no evidence of indebtedness shall be issued in its name unless authorized by a resolution of the board of directors.

Section 3 Term of Office. All the board members other than ex officio board members shall serve two (2) year terms, and may, if reappointed, serve consecutive terms. Ex officio directors serving on the board of directors by virtue of the position such director holds shall serve on the board of directors for a term concurrent with that of the position which made such director an ex officio board member. For purposes of clarity and avoidance of doubt, any ex officio director who ceases to hold the position which made such director an ex officio board member, shall cease to be an ex officio director.

Section 4 Election of Directors. With the exception a director appointed by the District governing board pursuant to Section 1(f) of this Article, successors to the non-ex officio directors shall be elected by a majority of the directors then in office at the annual meeting of the board of directors, subject to the confirmation of such election by the District governing board. Each director shall hold office for their full term of office as set forth in Section 3 of this Article and until a successor has been elected or appointed and qualified unless he or she has resigned or been removed or his or her office has been declared vacant in the manner provided in these bylaws.

Section 5 Voting. Each member of the board of directors shall have one vote. There shall be no proxy voting permitted for the transaction of any of the business of this corporation.

Section 6 Resignation of Directors. Except as provided below, any director may resign from the board at any time by giving written notice to the president, secretary or chief financial officer of the corporation and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. Notwithstanding the above, except on notice to the California Attorney General, no director may resign if the corporation would be left without a duly elected director or directors.

Section 7 Removal of Directors. With the exception of a director appointed by the District governing board pursuant to Section 1(f) of this Article, a director may be removed from office without cause by a majority vote of the total number of voting directors then in office. A director appointed by the District governing board may be removed from office without cause by a majority vote of the District governing board.

Section 8 Restriction on Interested Persons as Directors. Notwithstanding any other provision of this Article IV, no more than forty-nine percent (49%) of the persons serving on the

board may be interested persons. An interested person is (a) any person compensated by the corporation for services rendered to it within the previous 12 months, whether as a full-time or part-time employee, independent contractor, or otherwise, excluding any reasonable compensation paid to a director as director; and (b) any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law, or father-in-law of such person. However, any violation of the provisions of this paragraph shall not affect the validity or enforceability of any transaction entered into by the corporation.

Section 9 Compensation of Directors. Directors may not receive compensation for their services as directors, but may receive such reimbursement of expenses as may be fixed or determined by resolution of the board of directors.

Section 10 Inspection by Directors. Each director shall have the right at any reasonable time to inspect all books, records, and documents of every kind and the physical properties of the corporation for a purpose reasonably related to such person's interest as a director. The right of inspection includes the right to copy and make extracts of documents.

Section 11 Vacancies. A vacancy in a director position because of removal, death, resignation or otherwise shall be filled by the directors at the annual or other meeting of directors, subject to the confirmation of such election by the District governing board or, if the predecessor to such director position was selected in another manner, in the same manner as the former occupant of the position was selected. Any person designated to fill a vacancy on the board of directors shall hold office for the unexpired term of his or her predecessor in office, subject to the power of removal contained herein.

ARTICLE V MEETINGS OF THE BOARD OF DIRECTORS

Section 1 Place of Meetings. Meetings of the board of directors shall be held at any place within this State which has been designated from time to time by resolution of the board. In the absence of such designation, meetings shall be held at the principal office of this corporation.

Section 2 Annual Meeting. The board of directors shall hold an annual meeting, at such time as shall be fixed by the board of directors, for the purpose of organization, election of officers and transaction of other business.

Section 3 Regular Meeting. Other regular meetings of the board of directors shall be held at such time as shall from time to time be fixed by the board of directors.

Section 4 Special Meetings. Special meetings of the board of directors for any purpose or purposes may be called at any time the chairperson of the board, if any, the president, any vice president, the secretary, or any two directors, to be held at such time and place as shall be designated in the notice of meeting.

Section 5 Notice of Meeting. Notice of the time and place of special meetings of the board of directors shall be given by written notice delivered personally or sent by mail or e-mail or facsimile to each director at his or her address as shown on the records of the corporation. If mailed, such notice shall be deposited in the United States mail at least four (4) days before the

date set for the meeting, in a sealed envelope so addressed, with postage thereon prepaid. If notice is given by e-mail or facsimile, such notice shall be sent at least forty-eight (48) hours before the time set for the meeting. The business to be transacted at any special meeting of the board shall be specified in the notice.

Section 6 Open Meetings; Notice to District. Meetings of the board shall be subject to the requirements of the Brown Act, Chapter 9 of Part 1 of Division 2 of Title 5 of the Government Code, commencing with Section 54950; provided, however, that the board may hold closed sessions during any meeting to consider those matters that may lawfully be considered in such sessions.

Section 7 Quorum and Manner of Acting. A majority of the total number of authorized directors shall constitute a quorum of the board of directors for the transaction of business. Every act or decision done or made by a majority of the directors present at a meeting at which a quorum is present shall be regarded as the act of the board of directors, subject to the more stringent provisions of the California Nonprofit Public Benefit Corporation Law, including, without limitation, those provisions relating to (a) approval of contracts or transactions in which a director has a direct or indirect material financial interest, (b) approval of certain transactions between corporations having common directorships, (c) creation of and appointments to committees of the Board, and (d) indemnification of directors. A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of a director or directors, if any action taken is approved by at least a majority of the required quorum for that meeting.

Section 8 Adjournment and Notice of Adjourned Meeting. Notwithstanding section 7, above, a majority of the directors present, whether or not a quorum is present, may adjourn any meeting to another time and place. Notice of the time and place of holding an adjourned meeting need not be given unless the original meeting is adjourned for more than 24 hours. If the original meeting is adjourned for more than 24 hours, notice of any adjournment to another time and place shall be given, before the time of the adjourned meeting, to the directors who were not present at the time of the adjournment.

Section 9 Minutes of Meetings and Conduct. Regular minutes of the proceedings of the board of directors shall be kept in a book provided for that purpose. The board of directors may adopt its own rules of procedure insofar as such rules are not inconsistent with, or in conflict with, these bylaws, the articles of incorporation of the corporation or with the law.

ARTICLE VI COMMITTEES

Section 1 Committees of Directors. The board of directors may, by resolution adopted by a majority of the directors then in office, create one or more committees, each consisting of two or more directors and no persons who are not directors, to serve at the pleasure of the board. Appointments to committees of the board shall be by majority vote of the directors then in office, unless otherwise provided in these bylaws. The board may appoint one or more directors as alternate members of any committee who may replace any absent member at any meeting of the committee. Any such committee, to the extent provided in the resolution of the board or in these

bylaws, shall have all the authority of the board, except that no committee, regardless of board resolution, may:

- (a) Take any final action on any matter which, under the California Nonprofit Public Benefit Corporation Law, also requires approval of the members or of a majority of all members;
- (b) Fill vacancies on the board of directors or any committee of the board;
- (c) Amend or repeal bylaws or adopt new bylaws;
- (d) Amend or repeal any resolution of the board of directors which by its express terms is not so amendable or repealable;
- (e) Create any other committees of the board or appoint the members of committees of the board;
- (f) Expend corporate funds to support a nominee for director after more people have been nominated for director that can be elected; or
- (g) With respect to any asset held in charitable trust, approve any contract or transaction between this corporation and one or more of its directors or between this corporation and an entity in which one or more of its directors have a material financial interest, subject to the approval provisions of Corporations Code Section 5233(d)(3).

Section 2 Executive Committee. The Executive Committee, unless limited by a resolution of the board, shall have and may exercise all the authority of the board in the management of the business and affairs of the corporation between meetings of the board; provided, however, that the Executive Committee shall not have the authority of the board in reference to those matters enumerated in Section 1 of Article VI of these bylaws. All actions of the Executive Committee shall be reported to and ratified by the full board at the next duly scheduled board meeting.

Section 3 Audit Committee. The Audit Committee shall consist of at least three (3) members, but may not include the president/chief executive officer of the corporation, the chief financial officer or treasurer of the corporation or the chairperson of any Financing Committee of the corporation, if the corporation has established a Financing Committee. If the corporation has established a Financing Committee, members of the Financing Committee may not make up 50% or more of the members of the Audit Committee. The Audit Committee shall be responsible for reporting the findings of the annual audit to the board as soon as possible once the audit is completed. The Audit Committee will present to the board any proposals from public accounting companies when a new contract is warranted and shall be responsible for such other matters as may be required by the California Nonprofit Integrity Act. The board will vote on which proposal to accept for future audit work. The Audit Committee shall not have the authority of the board.

Section 4 Board Development Committee. The board shall appoint a committee to nominate qualified candidates (the "Board Development Committee") to serve on the board or as

officers. The Board Development Committee shall select candidates which it will nominate for positions on the board and/or as officers. The Board Development Committee shall not have the authority of the board.

Section 5 Finance/Investment Committee. The purpose of the Finance/Investment Committee is to assist the Board with all financial policies and strategy, including review of the annual operating budget. The Finance/Investment Committee will also coordinate the Board's financial oversight responsibilities by reviewing and recommending investment and spending policies, interpreting these policies for board and staff members and monitoring investment performance. The committee's tasks include the following: review asset allocation and the performance of investments on a quarterly basis; interview and recommend new investment managers to the Board; recommend annual Foundation budget to the Board for approval; monitor Foundation expenditures in accordance with the annual budget; review annual financial audit and report results to the Board; and conduct Board education programs in the investment/finance areas.

Section 6 Meetings and Action of Committees. Meetings and actions of committees of the board shall be governed by, held, and taken in accordance with the provisions of these bylaws concerning meetings and other board actions, except that the time for general meetings of such committees and the calling of special meetings of such committees may be set either by board resolution or, if none, by resolution of the committee. Minutes of each meeting shall be kept and shall be filed with the corporate records. The board may adopt rules for the governance of any committee as long as the rules are consistent with these bylaws. If the board has not adopted rules, the committee may do so.

ARTICLE VII OFFICERS

Section 1 Officers. The officers of the corporation shall be a president, a vice president, a secretary and a treasurer/chief financial officer. The corporation may also have, at the discretion of the board of directors, a chairperson of the board, one or more vice presidents, one or more assistant secretaries, one or more assistant chief financial officers, and such other officers as may be appointed in accordance with the provisions of Section 3 of this Article VII. Any two or more offices may be held by the same person, except that neither the secretary nor the chief financial officer may serve concurrently as either the president or the chairperson of the board.

Section 2 Election. The officers of the corporation, except such officers as may be appointed in accordance with the provisions of Section 3 of this Article, shall be elected by the board of directors, and each shall serve two (2) year terms at the pleasure of the board, subject to the rights, if any, of an officer under any contract of employment.

Section 3 Other Officers. The board of directors may appoint and may authorize the president or other officers to appoint such other officers as the business of the corporation may require, including an executive director to manage the day-to-day actions of the corporation. Each officer so appointed shall hold office for such period and have such authority and perform such duties as are provided in these bylaws or as the board of directors may from time to time determine.

Section 4 Removal of Officers. Any officer appointed by the board of directors may be removed at any time, with or without cause or notice, by the board of directors. Subordinate officers appointed by persons other than the Board under Section 3 of this Article VII may be removed at any time, with or without cause or notice, by the board of directors or by the officer by whom appointed. Officers may be employed for a specified term under a contract of employment if authorized by the board of directors; such officers may be removed from office at any time under this section and shall have no claim against the corporation or individual officers or board members because of the removal except any right to monetary compensation to which the officer may be entitled under the contract of employment.

Section 5 Resignation of Officers. Any officer may resign at any time by giving written notice to the corporation. Any such resignation shall take effect at the date of the receipt of such notice or at any later time specified in such notice; and, unless otherwise specified in such notice, the acceptance of such resignation shall not be necessary to make it effective. Any such resignation is without prejudice to the rights, if any, of the corporation under any contract to which the officer is a party.

Section 6 Vacancies in Office. A vacancy in any office because of death, resignation, removal, disqualification or any other cause shall be filled in the manner prescribed in these bylaws for regular appointments to such office.

Section 7 Responsibilities of Officers.

- (a) Chairperson of the Board. The chairperson of the board, if such an officer be elected, shall, if present, preside at all meetings of the board of directors and exercise and perform such other powers and duties as may be from time to time assigned to him or her by the board of directors or prescribed by the bylaws. If there is no president, the chairperson of the board shall in addition be the chief executive officer of the corporation and shall have the powers and duties of the president as prescribed in these bylaws.
- (b) President/Chief Executive Officer. Subject to such supervisory powers, if any, as may be given by the board of directors to the chairperson of the board, if there be such an officer, the president shall be the chief executive officer of the corporation and shall, subject to the control of the board of directors, have general supervision, direction and control of the activities and the officers of the corporation. He or she shall preside, in the absence of the chairperson of the board or if there be none, at all meetings of the board of directors. He or she shall have the general powers and duties of management usually vested in the office of president of a corporation, and shall have such other powers and duties as may be prescribed by the board of directors or these bylaws.
- (c) Vice President. In the absence or disability of the president, the vice presidents, if any, in order of their rank as fixed by the board of directors or, if not ranked, a vice president designated by the board of directors, shall perform all the duties of the president. When so acting, a vice president shall have all the powers of, and be subject to all the restrictions upon, the president. The vice presidents shall have

such other powers and perform such other duties as from time to time may be prescribed for them respectively by the board of directors or the bylaws, the president or the chairperson of the board.

(d) Secretary.

- (1) Minutes. The secretary shall keep or cause to be kept, at the principal executive office or such other place as the board of directors may order, a book of minutes of all meetings, proceedings and actions of directors and committees of directors. The minutes of each meeting shall state the time and place the meeting was held; whether it was annual, regular or special; if special, how it was called or authorized; the names of those present at board and committee meetings; and an accurate account of the proceedings. If the secretary is unable to be present, the secretary or the presiding officer of the meeting shall designate another person to take the minutes of the meeting. The secretary shall keep or cause to be kept, at the principal office in California, a copy of the articles of incorporation and bylaws, as amended to date.
- (2) Notices, Seal, and Other Duties. The secretary shall give, or cause to be given, notice of all meetings of the members, the board of directors and committees of the board of directors required by these bylaws to be given. In case of the absence or disability of the secretary, or his or her refusal or neglect to act, such notices may be provided by the president, or by the vice president, if any, or by any person authorized by the president or by any vice president, or by the board of directors. The secretary shall keep the corporate seal, if any, in safe custody and shall have such other powers and perform such other duties as the board or the bylaws may prescribe.

(e) Treasurer/Chief Financial Officer.

- (1) Books of Account. The chief financial officer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and records of account of the properties and transactions of the corporation. The chief financial officer shall send or cause to be given to the directors such financial statements and reports as are required to be given by law, by these bylaws or by the board. The books of account shall at all reasonable times be open to inspection by any director.
- (2) Deposit and Disbursement of Money. The chief financial officer shall deposit, or cause to be deposited, all moneys and other valuables in the name and to the credit of the corporation with such depositories as may be designated by the board of directors. He or she shall disburse the funds of the corporation as may be ordered by the board of directors, shall render to the president and directors, whenever they request it, an account of all of his transactions as chief financial officer and of the financial condition of the corporation, and shall have other powers and perform such other duties

as may be prescribed by the board of directors or the bylaws. If so required by the board of directors, the chief financial officer shall give a bond for the faithful discharge of his or her duties in such sum and with such surety as the board of directors shall deem appropriate. The chief financial officer shall submit such annual reports to the board of directors as required by law or as directed by the board of directors.

ARTICLE VIII INDEMNIFICATION OF DIRECTORS, OFFICERS AND OTHER AGENTS

Section 1 Right of Indemnity. To the fullest extent permitted by law, the corporation shall indemnify its directors, officers, employees, and other persons described in Section 5238(a) of the California Corporations Code, including persons formerly occupying any such position, against all expenses, judgments, fines, settlements and other amounts actually and reasonably incurred by them in connection with any “proceeding,” as that term is used in that Section, and including an action by or in the right of the corporation, by reason of the fact that the person is or was a person described in that section. “Expenses,” as used in these bylaws, shall have the same meaning as in Section 5238(a) of the California Corporations Code.

Section 2 Approval of Indemnity. On written request to the board by any person seeking indemnification under Section 5238(b) or Section 5238(c) of the California Corporations Code, the board shall promptly determine under Section 5238(e) of the California Corporations Code whether the applicable standard of conduct set forth in Section 5238(b) or Section 5238(c) has been met and, if so, the board shall authorize indemnification.

Section 3 Advancement of Expenses. To the fullest extent permitted by law and except as otherwise determined by the board in a specific instance, expenses incurred by a person seeking indemnification under these bylaws in defending any proceeding covered by those Sections shall be advanced by the corporation before final disposition of the proceeding, on receipt by the corporation of an undertaking by or on behalf of that person that the advance will be repaid unless it is ultimately determined that the person is entitled to be indemnified by the corporation for those expenses.

Section 4 Insurance. The board shall have the right to authorize and direct the officers of the corporation to cause the corporation to purchase and maintain insurance to the full extent permitted by law on behalf of its officers, directors, employees, and other agents, against any liability asserted against or incurred by any officer, director, employee, or agent in such capacity or arising out of the officer’s, director’s employee’s or agent’s status as such.

ARTICLE IX RECORDS AND REPORTS

Section 1 Maintenance of Corporate Records. The board shall cause the appropriate officers of the corporation to keep:

- (a) Adequate and correct books and records of account;
- (b) Written minutes of the proceedings of the board and committees of the board; and

- (c) A record of each director's name and address.

Section 2 Maintenance and Inspection of Articles and Bylaws. The secretary shall keep at the corporation's principal office the original or a copy of the articles of incorporation and bylaws as amended to date.

Section 3 Annual Report. The board shall cause an annual report to be sent to directors within 120 days after the end of the corporation's fiscal year. That report shall contain the following information, in appropriate detail, for the fiscal year:

- (a) The assets and liabilities, including the trust funds, of the corporation as of the end of the fiscal year;
- (b) The principal changes in assets and liabilities, including trust funds;
- (c) The revenue or receipts of the corporation, both unrestricted and restricted to particular purposes;
- (d) The expenses or disbursements of the corporation for both general and restricted purposes; and
- (e) Any other information required by these (a) bylaws, (b) the California statutes governing auxiliary organizations (Article 6, commencing with Section 72670 of Chapter 6, Part 45 of the Education Code), (c) the Title 5 Regulations (commencing with Section 59250 of Chapter 4.5, Division 5 of Title 5 of the California Code of Regulations), (d) the Implementing Regulations established by the District, or (e) any written agreement, as defined in Section 59251(b) of Title 5 of the California Code of Regulations, with the District.

Section 4 Audit. The board shall cause all income statements, balance sheets and funds of the corporation referred to in Section 3 of this Article IX to be audited annually by a certified public accountant selected by the board in accordance with the statutes governing auxiliary organizations (Article 6, commencing with Section 72670 of Chapter 6, Part 45, of the Education Code), the Title 5 Regulations (commencing with Section 59250 of Chapter 4.5, Division 5 of Title 5 of the California Code of Regulations), the Implementing Regulations established by the District, or any written agreement, as defined in Section 59251(b) of Title 5 of the California Code of Regulations, with the District. The board shall submit such audit to the governing board of the District. The board shall also annually publish the audited statement of the corporation's financial condition, which shall be disseminated as widely as feasible and be available to any person on request.

Section 5 Annual Statement of Certain Transactions and Indemnifications. As part of the annual report to all directors, or as a separate document if no annual report is issued, the board shall cause to be annually prepared and mailed or delivered to each director a statement of any transaction or indemnification of the following kind within 120 days after the end of the corporation's fiscal year:

- (a) Any transaction (i) in which the corporation or its parent or subsidiary was a party, (ii) in which an "interested person" has a direct or indirect material financial

interest, and (iii) which involved more than \$50,000, or was one of a number of transactions with the same interested person involving, in the aggregate, more than \$50,000.

- (b) Any indemnifications or advances aggregating more than \$10,000 paid during the fiscal year to any officer or director of the corporation under Section VII of these bylaws, unless that indemnification has already been approved by the directors under Section 5238(e) of the California Corporations Code.

For this purpose, an “interested person” is any director or officer of the corporation, its parent or its subsidiary. The statement shall include a brief description of the transaction, the names of interested persons involved, their relationship to the corporation, the nature of their interest in the transaction and, if practicable, the amount of that interest; provided that if the transaction was with a partnership in which the interested person is a partner, only the interest of the partnership need be stated.

ARTICLE X GENERAL CORPORATE MATTERS

Section 1 Checks, Drafts, Evidences of Indebtedness. All checks, drafts or other orders for payment of money, notes or other evidences of indebtedness issued in the name of or payable to the corporation shall be signed or endorsed by any two of the President/CEO or designee of the District, the president or vice president of the corporation, or such other officers of the corporation, and in such manner, as shall be determined by resolution of the board of directors.

Section 2 Contracts. The board of directors, except as the bylaws otherwise provided, may authorize any officer or officers or agent or agents to enter into any contract or execute any instrument in the name of and on behalf of the corporation. Such authority may be general or confined to one or more specific matters. Unless so authorized or ratified by the board of directors or within the agency power of an officer, no officer, agent or employee shall have any power or authority to bind the corporation by any contract or engagement or to pledge its credit or to render it liable for any purpose or in any amount.

Section 3 Loans and Borrowing. The board of directors shall not cause the corporation to make any loan of money or property to or guarantee the obligation of any director or officer unless approved by the Attorney General. No loan shall be contracted on behalf of the corporation and no evidence of indebtedness shall be issued in its name unless authorized by a resolution of the board of directors.

Section 4 Deposits. All funds of the corporation shall be deposited from time to time to the credit of the corporation in such banks, trust companies, or other depositories as the board of directors may select.

Section 5 Gifts. The board of directors may at their discretion accept on behalf of the corporation any contribution, gift, bequest, or devise for the general purposes or for any specific purpose of the corporation.

**ARTICLE XI
MISCELLANEOUS**

Section 1 Fiscal Year. The fiscal year of the corporation shall end on the last day of June in each year unless otherwise determined by resolution of the board of directors.

Section 2 Rules. The board of directors may adopt, amend, or repeal rules not inconsistent with these bylaws for the management of the internal affairs of the corporation and the governance of its officers, agents, committees, and employees.

Section 3 Corporate Seal. The board of directors may provide a corporate seal, which shall be in the form of a circle and shall have inscribed thereon the name of the corporation, the date of its incorporation, and the word “*California*”.

Section 4 Waiver of Notice. Whenever any notices are required to be given under the provisions of the Nonprofit Corporation Act of the state of California, or under the provisions of the articles of incorporation of the corporation, or these bylaws, a waiver thereof in writing signed by the persons entitled to such notice, whether dated before or after the time such notices are required to be given, to the extent permitted by law, shall be deemed equivalent to the giving of such notice.

**ARTICLE XII
AMENDMENT TO BYLAWS**

Section 1 Amendment to Bylaws. These bylaws may be amended at any regular meeting of the board of directors by a majority vote of the board of directors, if such amendment is approved by the District; provided, however, that if any provision of these bylaws requires the vote of a larger proportion of the board than is otherwise required by law, that provision may not be altered, amended, or repealed except by that greater vote.

CERTIFICATE OF SECRETARY

I, the undersigned, do hereby certify that:

1. I am the duly elected and acting secretary of the Foundation for the Compton Community College District, a California nonprofit public benefit corporation.

2. The bylaws to which this certificate is attached, comprising 14 pages, constitute the bylaws of such corporation as duly adopted by the board of directors of this corporation at a meeting of such board on December 9, 2021.

I further declare under penalty of perjury under the laws of the State of California that the matters set forth in this certificate are true and correct of my own knowledge.

Dated: **December 9, 2021**

Heather Parnock

Heather Parnock, Secretary



***Foundation for the Compton Community College District
Policies and Procedures***

TABLE OF CONTENTS

POLICY NAME	POLICY #	PAGE #
Ethics Policy		2
Conflict of Interest		3
Conflict of Interest Disclosure Form		8
Scholarship Management and Disbursement	100	9
Investment	200	11
Endowment	201	21
General Fund	202	23
Stewardship Fees	204	24
Endowment Spending	205	25
Whistleblower	301	27
Document Retention and Destruction	302	29
Fundraising	400	32
Gift Acceptance	401	34
The Donor Bill of Rights	501	37
Compensation	601	38

**Foundation for the Compton Community College District
Ethics Policy
Statement of Conduct and Commitment**

General guidelines for members of the Foundation for the Compton Community College District Board of Directors (board members) to follow in carrying out their roles. Not all ethical issues that Board members face are covered in this Statement. However, this Statement captures some of the critical areas that help define ethical and professional conduct for Board members. The provisions of this Statement were developed from existing laws, rules, policies and procedures as well as from concepts that define generally accepted good business practices. Board members are expected to strictly adhere to the provisions of this ethics policy.

AGREE:

1. To represent the Foundation and perform such duties in good faith and in a manner believed to be in the best interest of the Foundation with such care as would be exercised by ordinary prudent persons in a like position.
2. Carefully prepare for, attend and actively participate in board and committee meetings, using reasonable effort to ascertain all relevant facts and to develop a rational basis for believing every decision made by the board was done so in the best interest of the Foundation.
3. Vote according to my conviction, avoiding a rubber-stamp syndrome. I will challenge the judgment of others when necessary yet be willing to support the majority decision.
4. To not accept gifts, gratuities, favors or services of any kind from any person, firm or corporation doing business or seeking to do business with the college or the Foundation when it might be inferred that the purpose was to compromise my objectivity.
5. To maintain the confidential nature of donor and donor prospect relationship and not divulge to others such confidential information or use such for personal or business gain or profit or to divulge such information to other non-profit organizations with which I may be involved.
6. Abide by and uphold the bylaws, articles of incorporation, policies and procedures of the Foundation.
7. To be reasonable, honest, involved, and informed.

I have read this ethics policy for the Foundation for the Compton Community College District and set forth my signature below to declare that I agree to abide by and uphold these statements to the best of my ability.

Print Name _____

Signature _____

Date _____

Recorded by _____

Secretary, Foundation for the
Compton Community College District
Board of Directors

Foundation for the Compton Community College District Conflict of Interest

ARTICLE I PURPOSE

1.1 Purpose

The purpose of this conflict of interest policy is to protect the Foundation for the Compton Community College District's (the "Foundation") interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Foundation or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

ARTICLE II DEFINITIONS

2.1 Interested Person

Any Foundation director, officer or member of a Foundation committee with governing board delegated powers, who has a direct or indirect Financial Interest, as defined below, is an Interested Person.

2.2 Financial Interest

A person has a Financial Interest if the person has, directly or indirectly, through his or her business, investment, or family:

- (a) An ownership or investment interest in any entity with which the Foundation conducts transactions or other business or financial arrangements;
- (b) A compensation arrangement with the Foundation or with any entity or individual with which the Foundation conducts transactions or other business or financial arrangements; or
- (c) A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Foundation is negotiating a transaction or other business or financial arrangement.
- (d) Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial. A Financial Interest is not necessarily a conflict of interest. Under Section 0 below, a person who has a Financial Interest may have a conflict of interest only if the Foundation's board of directors or the Foundation committee, as applicable, decides that a conflict of interest exists.

ARTICLE III PROCEDURES

3.1 Duty to Disclose

In connection with any actual or possible conflict of interest, an Interested Person must disclose the existence of the Financial Interest and be given the opportunity to disclose all material facts to the Foundation's board of directors and to any members of Foundation committees with governing board delegated powers considering the proposed transaction or arrangement.

3.2 Determining Whether a Conflict of Interest Exists

After disclosure of the Financial Interest and all material facts and after any discussion with the Interested Person, the Interested Person shall leave the Foundation board of directors or committee meeting while the determination of the issue of whether a conflict of interest exists is discussed and voted upon. The remaining Foundation board or committee members shall then decide if a conflict of interest exists.

3.3 Procedures for Addressing the Conflict of Interest

- (a) An Interested Person may make a presentation at the Foundation board or committee meeting. However, after the presentation, the Interested Person shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
- (b) The chairperson of the Foundation board of directors or of the committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- (c) After exercising due diligence, the Foundation's board of directors or, if applicable, the Foundation committee, shall determine whether the Foundation can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
- (d) If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Foundation board of directors or the Foundation committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Foundation's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, the Foundation board of directors or the Foundation committee shall make its decision as to whether to enter into the transaction or arrangement.

3.4 Violations of the Conflict of Interest Policy.

- (a) If the Foundation board of directors or the Foundation committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
- (b) If, after hearing the member's response and after making further investigation as warranted by the circumstances, the Foundation board of directors or the Foundation committee

determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

ARTICLE IV RECORDS OF PROCEEDINGS

4.1 Records of Proceedings.

The minutes of the Foundation board of directors' meetings and all meetings of Foundation committees with board delegated powers shall contain:

- (a) The names of the persons who disclosed or otherwise were found to have a Financial Interest in connection with an actual or possible conflict of interest, the nature of the Financial Interest, any action taken to determine whether a conflict of interest was present and the Foundation board of directors or Foundation committee's decision as to whether a conflict of interest in fact existed; and
- (b) The names of the persons who were present for discussions and voting relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

ARTICLE V COMPENSATION

5.1 Foundation Board Members Voting on Compensation Matters.

A voting member of the Foundation board of directors who receives compensation, directly or indirectly, from the Foundation for services rendered by the member to the Foundation is precluded from voting on matters pertaining to that member's compensation.

5.2 Foundation Committee Members Voting on Compensation Matters.

A voting member of any Foundation committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Foundation for services rendered to the Foundation is precluded from voting on matters pertaining to that member's compensation.

5.3 Provision of Information Regarding Compensation.

No voting member of the Foundation's board of directors or of any Foundation committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Foundation, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

ARTICLE VI
ANNUAL STATEMENTS

6.1 Annual Conflict of Interest Statement.

Each Foundation director, officer and/or member of a Foundation committee with governing board delegated powers shall annually sign a statement in the form set forth in Exhibit A to this policy which affirms such person:

- (a) Has received a copy of this conflict of interest policy;
- (b) Has read and understands the policy;
- (c) Has agreed to comply with the policy; and
- (d) Understands the Foundation is a charitable organization and, in order to maintain the Foundation's federal tax exemption, it must engage primarily in activities that accomplish one or more of its tax-exempt purposes.

ARTICLE VII
PERIODIC REVIEWS

7.1 Conducting Periodic Reviews.

To ensure the Foundation operates in a manner consistent with its charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- (a) Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining; and
- (b) Whether partnerships, joint ventures, and arrangements with management organizations conform to the Foundation's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes, and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

7.2 Use of Outside Experts.

When conducting the periodic reviews as provided for in this Article VII, the Foundation may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the Foundation's board of directors of its responsibility for ensuring periodic reviews are conducted.

EXHIBIT A
TO
FOUNDATION FOR THE COMPTON COMMUNITY COLLEGE DISTRICT'S
CONFLICT OF INTEREST POLICY

See Attached Conflict of Interest Disclosure Form

Conflict of Interest Disclosure Form

This form must be filled out annually by all specified parties, as identified in the Foundation for the Compton Community College District's (the "Foundation") Conflict of Interest Policy.

I, _____, acknowledge and agree that I:

- (a) Have received a copy of the Foundation's conflict of interest policy;
- (b) Have read and understand the policy;
- (c) Have agreed to comply with the policy;
- (d) Understand the Foundation is a charitable organization and, in order to maintain the Foundation's federal tax exemption, the Foundation must engage primarily in activities that accomplish one or more of its tax-exempt purposes; and
- (e) Either:

____ Currently have no conflict of interest to report; or

____ Currently have a conflict of interest to report (please specify below):

Signature

_____, 20____
Date

Print Name

Policy Name: **Scholarship Management and Disbursement**
Policy Number: **100**
Adopted on:

I. PURPOSE

In an effort to demonstrate respect for the donor's intent, maintain compliance with regulatory agencies and respond to the financial and educational needs of students, this policy will govern the management, disbursement and dissolution of scholarship funds held by the Foundation for the Compton Community College District. The Foundation for the Compton Community College District Director and or Board of Directors can establish scholarship criteria and distribution policies when requested to do so by a donor or donor representative; or in the absence of a donor or a donor representative. In these instances, the Foundation Director and or Board of Directors, acting as the agent for the donor, will be charged with distributing the scholarship in line with the donor's intention of the gift.

II. TYPES OF SCHOLARSHIPS

- a) Annual Scholarships
- b) Endowed Scholarships

III. DISBURSEMENT AND DISSOLUTION POLICY

The following criteria must be met for disbursement of scholarship funds:

- a) Student must activate their scholarship through the Foundation office no later than September 30 of the award year. Failure to do so may result in forfeiture of all or part of the scholarship award.
- b) The purpose of the disbursement must be within the guidelines for use as established by the donor or donor's agent or used for tuition, books, fees and required supplies as established by the Foundation for the Compton Community College District.
- c) Reimbursement requests for books, tuition, fees or required supplies must include an original receipt.
- d) Disbursement, allowed by the donor or donor's agent, for expenses other than tuition, fees, books and required supplies will be permitted only after the drop date has passed and the student's continued enrollment is verified.

Scholarship funds will be held for student use by the Scholarship office until one of the following transpires:

- a) The student becomes ineligible for the award based on criteria established by the donor or donor's agent;
- b) The cut-off date for the scholarship award passes;
- c) More than 365 days have passed from the date of last disbursement.

IV. USE OF FUNDS

Scholarship awards are institutional and can only be applied to educational expenses at Compton College a transfer institution. Funds may only be used for tuition, books, fees and required supplies unless the donor agreement states otherwise. Students whose books or other educational supplies cannot be purchased at the Compton College bookstore, may purchase said books or other educational supplies at an outside retailer and submit a reimbursement request, per Section IV.b., below. Students whose tuition fees are already waived for any other reason may apply scholarship award funds not needed for tuition toward expenses for room and board, subject to the reimbursement requirements of Section IV.b.

In the event a student completes or terminates their education prior to using all his/her scholarship funds, unused scholarship funds will be returned to the Foundation, unless otherwise stipulated by the donor or donor's agent, and the student shall have no further claim to them. Funds not used for awards will remain designated for scholarships and will be available for future awards as determined by the Foundation.

- a) No advances for expenses will be made directly to the student.
- b) Reimbursement to students requires a receipt or other sufficient evidence demonstrating an approved use of funds.
- c) Scholarship balances will be automatically released by students when more than 365 days have passed from the date of the last disbursement.

V. TRANSFER OF FUNDS

- a) If the scholarship award is for a transfer student, the recipient must provide a copy of his/her class schedule from his/her transferring institution. Additionally, the student will provide the address of the transferring institution to the Financial Aid office where the funds will be sent.
- b) At the completion or termination for any reason of a recipient's course of study, any unused scholarship funds will be returned to the Foundation scholarship account from which the funds were authorized. Funds will then be available for award to other students by the Foundation.
- c) Should the recipient transfer to another college before using all available funds, remaining funds may be transferred to the institution upon enrollment by the recipient. Should the recipient cease to attend classes and not transfer to another college, any remaining funds shall be returned to the Foundation scholarship account from which these funds were authorized.

Policy Name: **Investment**
Policy Number: **200**
Adopted On:

I. PURPOSE

The purpose of this statement is to give financial direction in an effort to financially support the operations of the Foundation for the Compton Community College District whose mission is to strengthen student success by matching community resources with the needs of the students, faculty and college facilities.

II. SCOPE OF THIS INVESTMENT POLICY

This statement of investment policy reflects the investment policy, objectives, and constraints of the Foundation for the Compton Community College District and all assets entrusted to.

III. PURPOSE OF THIS INVESTMENT POLICY STATEMENT

This statement of investment policy is set forth by the Board of Directors of the Foundation for the Compton Community College District in order to:

1. Define and assign the responsibilities of all involved parties.
2. Establish a clear understanding for all involved parties of the investment goals and objectives for Foundation assets.
3. Offer guidance and limitations to all Investment Managers regarding the investment of Foundation assets.
4. Establish a basis for evaluating investment results.
5. Establish the relevant investment horizon for which Foundation assets will be managed.

In general, the purpose of this statement is to outline a philosophy and attitude that will guide the investment management of the assets toward the desired results. It is intended to be sufficiently specific to be meaningful, yet flexible enough to be practical.

IV. DELEGATION OF AUTHORITY

The Board of Directors of the Foundation for the Compton Community College District is a fiduciary, and is responsible for directing and monitoring the investment management of Foundation assets. As such, the Board of Directors is authorized to delegate certain responsibilities to professional experts in various fields. These include, but are not limited to:

1. Investment Management Consultant. The consultant may assist the Board of Directors in establishing investment policy, objectives, and guidelines; selecting investment managers; reviewing such managers over time; measuring and evaluating investment performance; and other tasks as deemed appropriate.
2. Investment Manager. The investment manager has the discretion to purchase, sell, or hold the specific securities that will be used to meet the Foundation's investment objectives.
3. Custodian. The custodian will physically (or through agreement with a sub-custodian) maintain possession of securities owned by the Foundation, collect dividend and interest payments, redeem maturing securities, and effect receipt and delivery following purchases and

sales. The custodian may also perform regular accounting of all assets owned, purchased, or sold, as well as the movement of assets into and out of the Foundation accounts.

4. Co-Trustee. The Board of Directors may appoint an outside individual or entity, such as a bank trust department, to be co-trustee. The Co-trustee will assume fiduciary responsibility for the administration of Foundation assets.
5. Additional specialists such as attorneys, auditors, actuaries, consultants, and others may be employed by the Board of Directors to assist in meeting its responsibilities and obligations to administer Foundation assets prudently.

The Board of Directors will not reserve any control over investment decisions, with the exception of specific limitations described in these statements. Managers will be held responsible and accountable to achieve the objectives herein stated. While it is not believed that the limitations will hamper investment managers, each manager should request modifications which they deem appropriate.

If such experts employed are also deemed to be fiduciaries, they must acknowledge such in writing. All expenses for such experts must be customary and reasonable and will be borne by the Foundation as deemed appropriate and necessary.

V. CASH FLOW EXPECTATIONS

The Board of Directors expects distributions to equal the threshold outlined in Spending Policy discussed in Section XII. It is anticipated that Foundation distributions will remain constant from year to year. Distributions from the Foundation are to be generated from principal or income and are expected to occur on an annual basis.

VI. DEFINITIONS

1. "Foundation" shall mean the Foundation for the Compton Community College District.
2. "Board of Directors" shall refer to the governing board established to administer the Foundation.
3. "Fiduciary" shall mean any individual or group of individuals that exercise discretionary authority or control over fund management or disposition or administration of the Foundation assets.
4. "Investment Manager" shall mean any individual, or group of individuals, employed to manage the investments of all or part of the Foundation assets.
5. "Investment Management Consultant" shall mean any individual or organization employed to provide advisory services, including advice on investment objectives and/or asset allocation, manager search, and performance monitoring.
6. "Securities" shall refer to the marketable investment securities that are defined as acceptable in this statement.
7. "Investment Horizon" shall be the time period over which the investment objectives, as set forth in this statement, are expected to be met.

VII. ASSIGNMENT OF RESPONSIBILITY

Responsibility of the Board of Directors of the Foundation for the Compton Community College District

The Board of Directors is charged with the responsibility for the management of the assets of the Foundation. The Board of Directors shall discharge its duties solely in the interest of the Foundation, with the care, skill, prudence and diligence under the circumstances then prevailing, that a prudent man, acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character with like aims. The specific responsibilities of the Board of Directors relating to the investment management of Foundation assets include:

1. Projecting the Foundation's financial needs, and communicating such needs to the Investment Managers on a timely basis.
2. Determining the Foundation's risk tolerance and investment horizon, and communicating these to the appropriate parties.
3. Establishing reasonable and consistent investment objectives, policies and guidelines which will direct the investment of the Foundation's assets.
4. Prudently and diligently selecting qualified investment professionals, including Investment Manager(s), Investment Consultant(s), and Custodian(s).
5. Regularly evaluating the performance of the Investment Manager(s) to assure adherence to policy guidelines and monitor investment objective progress
6. Developing and enacting proper control procedures. For example, replacing Investment Manager(s) due to fundamental change in investment management process, or failure to comply with established guidelines.

Responsibility of the Investment Manager(s)

Each Investment Manager must acknowledge in writing its acceptance of responsibility as a fiduciary. Each Investment Manager will have full discretion to make all investment decisions for the assets placed under its jurisdiction while observing and operating within all policies, guidelines, constraints, and philosophies as outlined in this statement. Specific responsibilities of the Investment Manager(s) include:

1. Discretionary investment management including decisions to buy, sell, or hold individual securities, and to alter asset allocation within the guidelines established in this statement.
2. Reporting, on a timely basis, quarterly investment performance results.
3. Communicating any major changes to economic outlook, investment strategy, or any other factors which affect implementation of investment process, or the investment objective progress of the Foundation's investment management.
4. Informing the Board of Directors regarding any qualitative change to investment

management organization: Examples include changes in portfolio management personnel, ownership structure, investment philosophy, etc.

5. Voting proxies, if requested by the Board of Directors, on behalf of the Foundation, and communicating such voting records to the Board of Directors on a timely basis.

Responsibility of the Investment Consultant(s)

The Investment Consultant's role is that of a non-discretionary advisor to the Board of Directors of the Foundation for the Compton Community College District. Investment advice concerning the investment management of Foundation assets will be offered by the Investment Consultant, and will be consistent with the investment objectives, policies, guidelines and constraints as established in this statement. Specific responsibilities of the Investment Consultant include:

1. Assisting in the development and periodic review of investment policy.
2. Conducting investment manager searches when requested by the Board of Directors.
3. Monitoring the performance of the Investment Manager(s) to provide the Board of Directors with the ability to determine the progress toward the investment objectives.
4. Communicating matters of policy, manager research, and manager performance to the Board of Directors.
5. Reviewing Foundation investment history, historical capital markets performance and the contents of this investment policy statement to any newly appointed members of the Board of Directors.

VIII. GENERAL INVESTMENT PRINCIPLES

1. Investments shall be made solely in the interest of the beneficiaries of the Foundation.
2. The Foundation shall be invested with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent man acting in like capacity and familiar with such matters would use in the investment of a fund of like character and with like aims.
3. Investments of the Foundation shall be so diversified as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so.
4. The Board of Directors may employ one or more investment managers of varying styles and philosophies to attain the Foundation's objectives.
5. Cash is to be employed productively at all times, by investment in short-term cash equivalents to provide safety, liquidity, and return.

IX. INVESTMENT MANAGEMENT POLICY

1. Preservation of Capital - Consistent with their respective investment styles and philosophies, investment managers should make reasonable efforts to preserve capital, understanding that losses may occur in individual securities.
2. Risk Aversion - Understanding that risk is present in all types of securities and investment styles, the Board of Directors recognizes that some risk is necessary to produce long-term investment results that are sufficient to meet the Foundation's objectives. However, the investment managers are to make reasonable efforts to control risk and will be evaluated regularly to ensure that the risk assumed is commensurate with the given investment style and objectives.
3. Adherence to Investment Discipline - Investment managers are expected to adhere to the investment management styles for which they were hired. Managers will be evaluated regularly for adherence to investment discipline.

X. GOAL OF FOUNDATION

The Board of Directors believes that college scholarships, projects, and programs of the future are as important as those scholarships, projects, and programs of today. This philosophy allows the Foundation to exist in perpetuity. In order to fully satisfy this goal, the overriding objective of the Foundation is to maintain purchasing power. That is, net of spending, the objective is to grow the aggregate portfolio value at rate greater than the rate of inflation over the Foundation's investment horizon. The Foundation's specific investment objectives will be established later in this document.

XI. ATTITUDE TOWARD GIFTS

Future contributions to this Foundation are expected to be relatively consistent, and therefore, predictable. As a result, the Board of Directors has set an investment strategy with the objective of maintaining purchasing power of Foundation assets inclusive of gifts. Therefore, expectations may be expressed by the following equation:

$$\text{Giving} + \text{Total Return} = \text{Spending} + \text{Inflation} + \text{Expenses}$$

XII. SPENDING POLICY

The Board of Directors will attempt to balance the Foundation's shorter-term scholarship obligations with its goal to provide scholarships into perpetuity, and therefore design a spending policy that is flexible. Since expected investment returns from "riskier" portfolios are not consistent and predictable, the Board of Directors feels that shorter-term spending in dollar terms must be flexible enough to endure periods of underperformance without excessive deterioration of real principal. Therefore, this Foundation may tend toward a more "aggressive" investment strategy seeking higher long-term investment returns than would be the case if scholarship expenses from year to year were less flexible.

The Board of Directors will, from time to time, set spending policy. Current spending policy shall not exceed 5% of the portfolio value as of June 30 of the preceding fiscal year. It is anticipated

that spending will be in accordance with the Donor's spirit and intent but in such instances where this does not prove feasible, the Board of Directors will determine an alternative course of action. The Board of Directors will review policy whenever deemed appropriate.

XIII. INVESTMENT OBJECTIVES

In order to meet its needs, the investment strategy of the Foundation is to emphasize total return; that is, the aggregate return from capital appreciation and dividend and interest income. Specifically, the primary objective in the investment management for Foundation assets shall be:

Long-Term Growth of Capital - To emphasize long-term growth of principal while avoiding excessive risk. Short-term volatility will be tolerated in as much as it is consistent with the volatility of a comparable market index.

The secondary objective in the investment management of Foundation assets shall be: Liquidity - To ensure the ability to meet all expected or unexpected cash flow needs by investing in securities that can be sold readily and efficiently.

XIV. CAPITAL MARKETS EXPECTATIONS

The specific investment goals for the various asset classes are based on relative performance as compared to appropriate market indices. Investment Managers will be evaluated based on the performance of asset classes under their direction compared to recognized benchmarks. Such benchmarks may include:

- Russell Large Company Value Index
- Russell Large Company Growth Index
- Russell Small Company Value Index
- Russell Small Company Growth Index
- Morgan Stanley EAFE GDP - Weighted Index
- Lehman Brothers Government/Corporate Intermediate Bond Index
- Lehman Brothers Government/Corporate Bond Index
- Salomon Brothers Mortgage-Backed Bond Index
- Salomon Brothers Non-US Bond Index
- Standard & Poor's 500 Index
- NASDAQ 100 Index

The above is not intended to be an all-inclusive list. The Investment Committee will, from time to time, determine appropriate benchmarks.

XV. SPECIFIC INVESTMENT GOALS

Over the investment horizon established in this statement, it is the goal of the aggregate Foundation assets to exceed:

An absolute rate of return of 8%.

The investment goals above are the objectives of the aggregate Foundation, and are not meant to be imposed on each investment account. The goal of each investment manager, over the investment horizon, shall be to:

1. Meet or exceed the market index, or blended market index, selected and agreed upon by the Board of Directors that most closely corresponds to the style of investment management.
2. Display an overall level of risk in the portfolio that is consistent with the risk associated with the benchmark specified above. Risk will be measured by the standard deviation of quarterly returns.

Specific investment goals and constraints for each investment manager, if any, shall be incorporated as part of this statement of investment policy. Each manager shall receive a written statement outlining his specific goals and constraints as they differ from those objectives of the entire Foundation.

XVI. DEFINITION OF RISK

The Board of Directors realizes that there are many ways to define risk. It believes that any person or organization involved in the process of managing the Foundation for the Compton Community College District assets understands how it defines risk so that the assets are managed in a manner consistent with the Foundation's objectives and investment strategy as designed in this statement of investment policy. The Board of Directors defines risk as:

The probability that the investment returns of the Foundation's assets fail to meet or exceed a return of 8%.

XVII. LIQUIDITY

To minimize the possibility of a loss occasioned by the sale of a security forced by the need to meet a required payment, the Board of Directors will periodically provide investment counsel with an estimate of expected net cash flow. The Board of Directors will notify the investment consultant in a timely manner, to allow sufficient time to build up necessary liquid reserves.

To maintain the ability to deal with unplanned cash requirements that might arise, the Board of Directors requires that a minimum of 5% of Foundation assets shall be maintained in cash or cash equivalents, including money market funds or short-term U.S. Treasury bills.

XVIII. MARKETABILITY OF ASSETS

Based on the Foundation's long-term investment horizon, the Board of Directors has determined that, as appropriate, up to 5% of Foundation assets may be invested in illiquid, long-term investments. Any other Foundation holding which would have a noticeable impact on market price if traded in whole or in part is also defined as illiquid.

XIX. INVESTMENT GUIDELINES

Allowable Assets

1. Cash Equivalents
 - Treasury Bills
 - Money Market Funds
 - STIF Funds
 - Commercial Paper
 - Banker's Acceptances
 - Repurchase Agreements
 - Certificates of Deposit
2. Fixed Income Securities
 - Preferred Stock
 - U.S. Government and Agency Securities
 - Mortgage Backed Bonds
 - Corporate Notes and Bonds
3. Equity Securities
 - Common Stocks
 - Convertible Notes and Bonds
 - Convertible Preferred Stocks
 - Stocks of Non-U.S. Companies
4. Mutual Funds
 - Mutual Funds that invest in securities as allowed in this statement
5. Other Assets
 - GIC's

Stock Exchanges

To ensure marketability and liquidity, investment advisors will execute equity transactions through the following exchanges: New York Stock Exchange; American Stock Exchange; and NASDAQ over-the-counter market. In the event that an Investment Manager determines that there is a benefit or a need to execute transactions in exchanges other than those listed in this statement, written approval is required from the Board of Directors.

Prohibited Assets

Prohibited investments include, but are not limited to the following:

1. Commodities and Futures Contracts

2. Private Placements
3. Options
4. Limited Partnerships
5. Venture-Capital Investments
6. Real Estate Properties
7. Interest-Only, Principal-Only, and Residual Tranche CMOs

Note: Notwithstanding above restrictions, in the event that a proposed contribution contains a prohibited asset, the Board of Directors reserves the right to accept the donation.

Prohibited Transactions

Prohibited transactions include, but are not limited to the following:

1. Margin Transactions
2. Short Selling

Asset Allocation Guidelines

Investment management of the assets of the Foundation shall be in accordance with the following asset allocation guidelines:

1. Aggregate Foundation Asset Allocation Guidelines (at market value):

<u>Asset Class</u>	<u>Minimum</u>	<u>Maximum</u>	<u>Preferred</u>
Equities	40%	70%	50%
Fixed Income	33%	60%	45%
Cash & Equivalents	3%	10%	5%

2. The Board of Directors may employ investment managers whose investment disciplines require investment outside the established asset allocation guidelines. However, taken as a component of the aggregate Foundation, such disciplines must fit within the overall asset allocation guidelines established in this statement. Such investment managers will receive written direction from the Board of Directors regarding specific objectives and guidelines.
3. In the event that the above aggregate asset allocation guidelines are violated, for reasons including but not limited to market price fluctuations, the Board of Directors will instruct the Investment Manager(s) to bring the portfolio(s) into compliance with these guidelines as promptly and prudently as possible. In the event that any individual Investment Manager's portfolio is in violation with its specific guidelines, for reasons including but not limited to market price fluctuations, the Board of Directors expects that the Investment Manager will bring the portfolio into compliance with these guidelines as promptly and prudently as possible without instruction from the Board of Directors.

Diversification for Investment Managers

The Board of Directors does not believe it is necessary or desirable that securities held in the Foundation represent a cross section of the economy. However, in order to achieve a prudent level of portfolio diversification, the securities of any one company or government agency should not exceed 15% of the total fund, and no more than 30% of the total fund should be invested in any one industry. Individual treasury securities may represent 5% of the total fund, while the total

allocation to treasury bonds and notes may represent up to 100% of the Foundation's aggregate bond position.

Guidelines for Fixed Income Investments and Cash Equivalents

1. Foundation assets may be invested only in investment grade bonds.
2. Foundation assets may be invested only in commercial paper rated A1 (or equivalent) or better.
3. Money Market Funds selected shall contain securities whose credit rating at the absolute minimum would be rated investment grade by Standard and Poor's, and/or Moody's.

XX. SELECTION OF INVESTMENT MANAGERS

The Board of Directors' selection of Investment Manager(s) must be based on prudent due diligence procedures. A qualifying investment manager must be a registered investment advisor under the Investment Advisors Act of 1940, or a bank or insurance company. The Board of Directors requires that each investment manager provide, in writing, acknowledgment of fiduciary responsibility to the Foundation.

XXI. INVESTMENT MANAGER PERFORMANCE REVIEW AND EVALUATION

Performance reports generated by the Investment Manager shall be compiled at least quarterly and communicated to the Board of Directors for review. The investment performance of total portfolios, as well as asset class components, will be measured against commonly accepted performance benchmarks. Consideration shall be given to the extent to which the investment results are consistent with the investment objectives, goals, and guidelines as set forth in this statement. The Board of Directors intends to evaluate the portfolio(s) over at least a three year period, but reserves the right to terminate a manager for any reason including the following:

1. Investment performance which is significantly less than anticipated given the discipline employed and the risk parameters established, or unacceptable justification of poor results.
2. Failure to adhere to any aspect of this statement of investment policy, including communication and reporting requirements.
3. Significant qualitative changes to the investment management organization. Investment managers shall be reviewed regularly regarding performance, personnel, strategy, research capabilities, organizational and business matters, and other qualitative factors that may impact their ability to achieve the desired investment results.

XXII. INVESTMENT POLICY REVIEW

To assure continued relevance of the guidelines, objectives, financial status and capital market expectations as established in this statement of investment policy, the Board of Directors plans to review investment policy at least annually.

This statement of investment policy is adopted on by the Board of Directors of the Foundation for the Compton Community College District as indicated by the signature of the Secretary below.

Policy Name: **Endowment**
Policy Number: **201**
Adopted On:

I. PURPOSE

An endowment fund is an institutional fund or a part of an institutional fund that is not wholly expendable by the institution on a current basis. A restriction that makes a fund an endowment fund arises from the terms of a gift instrument.

II. TYPES OF ENDOWMENT

Permanent Endowment Funds - Funds where a donor has stipulated that the gift is to be maintained inviolate and in perpetuity, with the income from this gift to be expended.

Term Endowment Funds - Same as permanent endowment, except that by the terms of the instrument of gift, the gift principal might be released from inviolability to permit all or part to be expended.

Quasi-Endowment Funds – Funds which the Foundation Board of Directors, rather than a donor, has determined are to be retained and invested with only the income available to be expended.

II. TYPES OF FUNDS

Endowments, like any other gift to the Foundation, may be restricted or unrestricted.

The purpose of unrestricted endowment funds is to provide a consistent source of income to the Foundation for the Compton Community College District for its annual funding needs.

Restricted endowment funds provide annual income for a specific donor designated program, service or scholarship. Establishment of restricted endowed funds is pursuant to the Foundation for the Compton Community College District Gift Acceptance Policy.

III. FUND ESTABLISHMENT

1. Minimum funding to establish a separate (named or restricted) endowment fund is \$10,000. When circumstances warrant, limits may be modified.
2. Payment may be immediate, or as a pledge with installments agreed upon in writing at the start of the fund. Pledge endowments must be fully endowed within 5 years. Limits may be modified for extraordinary circumstances. If pledge payments are missed for a significant period of time, the Board of Directors may elect to:
 - a. Re-designate the fund as a current restricted fund which meets donor intent or
 - b. Move the funds into the Foundation's general endowment fund.

Where possible, such a decision will be discussed with the donor or heirs before implementation.

3. Income earned on installment endowments prior to the time the minimum endowment level is achieved shall be treated as temporarily restricted and assessed fees in compliance with Stewardship Fee policy #204.

IV. DISTRIBUTION POLICY

A fundamental goal of any endowment is to produce a predictable income over time. Therefore, distribution of endowment earnings will be in accordance with the Foundation for the Compton Community College District Spend Policy.

- Specific endowments may carry with them unique spending requirements. These must be approved by the Executive Committee prior to acceptance of such endowments.
- All endowments will be subject to the Foundation emergency “underwater” provision which dictates a spending policy for endowments with market losses or negative returns.

V. RE-DESIGNATION OF ENDOWMENT

- The Foundation will follow donor intent whenever possible. If the purpose for which the gift was given is no longer feasible, the Board of Directors will review and make recommendations to redirect the gift.
- Donors may release the restrictions of a previous gift. The donor cannot direct the use of the property after the release, but the Foundation for the Compton Community College District Board of Directors will make every attempt to work with the donor to decide on the appropriate changes.

Policy Name: **General Fund**
Policy Number: **202**
Adopted On:

I. OVERVIEW:

The Foundation's General Fund, also known as the Operating Fund, consists primarily of unrestricted gifts. The purpose of the General Fund is to support the operation of the Foundation, including salaries, supplies, and cost of fundraising programs as well as to support campus programs.

II. GIFTS MADE TO CAMPUS FROM THE GENERAL FUND:

When feasible and appropriate, gifts to campus programs may be made from the operating fund.

- Gifts may be made only to definable groups on campus who meet specific criteria.
- The Foundation Administrator may, at his or her discretion, approve single gifts of up to \$1,000 not to exceed an annual total of \$3,000 to programs on campus from the General Fund without prior approval from the Board of Directors. A listing of such gifts given will be reported to the full Board of Directors at the earliest possible date.
- Programs receiving gifts from the Foundation's General Fund will be required to provide a timely report on how the funds were used and any results/outcomes as a result of the gift. These reports will be presented to the full Board of Directors.
- Designated Funds are funds received as unrestricted gifts that the Board of Directors as a whole votes to restrict for a purpose. Typically, this would affect large, unrestricted gifts. Where feasible, designations would only be made with the donor's approval.

Policy Name: **Stewardship Fees**
Policy Number: **204**
Adopted On:

I. OVERVIEW

Stewardship fees are levied in part to help provide ongoing operational support for the Foundation. Fees are applied to assets managed by the Foundation and moved into the General Fund on an annual basis.

II. STEWARDSHIP FEE

- Fees will be assessed on Foundation assets in accordance with the current Spend Policy.
- 100% of the interest and earnings or 5%, whichever is greater on unrestricted and temporarily restricted funds, excluding those funds that have restrictions on earnings.
- A 2% fixed fee will be assessed on all permanently restricted funds each year, based on the fund balance on May 31 of the current year.
- For the purpose of assessing Stewardship fees, the Title III Challenge Grant will be treated permanently restricted for the remainder of its term.
- A 2% fixed fee will be assessed on the Foundation Scholarship Program funds each year, based on the fund balance on 5/31 of the current year.

III. CAMPUS FUNDRAISING FEE

- For campus fundraising projects and events where Foundation staff play a significant role, there will be a fundraising fee of not less than 5% of the gross proceeds. This fee shall be negotiated up front for each event/program and agreed upon in writing by the program or division and the Foundation.

IV. DEFERRED GIFTS

- A fee of 3% or higher will be charged for deferred gifts when they are realized.

Policy Name: **Endowment Spending**
Policy Number: **205**
Adopted On:

I. OVERVIEW

The endowment spend policy establishes the annual payout of investment earnings for expenditure in support of the donor's intended purpose. The spending policy seeks to establish equilibrium between the need for current earnings for expenditure and the need to grow earnings over time to offset the effects of inflation.

II. ENDOWMENT SPENDING POLICY

The Endowment spending policy is determined in unison with asset allocation policies in order to balance expected real return (inflation adjusted) on investments with annual distributions of investment earnings.

- The Foundation for the Compton Community College District has established an annual spending policy of 5.5% of the most recent 36-month average market value of the endowment, or an increase of 3.00% over the prior fiscal year, whichever is greater.
- To support the Endowment's spending policy, a target asset allocation policy of 50% equity, 50% fixed income with a variation of 15% up or down for each classification has been established.
- Distributions of earnings from the Endowment to support expenditures are expected to be equal to or less than actual real returns, therefore achieving the financial objective of preserving the value of the endowment assets and related revenue stream over time.
- Expenditures from an endowment fund may include distributions for charitable purposes and amounts used for the management and administration of the funds, including annual charges for fundraising.
- Expenditures are supported first from current income (interest and dividends) and as required, from realized gains.
- Foundation for the Compton Community College District can spend the amount deemed prudent after considering the donor's intent that the endowment fund continue permanently the purposes of the fund relevant economic factors

The Endowment Spend policy does not require that the historic dollar value (HDV) be set aside as principal, but does assume that the Foundation will preserve "principal" by maintaining the purchasing power of amounts contributed and will make distributions each year using a reasonable spending rate.

III. PRESUMPTION OF IMPRUDENCE

The Endowment Spending Policy includes a rebuttable presumption of imprudence for spending more than 7% of the value of an endowment fund in one year. The value of the fund is determined based on a three-year rolling average. However, there are factors that would provide additional spending authority.

- If the gift instrument directs that the Foundation expend a fund over a ten-year period, exhausting the fund after ten years, spending at a rate higher than seven percent would be

necessary

- The 7% rule does not require the Foundation to spend a minimum amount each year. The prudence standard and the needs of the institution will supply sufficient guidance regarding whether to accumulate rather than to spend in a particular year.
- Spending above seven percent in any one year will not necessarily be imprudent as some endowment fund spending rates may fluctuate as needed.

The value of a fund, as calculated for purposes of determining the seven percent amount, will reflect increases due to contributions and investment gains and decreases due to distributions and investment losses. The seven percent figure includes charges for fundraising and administrative expenses other than investment management expenses. All costs or fees associated with an endowment fund are factors that the Board of Directors as prudent decision makers must consider.

Distribution at a rate that exceeds 7% in any given year will be considered by the Executive committee and brought to the full board for approval prior to the distribution.

A presumption of imprudence should serve as a reminder that spending should not jeopardize the long-term nature of an endowment fund. If an endowment fund is intended to continue permanently, the Foundation should take special care to limit annual spending to a level that protects the purchasing power of the fund.

Policy Name: **Whistleblower**
Policy Number: **301**
Adopted On:

Employee/Board Member Protection (Whistleblower) Policy

I. PURPOSE

The Foundation for the Compton Community College District (the “Foundation”) is committed to (i) maintaining an environment within the Foundation that encourages persons to report complaints or concerns with respect to ethical behavior, accounting controls, auditing matters, violations of state or federal laws, or policies of the Foundation without fear of retaliation and (ii) creating a mechanism to ensure timely investigation of complaints. In order to help maintain such an environment and to comply with the laws and regulations to which the Foundation is subject, the Foundation has adopted this Whistleblower Policy.

Any Foundation member, director, officer, employee, or volunteer (an “Applicable Person”) is encouraged to use the guidance provided by this policy for reporting all allegations of suspected activity by a member, director, or agent of the Foundation that (i) is violating or may violate any state or federal law or regulation, (ii) involves financial impropriety, fraudulent activity, improper financial statement disclosures, or improper accounting, or (iii) violates any Foundation policy or code of conduct (an “Improper Activity”).

II. POLICY - NO RETALIATION

No Applicable Person who in good faith reports an Improper Activity to the designated Foundation official or to a public body shall suffer harassment, retaliation, or any other form of reprisal. An Applicable Person who retaliates against another Applicable Person who has reported a violation in good faith is subject to discipline, up to and including removal. This policy is intended to encourage and enable Applicable Persons to raise serious concerns with the Foundation prior to seeking resolution outside the Foundation.

3. REPORTING

(a) Procedures

In order to permit the Foundation the opportunity to review allegations of Improper Activity and take necessary and appropriate corrective action, an Applicable Person should communicate the information the Applicable Person reasonably believes evidences such Improper Activity either orally or in writing to the specifically designated Foundation official.

(b) Designated Foundation Official.

The Foundation Administrator or the Board President are responsible for investigating and resolving all reported complaints and allegations concerning Improper Activities and, at his or her discretion, shall advise the Board of Directors.

(c) Good Faith

Anyone filing a complaint concerning an Improper Activity must be acting in good faith and have reasonable grounds for believing the information disclosed indicates an Improper Activity. Any allegations that prove not to be substantiated and that prove to have been made maliciously or

knowingly to be false shall be viewed as a serious disciplinary offense.

(D) Confidentiality

Reports of Improper Activity may be submitted on a confidential basis by the complainant or may be submitted anonymously. Reports of Improper Activity shall be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation.

My signature below indicates my receipt and understanding of this policy. I also verify that I have been provided with an opportunity to ask questions about the policy.

Employee/Board Member Signature

Date

Policy Name: **Document Retention and Destruction**
Policy Number: **302**
Adopted On:

Document Retention and Destruction

I. PURPOSE

The Foundation for the Compton Community College District (the “Foundation”) is committed to compliance with the laws and regulations to which it is subject and to promulgating Foundation policies and procedures to interpret and apply those laws and regulations.

Nonprofit organizations should have a written, mandatory document retention and periodic destruction policy in order to eliminate accidental or innocent destruction. In addition, it is important for administrative personnel to know the length of time records should be retained to be in compliance.

II. POLICY

1.1. Document Retention

Nonprofit organizations must keep records for federal tax purposes for as long as they may be needed for document evidence of compliance with provisions of the Internal Revenue Code. The Foundation shall comply with the following minimum guidelines in retaining documents, both paper and electronic:

(1) Permanent Retention

Some records should be kept permanently. These include:

- (A) Organizing Documents (such as articles of incorporation and bylaws, with amendments, and minutes of board meetings).
- (B) Tax Records, (any annual filings, application for recognition of tax-exempt status and the determination letter recognizing tax-exempt status and all related correspondence, and any files related to tax audits).
- (C) Intellectual Property Records (such as copyright, trademark, and patent applications and registrations, and samples of protected works).
- (D) Financial Records (such as financial statements, audit reports, deeds, mortgages, and bills of sale, depreciation schedules, and copies of checks for important payments and purchases).
- (E) Other Non-Tax Records (such as correspondence relating to legal and other important matters, contracts currently in effect, insurance records and current accident reports, claims, and policies, and retirement and pension records).

(2) Long-Term Retention

Some records should be kept for a minimum of seven (7) years, with a recommendation that such records be kept for ten (10) years if storage space allows. These include:

- (A) Financial Information (such as accounts payable ledgers and schedules, accounts receivable supporting documents (including invoices), expense analysis and distribution schedules, expired contracts, mortgages, notes, and leases, and inventories of products, material, and supplies).
- (B) Employment Records (such as payroll records and summaries, withholding tax statements, timesheets, and personnel files for terminated employees).

(3) Short-Term Retention

Some records should be kept for a minimum of three (3) years. These include:

- (A) Bank Records (such as reconciliation worksheets, statements, a duplicate deposit slips).
- (B) Correspondence (both sent and received).
- (C) Other General (such as expired insurance policies, internal audit reports, and employment applications).

1.2. Document Destruction.

After the appropriate retention period has expired, the Foundation may destroy paper documents by shredding or so other method appropriate to maintain confidentiality. Electronic documents shall be deleted from all individual computers, databases, networks, and back-up storage.

No paper or electronic documents shall be destroyed or deleted if such document is pertinent to any ongoing or anticipated government investigation or proceeding or private litigation.

An alphabetical chart of the applicable retention time for various types of documents is set forth on the following page.

The following table provides the minimum requirements.

Type of Document	Minimum Requirement
Accounts payable ledgers and schedules	7 years
Audit reports	Permanently
Bank Reconciliations	3 years
Bank statements	3 years
Checks (for important payments and purchases)	Permanently
Contracts, mortgages, notes and leases (expired)	7 years
Contracts (still in effect)	Permanently
Correspondence (general)	3 years
Correspondence (legal and important matters)	Permanently
Correspondence (with customers and vendors)	3 years
Deeds, mortgages, and bills of sale	Permanently
Depreciation Schedules	Permanently
Duplicate deposit slips	3 years
Employment applications	3 years
Expense Analyses/expense distribution schedules	7 years
Year End Financial Statements	Permanently
Insurance Policies (expired)	3 years
Insurance records, current accident reports, claims, policies, etc.	Permanently
Internal audit reports	3 years
Inventories of products, materials, and supplies	7 years
Invoices (to customers, from vendors)	7 years
Minute books, bylaws and charter	Permanently
Patents and related Papers	Permanently
Payroll records and summaries	7 years
Personnel files (terminated employees)	7 years
Retirement and pension records	Permanently
Tax returns and worksheets	Permanently
Timesheets	7 years
Trademark registrations and copyrights	Permanently
Withholding tax statements	7 years

Unless otherwise noted, documents will be destroyed after the minimum time requirements have been met.

Policy Name: **Fundraising**
Policy Number: **400**
Adopted on:

I. OVERVIEW

A number of units on the Compton College campus have various fundraising activities. In order to maximize our abilities to raise private funds, all College efforts must be coordinated through the Foundation. The purposes of this coordination are:

- To avoid conflict and duplication of efforts in the fundraising programs.
- To maximize the contributions from each donor.
- To provide continuity or understanding of and support for funding needs.
- To ensure that all gifts are properly acknowledged and
- To ensure that accurate records of all gifts are maintained.

II. GUIDELINES FOR FUNDRAISING ACTIVITIES

The following guidelines apply to any person, division or program seeking to establish a fundraising program in the name of Compton College from individuals, business, industry, foundations, community organizations or others:

1. During the development phase of the fundraising activity it is necessary to involve Foundation staff to ensure that the Foundation can support the program and will be able to accept the gifts that result. Please refer to the Foundation Gift Acceptance Policy #401.
2. All printed material connected to the fundraising activity must be approved by the Foundation to ensure compliance with IRS regulations.
3. Clearance must be obtained from the Foundation Administrator before pursuing formal discussions with any potential donor for any kind of support from private sources.
4. Contributions must be sent directly to the Foundation for the Compton Community College District. Please note that **all checks must be made to the Foundation for the Compton Community College District**. Donors should indicate, via the memo line on their check or in a transmittal letter, the purpose for which their gift is to be used.
5. Upon receipt of these gifts, a receipt in the form of a thank you letter will be sent to the donor on behalf of the Foundation's Board of Directors. This document has the required substantiation statement on it.
6. If donors receive a pro bono goods or services for their donation (i.e.: a meal), only the difference between the donation and the value of that goods or services is what may be deducted from the donor's taxes. The amount of any goods or service must be provided to Foundation staff prior to any donations being solicited or invitations sent. Note that certain items are considered to have no commercial value (for example, a mug with the Compton College logo), and therefore do not reduce the amount a donor can deduct.

7. A copy of each thank you letter will be forwarded to the appropriate dean or director.
8. Deans, directors and faculty who have contact with the donor are encouraged to also write thank you letters.
9. Donations will be put into the appropriate Foundation account. Where there is not an existing account that meets donor restrictions, one will be established.
10. The Foundation for the Compton Community College District has a legal and moral responsibility to ensure that all restricted gifts are spent as the donor specifies; therefore, the Foundation Administrator must receive an approved requisition or P.O. verifying expenses charged before any funds can be released.
11. Donors require periodic reports on how their donations have been spent. The Foundation needs to provide these reports and to ensure that they are accurate and timely. Therefore, programs benefiting from fundraising efforts may be asked to provide specific information regarding funded programs and projects.

III. FUNDRAISING ACTIVITIES

Fundraising and solicitation programs included in the above stated policies and procedures include but are not limited to:

1. Plans to raise funds on an annually recurring basis.
2. Establishment of an “associate” or “friends” program designed to solicit financial support for a particular academic/vocation or administrative unit or program.
3. Special fundraising efforts or events appealing to Compton College constituencies for scholarships, memorial funds, fellowships, aid programs, endowed chairs, etc.
4. Cash or equipment donations.
5. All private Foundation proposals.
6. In-kind gift solicitations.
7. Sponsorship.

Policy Name: **Gift Acceptance**
Policy Number: **401**
Adopted On:

I. OVERVIEW

While the majority of support for Compton College comes from the State of California, local property taxes and student fees, programs at the College can be greatly enhanced by generous private contributions from individuals, corporations and private foundations. Please note that for the purposes of this policy statement, the term “gifts” refers exclusively to private gifts, even though such gifts are often termed “grants” by corporations and foundations.

The Foundation will process these gifts, ascertain that the funds designated are correctly credited to the department or area for which they are intended, handle all tax reporting, coordinate donor recognition, and provide full notice of all gifts and fund balances to recipient departments or programs in an accurate manner.

II. CLEARANCE POLICIES

It is the policy of Compton College that the Foundation serve as a “clearinghouse” for solicitation of all gifts from local corporations, foundations and individuals. This is to prevent a public embarrassment to the College. Lists of planned solicitations by a specific department or program must be submitted in advance to the Foundation Administrator for review and clearance.

II. BACKGROUND AND RATIONALE

The Foundation was established in 1983 as the fundraising arm of the College and it is to function as the sole recipient of private gifts to the College for a number of reasons:

- The Foundation is a qualified 501(c) (3) organization and all gifts to it are donations that may trigger a Federal and State charitable tax deduction for the donor. Gifts that do not come through the Foundation cannot be validated by any College employee for tax deduction consideration. Thus, the donor may forfeit any claim for a deduction since the IRS requires written substantiation by a qualified 501(c) (3) organization for all gifts of \$250 or more.
- The Foundation is charged with the stewardship and fiduciary responsibilities to ensure that the gift is properly accounted for, that donors are appropriately thanked and provided with the tax information required for them to secure a deduction and that the gifts are correctly channeled to the department they are to serve.
- The District as well as a number of departments, receive gifts-in-kind (equipment, goods or services) that can be used directly in courses or in the instructional process. There are complicated tax requirements of the acceptance and recording of these gifts. Numerous forms, fairly narrowly defined IRS rules and regulations, and special requirements govern gifts-in-kind.
- Gifts of property, securities or “planned gifts” (those gifts invested on behalf of the donor for which the donor receives income for life as well as bequests and living trusts), have extremely complicated reporting and legal requirements.

It is vital that these gifts are handled expeditiously, legally, and appropriately. The Foundation, given its status as a qualified 501(c)(3) entity, its gift processing procedures, and the experience of its staff can ensure compliance with the complex tax laws governing gift acceptance.

III. PRIVATE GIFTS TO THE FOUNDATION FOR THE COMPTON COMMUNITY COLLEGE DISTRICT

Gifts have all of the following characteristics:

- The contribution is from a private individual or non-government source.
- The donor specifies that the contribution is to be a charitable gift.
- The donor places reasonable conditions or stipulations on the intended use of the gift. In the absence of written conditions or stipulations, the assumption is that the gift is for the Foundation General Fund.
- The donor intends the gift to be irrevocable and, therefore, relinquishes the right to reclaim the gift or any unused remainder.
- The donor makes the donation to the Foundation without the expectation of direct economic benefit or other tangible benefit commensurate with the worth of the gift.

The term “gift” can apply to any of the following:

- Cash (currency, coin, checks, money orders, bank drafts, etc.)
- Securities (bonds, stocks, etc.)
- Non-cash gifts, also known as “gifts-in-kind” (books, equipment, art treasures, etc.)
- Real property
- Inventions, patents and copyrights
- Mineral rights
- Fractional or remainder interests
- Deferred arrangements (life income, contracts, unitrusts, etc.)
- Wills, bequests, devises

Gifts made to the Foundation may be:

- Unrestricted—to be used as the Foundation Board, with advice and guidance from College administration and the Board of Trustees, deems most appropriate.
- Restricted—to be used for a specific program or project.

Funds may be:

- Current—to be used over a non-specific period of time.
- Endowed—the principal to be invested; interest to be available for income.
- Deferred—funds that will be available at a later date. Generally these gifts are the result of estate planning.

IV. DONOR RESTRICTIONS

The donor may direct in writing that a gift be used for specified purposes such as scholarship, a particular department or division, a specific program or project.

V. GIFT PAYEE

All gifts, whether restricted or unrestricted, should be made payable to the Foundation for the Compton Community College District.

VI. GIFT ACCEPTANCE

When a gift is accepted, the Foundation assumes both a legal and an ethical obligation to conform to the wishes of the donor. For these reasons, it is essential that donors be encouraged to indicate precisely, in writing those restrictions, if any, to be placed on the use of the funds provided.

Except as provided for below, the Foundation Foundation Administrator, or his/her designee, has authority to accept gifts or related funds and instruments designated by the donor for purposes or uses congruent with the mission and needs of the College.

The valuation and substantiation of charitable gifts is a matter between the donor/taxpayer and the taxing agency. Therefore, the Foundation, as a donee of such gifts, will not estimate to the donor the value of non-cash gifts. The Foundation will cooperate fully with the donor in the gift substantiation process required by the taxing agency.

Gifts of negotiable securities with ready markets will be sold upon receipt except as different timing may be required or request by the donor. Barring alternative instructions from the Foundation, stock transfers should be sold within five days of receipt and a cash disbursement sent to the Foundation office for allocation to the appropriate fund.

VIII. SPECIAL ACCEPTANCE CRITERIA

Gifts to establish new College programs, real property gifts, or donations involving a substantial or unique obligation of the Foundation or the District, shall be submitted to the Superintendent/President for approval as to acceptability and conformance with District regulations.

IX. DECLINATION OF GIFTS

Gifts may have to be declined under certain conditions. These include but are not limited to:

- The gift is restricted and would require support from other resources that are unavailable, inadequate, or may be needed for other institutional purposes.
- The gift is restricted and would support a purpose or program peripheral to existing principal purposes of the institution, or create or perpetuate programs or obligations that would dissipate resources or deflect energies from other programs or purposes.
- The gift would injure the reputation or standing of the College or generate such controversy as to substantially frustrate and defeat the educational purpose to be served.

Policy Name: **Donor Bill of Rights**
Policy Number: **501**
Adopted on:

The Donor Bill of Rights

Philanthropy is based on voluntary action for the common good. It is a tradition of giving and sharing that is primary to the quality of life. To ensure that philanthropy merits the respect and trust of the general public, and that donors and prospective donors can have full confidence in the nonprofit organizations and causes they are asked to support, we declare that all donors have these rights:

- I. To be informed of the organization's mission, of the way the organization intends to use donated resources, and of its capacity to use donations effectively for their intended purposes.
- II. To be informed of the identity of those serving on the organization's governing board, and to expect the board to exercise prudent judgment in its stewardship responsibilities.
- III. To have access to the organization's most recent financial statements.
- IV. To be assured their gifts will be used for the purposes for which they were given.
- V. To receive appropriate acknowledgement and recognition.
- VI. To be assured that information about their donation is handled with respect and with confidentiality to the extent provided by law.
- VII. To expect that all relationships with individuals representing organizations of interest to the donor will be professional in nature.
- VIII. To be informed whether those seeking donations are volunteers, employees of the organization or hired solicitors.
- IX. To have the opportunity for their names to be deleted from mailing lists that an organization may intend to share.
- X. To feel free to ask questions when making a donation and to receive prompt, truthful and forthright answers.

Policy Name: **Compensation**
Policy Number: **601**
Adopted on:

1. **Purpose**

The purpose of this compensation policy is to provide a systematic approach to the process of determining compensation of the employees of the Foundation for the Compton Community College District (the “Foundation”). This will enable any member of the board of directors of the Foundation to explain to any employee or potential donor how a certain pay rate was determined.

2. **Guidelines**

2.1 **Base Compensation**

All employee positions will be compensated at a rate from 80% to 110% of the median rate for like positions in similar religious organizations in the area.

2.2 **Periodic Review**

Prevailing market salaries will be reviewed as necessary, but at least every other year, in order to adjust employee compensation.

2.3 **Approval**

The compensation of the members of the board of directors, the Foundation’s officers, the Foundation Administrator, and any employee earning at least \$75,000 will be reviewed and approved by the board of directors of the Foundation, provided that persons with conflicts of interest with respect to the compensation at issue shall not be involved in such review and approval.

The compensation of all other employees will be reviewed and approved by the Board of Directors.

2.4 **Non-Discriminatory Practices**

The Foundation compensates all employees on an equal basis without regard to race, color, sex, national origin, age, disability, or veteran status. This compensation policy is administered in accordance with Federal Wage and Hour laws and other applicable governmental guidelines.