



**Western Marquette County Health Foundation
Doing Business as West End Health Foundation
Policies and Procedures Manual
(Updated August 2017)**

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INTRODUCTION

The Western Marquette County Health Foundation is a conversion 501 c (3) foundation that materialized on July 1, 2014 following Bell Hospital's agreement to its purchase by LifePoint Hospitals. It is a stand-alone corporation and is not affiliated in any way with LifePoint, Bell Hospital, or Superior Health Foundation (formerly Marquette General Foundation).

The Bell Foundation, which provided funding to Bell Hospital to invest in new technology, equipment, and to build the new hospital, transitioned into the Western Marquette County Health Foundation. Its non-profit tax ID was transferred to the new foundation.

The original sale agreement of Bell Hospital included a \$1M donation to a locally governed charity to provide grants to the community. While \$1M is certainly a lot of money, the board of directors of the foundation understood that it was not enough to create a sustainable, independent grant making organization. Operational costs and granting expenses, as well as compliance expenses associated with being the 'watch dog' organization, would deplete the \$1M quickly. The board reviewed its options, which included affiliating with an already existing foundation, establishing a plan to be a grant making organization with a sunset date, or requesting the attorney general consider increasing the \$1M to a sustainable level. In short, on July 1, 2013, the board of directors did not know what form the foundation would take.

While the sale agreement was under review by the Attorney General, the foundation board of directors had opportunities to meet with staffers from the Attorney General's Office and establish their case requesting the \$1M be revisited. The key components of the case focused on large amount of funds raised by the community during the 2005-2008 Capital Campaign and ongoing fundraising for technological initiatives, which totaled over \$7M in cash and in-kind gifts. Comparing this amounts with the \$1M figure, ongoing costs for compliance, and best practices with how granting organizations are funded (utilizing 3-5% of interest), helped the foundation board of directors' case that \$1M was insufficient to create an independent, and locally governed, grant making foundation.

In November, the foundation was notified that the \$1M contribution would be made upon finalization of the sale. In addition, however, any unused funds from the sale of the hospital would also be provided to the foundation. It was announced that the final amount (to be determined once all covenants of the sale were met) would be in the range of \$3M-\$7M. By July 1, 2014 the final amount received was \$7M.

PURPOSE OF THE FOUNDATION

The mission of the Western Marquette County Health Foundation is to provide funding for health and wellness solutions in Western Marquette County and beyond.

ARTICLES OF INCORPORATION OF THE FOUNDATION (AMENDED AND RESTATED)

(a Michigan Nonprofit Corporation)

Pursuant to the provisions of Act 162, Public Acts of 1982, the undersigned corporation executes the following Amended and Restated Articles:

1. The present name of the corporation is Bell Foundation.
2. The identification number issued by the Bureau is 734651.

3. Former names of the Corporation: The Corporation has no former names.
4. The date of filing the original Articles of Incorporation was March 5, 1992.

The following Restated Articles of Incorporation supersede the Articles of Incorporation as amended and restated and shall be the Articles of Incorporation of the Corporation:

Article I

The name of the Corporation is Western Marquette County Health Foundation.

Article II

The Corporation is organized exclusively for the purposes set forth in Section 501(c)(3) of the Internal Revenue Code of 1986 (the "Code") by receiving and administering funds to support healthcare and related activities in the Western portion of Marquette County, and conducting all activities incidental or necessary to accomplishing the foregoing purposes or otherwise permitted by Section 501(c)(3) of the Code.

Article III

The Corporation will at all times be conducted as an organization described in Section 501(c)(3) of the Code. The Corporation will not carry on any activities which are not permitted to be carried on by (a) a corporation exempt from federal income tax under Section 501(c)(3) of the Code, (b) a corporation eligible to receive tax deductible contributions under Section 170(c) and Section 2055, Section 2522 or Section 2106 of the Code, or (c) a nonprofit corporation organized under the laws of the State of Michigan pursuant to the Act.

No part of the assets or net earnings of the Corporation may inure to the benefit of or be distributable to its Directors, officers, or other private persons; provided, however, that the Corporation is authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of its charitable purposes.

No substantial part of the activities of the Corporation will be the carrying on of propaganda or otherwise attempting to influence legislation. The Corporation shall not participate or intervene in any political campaign on behalf of or in opposition to any candidate for public office and shall not publish or distribute statements relating to political campaigns.

Article IV

At all times during which the Corporation is classified as a private foundation under Section 509(a) of the Code:

A. The Corporation will distribute its income at a time and in a manner so that it does not become subject to the tax on undistributed income imposed by Section 4942 of the Code.

B. The Corporation will not engage in any act of self-dealing as defined in Section 4941(d) of the Code.

C. The Corporation will not retain any excess business holdings as defined in Section 4943(c) of the Code.

D. The Corporation will not make any investments in a manner as to subject it to tax under Section 4944 of the Code.

E. The Corporation will not make any taxable expenditures as defined in Section 4945(d) of the Code.

Article V

The Corporation is organized on a non-stock basis.

As of June 30, 2012, the Corporation had no real property and personal property consisting of savings and temporary cash investments in the amount of 327,978.78 and investments in the amount of \$183,927.63.

The Corporation is financed through contributions and investment income.

The Corporation is organized on a directorship basis.

Article VI

The address of the registered office is 910 US 41 West, Ishpeming, MI 49849.

The name of the resident agent at the registered office is Kori Tossava.

Article VII

Except as otherwise provided by law, a volunteer Director or volunteer officer of the Corporation is not personally liable to the Corporation for monetary damages for a breach of the Director's or officer's fiduciary duty.

The Corporation assumes all liability to any person other than the Corporation for all acts or omissions of a volunteer Director incurred in the good faith performance of his or her duties as a Director.

The Corporation assumes the liability for all acts or omissions of a volunteer officer, provided that:

- (a) the volunteer was acting or reasonably believed he or she was acting within the scope of his or her authority;
- (b) the volunteer was acting in good faith;
- (c) the volunteer's conduct did not amount to gross negligence or willful and wanton misconduct;
- (d) the volunteer's conduct was not an intentional tort; and
- (e) the volunteer's conduct was not a tort arising out of the ownership, maintenance or use of a motor vehicle as described in Section 209(e)(v) of the Act.

Article VIII

Upon the termination, dissolution or winding up of the Corporation, all remaining assets of the Corporation will be distributed for a purpose or to an organization or organizations described in Section 501(c)(3) of the Code.

These Restated Articles of Incorporation were duly adopted on the 26th day of August, 2013 in accordance with Section 642 of the Michigan Nonprofit Corporation Act. These Restated Articles of Incorporation restate, integrate, and do further amend the provisions of the Articles of Incorporation and were duly adopted by the sole Member. The necessary votes were cast in favor of these Restated Articles of Incorporation.

AMENDED AND RESTATED BYLAWS

(8.2017)

(A Michigan Nonprofit Corporation)

ARTICLE I

Board of Directors

Section 1. Directorship. The Corporation is organized upon a directorship basis. The property, business and affairs of the Corporation will be managed by its Board of Directors.

Section 2. Number and Term of Office. The Board of Directors of this Corporation will consist of not less than five persons, as determined by the Board of Directors.

Except for the Attorney General Designee (defined below), the term of office of any Director will commence upon his or her election or appointment by the affirmative vote of a majority of the Directors then in office. The Director's term will continue until the next annual meeting of the Corporation and thereafter until his or her successor is chosen or until his or her death, resignation or removal prior to the next annual meeting.

The Attorney General may appoint one member to the Foundation's Board of Directors (the "Attorney General Designee"). The Attorney General Designee's term shall begin upon appointment and shall continue until such time as he or she resigns or is removed by the sitting Attorney General.

Section 3. Resignation, Removal and Vacancies. A Director may resign by written notice to the Corporation. The resignation will be effective upon its receipt by the Corporation or a subsequent time as set forth in the notice of resignation. Except for the Attorney General Designee, who may only be removed by the sitting Attorney General, a Director may be removed, either with or without cause, by the affirmative vote of a majority of the Directors then in office.

If a vacancy has occurred among the members of the Board as a result of death, resignation, removal, or otherwise, the vacancy may be filled by the affirmative vote of a majority of the remaining Directors though less than a quorum of the Board of Directors. Notwithstanding the foregoing, in the event of a vacancy in the Attorney General Designee position, the vacancy shall not be filled except by appointment of the sitting Attorney General.

Section 4. General Powers as to Negotiable Paper. The Board of Directors may, from time to time, authorize the making, signature or endorsement of checks, drafts, notes and other negotiable paper or other instruments for the payment of money and designate the persons who will be authorized to make, sign or endorse the same on behalf of the Corporation.

Section 5. Powers as to Other Documents. All material contracts, conveyances and other instruments may be executed on behalf of the Corporation by the President or any Vice President, and, if necessary, attested by the Secretary or the Treasurer.

Section 6. Compensation. Directors will serve without compensation but may be reimbursed for actual, reasonable and necessary expenses incurred by a Director in his or her capacity as a Director, consistent with policies adopted by the Board.

ARTICLE II

Meetings

Section 1. Annual Meeting. The annual meeting of the Directors of the Corporation will be held at the principal office of the Corporation during the month preceding the first meeting of the fiscal year, or at any other place and date as designated by the Directors for the purpose of electing Directors and officers for the ensuing year, presenting to the Directors a copy of the Corporation's financial report for the preceding fiscal year and for the transaction of other business properly brought before the meeting.

Section 2. Regular Meetings. Regular meetings of the Board of Directors may be held without notice if the time and place of the meeting has been determined by resolution of the Board. At least one regular meeting of the Board must be held each year.

Section 3. Special Meetings. Special meetings of the Directors may be called by the Chair and will be called by the Chair or Secretary at the direction of not less than two Directors or as may otherwise be provided by law. Special meetings will be held at the principal office of the Corporation unless otherwise directed by the Chair or Vice Chair and stated in the notice of meeting. Any request for a meeting by the Directors must state the purpose or purposes of the proposed meeting.

Section 4. Notice of Meeting. Except as otherwise provided by these Bylaws or by law, written notice containing the time and place of all meetings of the Board of Directors will be given personally, by mail, or by electronic transmission to each Director not less than ten days before a regular meeting and not less than two days before a special meeting. Notice by electronic transmission will be deemed to have been given when electronically transmitted to the person entitled to the notice or communication in a manner authorized by the person. Notice of a regular meeting need not state the purpose or purposes of the meeting nor the business to be transacted at the meeting. Notice of a special meeting must state the purpose or purposes of the meeting.

Attendance of a Director at a meeting constitutes a waiver of notice of the meeting, except where the Director attends the meeting for the express purpose of objecting to the transaction of any business because the meeting was not lawfully called or convened.

Section 5. Quorum and Voting. A majority of all Directors will constitute a quorum at any meeting. The vote of a majority of the Directors present at a meeting at which a quorum is present will constitute the action of the Board of Directors, unless the vote of a larger number is required by law or by other sections of these Bylaws or the Articles of Incorporation.

Section 6. Conduct at Meetings. Meetings of the Directors will be presided over by the Chair. The Vice Chair of the Corporation or, in their absence, a person chosen at the meeting will act as Chair of the meeting.

Section 7. Action by Electronic Consent. Any action required or permitted to be taken at a regular or special meeting of Directors may be taken without a meeting, without prior notice and without a vote, if of a quorum the Directors consent in writing, including by electronic transmission such as electronic mail, to the action so taken. Action must be done purely in voting form of yea or nay, without discussion with a specified deadline. If discussion is initiated, the action is voided and a special meeting will be called. If a director does not voice vote by specified date, the vote will be consent by default. Written consents will be filed with the minutes of the proceedings of the Board of Directors.

Section 8. Participation by Remote Communication. A Director may participate in a meeting of Directors by conference telephone or other means of remote communication by which all persons participating in the meeting may communicate with each other. Participation in a meeting pursuant to this section constitutes presence in person at the meeting.

ARTICLE III

Officers

Section 1. Election or Appointment. The Board of Directors will elect a Chair, Vice Chair, a Secretary and a Treasurer of the Corporation at each annual meeting. The same person may hold any two or more offices, but no officer will execute, acknowledge or verify any instrument in more than

one capacity. The Directors may also appoint any other officers and agents as they deem necessary for accomplishing the purposes of the Corporation.

Section 2. Term of Office. The term of office of all officers will commence upon their election or appointment and will continue until the next annual meeting of the Corporation and until their respective successors are chosen or until their resignation or removal. Any officer may be removed from office at any meeting of the Directors, with or without cause, by the affirmative vote of a majority of the Directors then in office, whenever in their judgment the best interest of the Corporation will be served.

An officer may resign by written notice to the Corporation. The resignation will be effective upon its receipt by the Corporation or at a subsequent time specified in the notice of the resignation.

Section 3. Compensation. Any officer who is an employee of the Corporation will receive reasonable compensation for his or her services as fixed by the Board of Directors.

Section 4. Chairperson. The Chairperson will preside over all board meetings and will perform such other duties prescribed by the Board of Directors. The Chair will be the chief executive officer of the Corporation and will have general and active management of the activities of the Corporation. The Chair will see that all orders and resolutions of the Board of Directors are carried into effect, will execute all authorized conveyances, contracts or other obligations in the name of the Corporation except where required by law to be otherwise signed and executed and except where the signing and execution is expressly delegated by the Directors to some other person.

Section 5. Vice Chairperson. The Vice Chairperson will, in the absence or disability of the Chairperson, perform the duties and exercise the powers of the Chairperson and will perform any other duties prescribed by the Board of Directors or the Chairperson.

Section 6. The Secretary. The Secretary will attend meetings of the Board of Directors and record or cause to be recorded the minutes of all proceedings in a book to be kept for that purpose. The Secretary will give or cause to be given notice of all meetings of the Board of Directors for which notice may be required and will perform any other duties prescribed by the Directors.

Section 7. The Treasurer. The Treasurer will oversee the financial activities of the Corporation. The Treasurer will perform all duties incident to the office of Treasurer and other administrative duties as may be prescribed by the Board of Directors. All books, papers, vouchers, money and other property of whatever kind belonging to the Corporation which are in the Treasurer's possession or under his or her control will be returned to the Corporation at the time of his or her death, resignation or removal from office.

ARTICLE IV Committees

Section 1. Executive Committee. The Board of Directors may establish an Executive Committee consisting of two or more members of the Board. The Executive Committee, subject to those limitations as may be required by law or imposed by resolution of the Board of Directors, may exercise all powers and authority of the Board of Directors in the management of the business and affairs of the Corporation between meetings of the Board of Directors, except that such Executive Committee will not have power or authority to:

- (a) Amend the Articles of Incorporation;
- (b) Adopt an agreement of merger or consolidation;
- (c) Approve the sale, lease or exchange of all or substantially all of the Corporation's property and assets;

- (d) Approve the dissolution of the Corporation or a revocation of a dissolution;
- (e) Amend the Bylaws of the Corporation;
- (f) Fill vacancies on the Board; or
- (g) Fix compensation of the Directors for serving on the board or on a committee.

Section 2. Other Committees. The Board of Directors may designate other committees as deemed appropriate. The committees will have the authority as delegated to them by the Board of Directors.

Section 3. Procedure. All committees, and each member thereof, will serve at the pleasure of the Board of Directors. The Board of Directors will have the power at any time to increase or decrease the number of members of any committee, to fill vacancies thereon, to change any member thereof, and to change the functions or terminate the existence of any committee. Regular or special meetings of any committee may be held in the same manner provided in these Bylaws for regular or special meetings of the Board of Directors, and a majority of any committee will constitute a quorum at the meeting.

ARTICLE V

Indemnification

Section 1. Indemnification. The Corporation will, to the fullest extent now or hereafter permitted by law, indemnify any Director or officer of the Corporation (and, to the extent provided in a resolution of the Board of Directors or by contract, may indemnify any volunteer, employee or agent of the Corporation) who was or is a party to or threatened to be made a party to any threatened, pending, or completed action, suit or proceeding by reason of the fact that the person is or was a Director, officer, volunteer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, trustee, officer, partner, volunteer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, whether for profit or not for profit, against expenses including attorneys' fees (which expenses may be paid by the Corporation in advance of a final disposition of the action, suit or proceeding as provided by law), judgments, penalties, fines and amounts paid in settlement actually and reasonably incurred by the person in connection with the action, suit or proceeding if the person acted (or refrained from acting) in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the Corporation, and with respect to any criminal action or proceeding, if the person had no reasonable cause to believe his or her conduct was unlawful.

Section 2. Rights to Continue. This indemnification will continue as to a person who has ceased to be a Director or officer of the Corporation. Indemnification may continue as to a person who has ceased to be a volunteer, employee or agent of the Corporation to the extent provided in a resolution of the Board of Directors or in any contract between the Corporation and the person. Any indemnification of a person who was entitled to indemnification after such person ceased to be a Director, officer, volunteer, employee or agent of the Corporation will inure to the benefit of the heirs and personal representatives of that person.

ARTICLE VI
Conflicts of Interest

Section 1. Disclosure. When a member of the Board, an officer or a committee member is affiliated with an organization seeking to provide services or facilities to the Corporation, or when a member of the Board, an officer or committee member has any duality of interest or possible conflict of interest, real or apparent, such affiliation or conflict of interest should be disclosed to the Board of Directors and made a matter of record, either when the interest becomes a matter of Board action or committee action or as part of a periodic procedure to be established by the Board. An affiliation with an organization will be considered to exist when a Board member, officer or committee member, or a member of his or her immediate family or close relative is an officer, director, trustee, partner, employee or agent of the organization, or has any other substantial interest or dealings with the organization.

Section 2. Voting. Any Board member, officer or committee member having a duality of interest or possible conflict of interest on any matter should not vote or use his or her personal influence on the matter, however, he or she may be counted in determining a quorum for the meeting at which the matter is voted upon, as permitted by law. The Board should obtain and rely on appropriate comparability data. The minutes of the meeting should reflect that the disclosure was made, that the interested Board member or committee member abstained from voting, whether his or her presence was counted in determining a quorum, and whether comparability data was considered and used as a basis for making the decision. The comparability data should be attached to the minutes and made a part of the record.

Section 3. Determining Compensation. The process for determining compensation of the Corporation's chief executive officer, executive director, other officers or key employees will include review and approval by independent persons, use of comparability data and contemporaneous substantiation of the deliberation and decision. An independent person is defined as a director, officer or member of a committee with governing Board delegated powers who does not have a direct or indirect financial interest in the Corporation.

Section 4. Statement of Position. The foregoing requirements should not be construed to prevent a Board member or officer from stating his or her position on the matter under consideration, nor from answering questions of other Board members relating to the matter.

ARTICLE VII
Miscellaneous

Section 1. Fiscal Year. The fiscal year of the Corporation will end on the last day of December.

Section 2. Amendments. These Bylaws may be amended or repealed by the affirmative vote of a majority of the Directors of the Corporation then in office.

Section 3. Loans and Guarantees. The Corporation will not provide loans to or guarantee obligations of an officer or Director of the Corporation, unless expressly permitted under State law.

AUTHORIZATION OF THE FOUNDATIONS AS AN IRS RECOGNIZED 501(C)(3)

The Western Marquette County Health Foundation is organized as a public charity under the IRS 501 (c) 3 code of the law. This requires a diversified income of 10 percent of revenue (approx. \$30,000-\$40,000) annually. Should the foundation be reclassified as a private non-operating foundation under the IRS 501 (c) 3 code of the law (based on income tests), the foundation will be required to provide 5 WMCHF Policies & Procedures: Amended 8/2017

percent (annually) of assets to operations and charitable gifts. For examples refer to Table 1.1. For a full explanation of the IRS Classifications refer to the IRS website.

Table 1.1

PUBLIC CHARITY STATUS

A nonprofit is deemed a public charity based on the diversification of its income. Approximately 10% of the revenue of the nonprofit must come from varying sources (donors, events, grants). In our case if we were to receive revenue of 5% from the interest on our account, we would need to find 10% of that amount from other sources.

Sample Revenue Breakdown: REQUIRED to pass Public Support Test

Example 1-

- \$5,000,000 Investment x 5% interest = \$250,000
- \$250,000 x 10% Other sources = \$ 25,0000
- Total Revenue = \$275,000

Example 2 -

- \$6,500,000 Investments x 7% interest = \$448,000
- \$448,000 x 10% Other Sources = \$ 44,800
- Total Revenue = \$492,800

PRIVATE NON-OPERATING FOUNDATION

As a private non-operating foundation that receives 100% of its revenue from investments, we are required to follow different rules. Instead of focusing on the diversification of our revenue, we are required to follow specific rules on our disbursements. Should we fall under this classification, we will be required to follow a 5% distribution requirement (based on all of our assets) on an annual basis, as well as a 2% excise tax on our investment income. The distribution is for allowable costs, not just charitable, so it would include our operations expenses. BUT in order to continue to grow our endowment, based on our required annual disbursements, we would need an investment policy that is moderately aggressive so that we could be sure to cover the 5% disbursement and grow the principle.

Sample Expense Breakdown & Corresponding Investment Revenue Required

Example 1-

- \$5,000,000 assets at 5% Disbursement = \$250,000
- \$250,000 x 2% Excise Tax = \$ 5,000
- Payout = \$255,000
- Investment Growth - 7% = \$350,000 - (\$95,000 reinvested to grow principle)

Example 2-

- \$6,400,000 assets at 5% Disbursement = \$320,000
- \$320,000 x 2% Excise Tax = \$ 6,400
- Payout = \$326,400
- Investment Growth - 4% = \$256,000 - (reduction of \$70,000 of principle)



OGDEN UT 84201-0029

In reply refer to: 4077591934
May 01, 2014 LTR 4168C 0
38-3040125 000000 00

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BODC: TE

MARQUETTE COUNTY HEALTH FOUNDATION
% BELL MEMORIAL HOSPITAL
1366 US HWY 41 W
ISHPEMING MI 49849

158234

Employer Identification Number: 38-3040125
Person to Contact: Ms. Wiles
Toll Free Telephone Number: 1-877-829-5500

Dear Taxpayer:

This is in response to your Jan. 23, 2014, request for information regarding your tax-exempt status.

Our records indicate that you were recognized as exempt under section 501(c)(3) of the Internal Revenue Code in a determination letter issued in April 1993.

Our records also indicate that you are not a private foundation within the meaning of section 509(a) of the Code because you are described in section(s) 509(a)(1) and 170(b)(1)(A)(vi).

Donors may deduct contributions to you as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for Federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

Please refer to our website www.irs.gov/eo for information regarding filing requirements. Specifically, section 6033(j) of the Code provides that failure to file an annual information return for three consecutive years results in revocation of tax-exempt status as of the filing due date of the third return for organizations required to file. We will publish a list of organizations whose tax-exempt status was revoked under section 6033(j) of the Code on our website beginning in early 2011.

If you have any questions, please call us at the telephone number shown in the heading of this letter.

Sincerely yours,

Tamera Ripperda
Director, Exempt Organizations

Board Member Agreements

The Western Marquette County Health Foundation agrees to provide each member of the board with the following:

1. Access to the management of foundation, as needed for proper operation of the board
2. Ample notice of all meetings
3. Minutes of all board meetings
4. Relevant information to conduct his or her job as a board member
5. To the extent allowed by law, indemnification from liability for a board member's reasonable and necessary actions
6. Reimbursement for reasonable expenses in conducting and attending to foundation board business
7. Directors & Officers insurance liability coverage
8. Respect for his or her time
9. The use of his or her talent effectively

The board member agrees to do the following as a foundation policy volunteer:

1. Learn about Western Marquette County Health Foundation, read financial reports and other foundation documents, and keep up-to-date on programs, finances, and management.
2. Attend as many board and committee meetings as practicable, and participate in all such meetings, using fair, independent judgment and due care in conducting the business of the foundation.
3. Avoid all direct or indirect political campaign intervention (such as supporting or opposing candidates for public office) in the name of the foundation and when using foundation assets.
4. Contribute to the financial well-being of Western Marquette County Health Foundation and seek financial support from others for the foundation as well.
5. Avoid all conflicts of interest with the foundation.
6. Be loyal to foundation, always exercising board powers in the interest of the foundation, and not for the interest of yourself or others.
7. Keep all Western Marquette County Health Foundation matters confidential.

Signed:

WMCHF Chair

Board Member

Dated:

Board Member Expense Reimbursement

Whenever possible, board members are expected to bear all travel-related costs associated with attending board meetings, committee meetings, or discharging any other governance responsibilities assigned by the board chair. When a board member is unable to bear such costs, in whole or in part, appropriate receipts should be submitted to the treasurer of the Western Marquette County Health Foundation for reimbursement by the organization.

Board Self-Assessment

The board of the Western Marquette County Health Foundation will conduct a self-assessment every 3 years at a time determined by the board chair after consultation with the board. The board should review the most recent organizational strategic plan for the organization adopted by the board. After

reviewing the goals achieved, the goals unmet, and the goals that need modification, the board will conduct a self-assessment. A review of these plans should provide the framework for the assessment. The board should also review its previous self-assessment summaries and may find the use of a consultant especially helpful. Review materials will be submitted to the secretary for consolidation and the secretary shall submit a summary report to the board at the conclusion of the assessment. This report will provide a basis for improving board member orientation, board member conferences or other programs of continuing education for board members.

Role of the Board

Responsibilities

1. The governing body of the organization shall be the board, which establishes policy, directs the activities of the elected officials and committees, and approves all action pertaining to the business of the Western Marquette County Health Foundation.
2. The board approves the organization's strategic plan, which shall be updated at least every 3 years.
3. An organizational business plan for each year shall be approved by the board prior to the beginning of the year of implementation.
4. The budget of the organization shall be presented on an annual basis and approved by the board prior to its effective date.
5. The board reviews committees' and officers' reports and makes recommendations concerning committees' activities.
6. The board authorizes the official acts of the elected officials and committees, including position papers and oral or written testimony.
7. The board has the responsibility for retaining legal counsel and approving the retainer fee paid to legal counsel. The board evaluates the services rendered by legal counsel annually, prior to the renewal of the retainer agreement.
8. The board has the responsibility for retaining an auditor. The board evaluates the performance by the auditor on an annual basis prior to renewal of his or her contract.
9. The board has the responsibility for retaining staffing needs. In lieu of employing full or part time staffing (and with it benefit and insurance costs), the board of the foundation contracted with the Greater Ishpeming-Negaunee Area Chamber of Commerce for staffing from its foundation manager and administrator. The board evaluates the performance of this contract on an annual basis prior to its renewal & adjust staffing as needed.
10. The board must approve all new policies and policy revisions before they are incorporated into the policy manual.
11. The board approves the charter of each committee.
12. The board will meet at least 4 times during the calendar year.
13. The board chair, in consultation with the executive committee, may call special meetings.
14. Attendance of elected officials is required at all board meetings and official foundation functions. Request to be excused shall be sent as soon as possible to the board chair.
15. The board should evaluate itself annually.
16. An officer owes his or her loyalty to the organization and may not, without permission of the board, use the position as officer or director to his or her own advantage.
17. An officer or director may not be a designated representative of two organizations that have a conflict of interest.

18. Western Marquette County Health Foundation officers may not serve on the board of another organization whose primary or secondary activity is related to the activities of the foundation without prior approval of a majority of the board.

ETHICS AND ACCOUNTABILITY

Code of Ethics

Western Marquette County Health Foundation's mission can only be realized through a common code of ethics upheld by our officers, board of directors, and staff.

- We expect integrity, honesty, and trustworthiness in our work; courage in our decisions; and dedication to the foundation's values and beliefs.
- We expect responsible action on behalf of the organization and are accountable and transparent to our constituents and to one another. We share information when appropriate without sacrificing confidentiality.
- We expect to be treated and to treat others with respect. We respect the opinions of and the differences among individuals.
- We expect fairness to be evident in our actions internally and externally. We are equitable in our decisions and mindful of their impact on other groups and people.
- We expect our actions to demonstrate our care for others and the community as a whole. We support each other in a humane manner. We care about the well-being of each other, the community, and the foundation's organization.

Confidentiality

It is the policy of the Western Marquette County Health Foundation that board members and employees may not disclose, divulge, or make accessible confidential information belonging to, or obtained through their affiliation with the foundation to any person who does not have a legitimate need for such information and to whom foundation has authorized disclosure. Board members and employees shall use confidential information solely for the purpose of performing services as a board member or employee. This policy is not intended to prevent disclosure where disclosure is required by law.

Board members and employees must exercise good judgment and care at all times to avoid unauthorized or improper disclosures of confidential information. Conversations in public places, such as restaurants, elevators, and airplanes, should be limited to matters that do not pertain to information of a sensitive or confidential nature. In addition, board members and employees should be sensitive to the risk of inadvertent disclosure and should, for example, refrain from leaving confidential information on desks or otherwise in plain view.

At the end of a board member's term in office or upon the termination of an employee's employment, he or she shall return, at the request of the foundation, all documents, papers, and other materials that may contain or be derived from confidential information in his or her possession.

Conflict of Interest

Western Marquette County Health Foundation, as a nonprofit, tax-exempt organization, depends on charitable contributions from the public. Maintenance of its tax-exempt status is important both for its continued financial stability and for the receipt of contributions and public support. Therefore, the

operations of the foundation first must fulfill all legal requirements. They also depend on the public trust and thus are subject to scrutiny by and accountability to both governmental authorities and members of the public.

Consequently, there exists between the foundation and its board, officers, and management employees a fiduciary duty that carries with it a broad and unbending duty of loyalty and fidelity. The board, officers, and management employees have the responsibility of administering the affairs of the foundation honestly and prudently, and of exercising their best care, skill, and judgment for the sole benefit of the foundation. Those persons shall exercise the utmost good faith in all transactions involved in their duties, and they shall not use their positions with the foundation or knowledge gained there from for their personal benefit. The interests of the organization must have the first priority in all decisions and actions.

A conflict of interest is present whenever a trustee or officer of the foundation has a financial interest in a proposed transaction or is a director or officer of the other entity to the proposed transaction. Such transactions may include services provided by the foundation to fund holders, grants given to charitable organizations on which the trustee or officer also serves as an officer or director, purchase of services and/or tangibles from a vendor, and/or access to specialized or privileged information that can be used for personal gain.

The state of nonprofit corporation law provides that transactions between (i) a nonprofit organization such as the foundation and (ii) any other corporation, partnership, association, or other organization in which one or more of the nonprofit organization's directors or officers are directors or officers, or have a financial interest, while not prohibited outright, are nonetheless subject to question. Such transactions may be void or voidable unless a good-faith disclosure of any such interest is made to the nonprofit organization prior to the nonprofit organization's entry into the transaction. It is also possible that directors and officers who fail to comply with the requirements of this law may incur liability to the extent the nonprofit organization is damaged.

Therefore, in accordance with this law the foundation requires its trustees and officers to disclose all interests that they or a family member has in other for-profit or nonprofit entities where it is foreseeable that the foundation may enter into a contract or award a grant or have other business or financial dealings with the entity. This shall include, but not be limited to, financial interests, officerships, directorships, and other similar substantial interests in any such entities.

Trustees and officers of the foundation are asked to maintain independence, objectivity *and confidentiality* and to do what a sense of fairness, ethics, and personal integrity dictate even though not necessarily obligated to do so by law, regulation, or custom. Trustees and officers shall refrain from voting on a proposed grant if they are in a conflict-of-interest situation and, if appropriate, shall withdraw from the meeting.

In order to avoid even the appearance of a conflict of interest that might embarrass the board or the foundation, trustees and officers must disclose any actual or possible conflicts, and the nature thereof, to the board chair of the foundation annually, or as such situations may arise.

Record Retention and Document Destruction

In accordance with the Sarbanes-Oxley Act, which makes it a crime to alter, cover up, falsify, or destroy any document with the intent of impeding or obstructing any official proceeding, this policy provides for the systematic review, retention, and destruction of documents received or created by Western Marquette County Health Foundation in connection with the transaction of organization business. This policy covers all records and documents, regardless of physical form, contains guidelines for how long certain documents should be kept, and how records should be destroyed (unless under a legal hold). The policy is designed to ensure compliance with federal and state laws and regulations, to eliminate accidental or innocent destruction of records, and to facilitate the foundation's operations by promoting efficiency and freeing up valuable storage space.

Document Retention

The foundation follows the document retention procedures outlined below. Documents that are not listed, but are substantially similar to those listed in the schedule, will be retained for the appropriate length of time.

Corporate Records

| | |
|--------------------------------------------------------|-----------|
| Annual Reports to Secretary of State/ Attorney General | Permanent |
| Articles of Incorporation | Permanent |
| Board Meeting and Board Committee Minutes | Permanent |
| Board Policies/Resolutions | Permanent |
| Bylaws | Permanent |
| Construction Documents | Permanent |
| Fixed Asset Records | Permanent |
| IRS Application for Tax-Exempt Status (Form 1023) | Permanent |
| IRS Determination Letter | Permanent |
| State Sales Tax Exemption Letter | Permanent |
| Contracts (after expiration) | 7 years |
| Correspondence (general) | 3 years |

Accounting and Corporate Tax Records

| | |
|----------------------------------------------------|-----------|
| Annual Audits and Financial Statements | Permanent |
| Depreciation Schedules | Permanent |
| IRS Form 990 Tax Returns | Permanent |
| General Ledgers | 7 years |
| Business Expense Records | 7 years |
| IRS Forms 1099 | 7 years |
| Journal Entries | 7 years |
| Invoices | 7 years |
| Sales Records (box office, concessions, gift shop) | 5 years |
| Petty Cash Vouchers | 3 years |
| Cash Receipts | 3 years |
| Credit Card Receipts | 3 years |

Bank Records

| | |
|------------------------------------|---------|
| Check Registers | 7 years |
| Bank Deposit Slips | 7 years |
| Bank Statements and Reconciliation | 7 years |
| Electronic Fund Transfer Documents | 7 years |

Payroll and Employment Tax Records

| | |
|--------------------------------|-----------|
| Payroll Registers | Permanent |
| State Unemployment Tax Records | Permanent |
| Earnings Records | 7 years |
| Garnishment Records | 7 years |
| Payroll Tax Returns | 7 years |
| W-2 Statements | 7 years |

Employee Records

| | |
|-------------------------------------------------------|---------------------------|
| Employment and Termination Agreements | Permanent |
| Retirement and Pension Plan Documents | Permanent |
| Records Relating to Promotion, Demotion, or Discharge | 7 years after termination |
| Accident Reports and Worker's Compensation Records | 5 years |
| Salary Schedules | 5 years |
| Employment Applications | 3 years |
| I-9 Forms | 3 years after termination |
| Time Cards | 2 years |

Donor and Grant Records

| | |
|------------------------------------------|--------------------------|
| Donor Records and Acknowledgment Letters | 7 years |
| Grant Applications and Contracts | 7 years after completion |

Legal, Insurance, and Safety Records

| | |
|-------------------------|---------------------------|
| Appraisals | Permanent |
| Copyright Registrations | Permanent |
| Environmental Studies | Permanent |
| Insurance Policies | Permanent |
| Real Estate Documents | Permanent |
| Stock and Bond Records | Permanent |
| Trademark Registrations | Permanent |
| Leases | 6 years after expiration |
| OSHA Documents | 5 years |
| General Contracts | 3 years after termination |

Electronic Documents and Records

Electronic documents will be retained as if they were paper documents. Therefore, any electronic files, including records of donations made online, that fall into one of the document types on the above schedule will be maintained for the appropriate amount of time. If a user has sufficient reason to keep an e-mail message, the message should be printed in hard copy and kept in the appropriate

file or moved to an “archive” computer file folder. Backup and recovery methods will be tested on a regular basis.

Emergency Planning

The foundation’s records will be stored in a safe, secure, and accessible manner. Documents and financial files that are essential to keeping the foundation operating in an emergency will be duplicated or backed up.

Document Destruction

The foundation’s executive director is responsible for the ongoing process of identifying its records, which have met the required retention period, and overseeing their destruction. Destruction of financial and personnel-related documents will be accomplished by shredding.

Document destruction will be suspended immediately, upon any indication of an official investigation or when a lawsuit is filed or appears imminent. Destruction will be reinstated upon conclusion of the investigation.

Compliance

Failure to follow this policy can result in possible civil and criminal sanctions against the foundation and possible disciplinary action against responsible individuals. The board chair or executive committee will periodically review these procedures with legal counsel or certified public accountant to ensure that they are in compliance with new or revised regulations.

Values

Western Marquette County Health Foundation believes:

- Philanthropy contributes to a thriving democracy and is a privilege and a responsibility.
- Grant making is a partnership with grantees and the public, conducted in the public trust.
- Philanthropy must be undertaken seriously and responsibly, adhering to all laws and principles of fiduciary responsibility.
- Thoughtful grant making is informed by different perspectives, opinions, and experiences.

In accordance with these beliefs

1. We deal respectfully and courteously with our applicants, grantees, and donors as well as with those seeking information about our programs. We honor the confidentiality of our applicants, grantees, and donors and exercise discretion in our communications.
2. We are clear and accessible about our goals and grant making processes, and make information about our application requirements, funding priorities, and programs available on a timely basis.
3. We adhere to the highest ethical, legal, and fiduciary standards in our operations. We recognize and disclose conflicts of interest and work to avoid perceived conflicts of interest. We maintain active oversight of all financial and investment matters.
4. We regularly assess our mission and practices, including periodic review of priorities, policies, board activity, communications, and the impact of our grant making.

5. We seek to continually educate ourselves and expose ourselves to different perspectives, opinions, and experiences, and, where appropriate, to share our learning and experience with our grantees, the public, and government officials.

Whistleblower

The Statement of Values and Code of Ethics adopted by Western Marquette County Health Foundation requires all staff, board members, and volunteers to observe high standards of business and personal ethics in the conduct of their duties and responsibilities. As employees and representatives, we must practice honesty and integrity in fulfilling our responsibilities and comply with all applicable laws and regulations. Set forth below is the foundation's policy with respect to reporting good-faith concerns about the legality or propriety of foundation actions or plans.

It is the responsibility of all staff, board members, and volunteers to comply with the foundation's Code of Ethics and applicable law and to report violations or suspected violations in accordance with this Whistleblower Policy.

The Foundation will treat all communications under this policy in a confidential manner, except to the extent necessary 1) to conduct a complete and fair investigation, or 2) for review of the foundation operations by the foundation's board, its audit committee, independent public accountants, and legal counsel.

The foundation will not permit any negative or adverse actions to be taken against any employee or individual for making a good-faith report of a possible violation of its Code of Ethics or applicable law, even if the report is mistaken, or against any employee or individual who assists in the investigation of a reported violation. Retaliation in any form will not be tolerated. Any act of alleged retaliation should be reported immediately and will be promptly investigated. An employee who retaliates against someone who has reported a violation in good faith is subject to discipline up to and including termination of employment. This Whistleblower Policy is intended to encourage and enable employees and others to raise serious concerns within the foundation prior to seeking resolution outside the organization.

How To Report Concerns or Complaints

Employees and others may communicate suspected violations of its Code of Ethics, applicable law, or other wrongdoing or alleged retaliation by contacting the foundation's board chair. If you wish to remain anonymous, it is not necessary that you give your name or position in any notification.

Whether or not you identify yourself, for a proper investigation to be conducted, please provide the foundation with as much information as you can, sufficient to do a proper investigation, including where and when the incident occurred, names and titles of the individuals involved, and as much other detail as you can provide.

Illustrative Types of Concerns

The following is a non-exhaustive list of the kinds of improprieties that should be reported:

- Supplying false or misleading information on the foundation's financial or other public documents, including its Form 990

- Providing false information to or withholding material information from the foundation's board or auditors
- Destroying, altering, mutilating, concealing, covering up, falsifying, or making a false entry in any records that may be connected to an official proceeding, in violation of federal or state law or regulations
- Altering, destroying, or concealing a document, or attempting to do so, with the intent to impair the document's availability for use in an official proceeding or otherwise obstructing, influencing, or impeding any official proceeding, in violation of federal or state law or regulations
- Embezzling, self-dealing, private inurement (i.e., foundation earnings inuring to the benefit of a director, officer, or senior management) and private benefit (i.e., foundation assets being used by anyone in the organization for personal gain or benefit)
- Paying for services or goods that are not rendered or delivered
- Using remarks or actions of a sexual nature that are not welcome and are likely to be viewed as personally offensive, including sexual flirtations; unwelcome physical or verbal advances; sexual propositions; verbal abuse of a sexual nature; the display of sexually suggestive objects, cartoons, or pictures; and physical contact of a sexual or particularly personal nature.
- Using epithets, slurs, negative stereotyping, and threatening, intimidating, or hostile acts that relate to race, color, religion, gender, national origin, age, or disability
- Circulating or posting written or graphic material in the workplace that denigrates or shows hostility or aversion toward an individual or group because of race, color, religion, gender, nationality, age, or disability
- Discriminating against an employee or potential employee due to a person's race, color, religion, sex, sexual orientation, national origin, age, physical or mental impairment, or veteran status
- Violating the Western Marquette County Health Foundation's Statement of Values and Code of Ethics, Conflict-of-Interest Policy, Harassment Policy, or Equal Employment Opportunity Policy
- Facilitating or concealing any of the above or similar actions

FINANCE AND INVESTMENTS

Budget Process and Review

The budget process is designed to provide

- A means by which spending limits are set based on expected revenue levels
- A system to allow for procedures to compare actual results to the set spending limits
- A means for setting program priorities and allocating resources to those priorities
- A means for comparison of actual financial results to budgeted amounts and analysis of differences from those budgeted amounts

Preparation of Budget

Prior to the end of the fiscal year, the treasurer will review the financial activity for each of the prior two fiscal years, including actual results of operations for those two fiscal years, mission of the organization, goals, short-term plans, and any other relevant information deemed appropriate. The treasurer will present the information to the finance committee with a draft budget for the following fiscal year.

Approval of Budget

After preparation of the budget for the next fiscal year, copies of the budget, proposals for cost reductions, and proposals for cost increases shall be sent to all board members. At the annual board meeting, the board shall meet to discuss and approve or reject the budget. If the budget is rejected, the board shall direct the treasurer and finance committee to amend the budget for changes as directed by the board.

Review of Budget

Once the budget has been set for the fiscal year, the budget shall be included in the accounting system (QuickBooks) of Western Marquette County Health Foundation. As monthly financial statements are prepared, a comparison of actual monthly results of operations to budget figures shall also be prepared. The financial statements and budget variances (with detailed explanations) shall be reviewed by the board. When deemed necessary, the board shall revise the budget to fund additional services or make allowances for other unbudgeted revenues or expenses.

Capital Expenditures

To the extent practical, capital expenditures for foundation will be incorporated into the annual budget. The following guidelines will govern the acquisition of all capital expenditures:

- All capital expenditures are acquired pursuant to a purchase order.
- The board chair or an appointed board representative must sign all purchase orders over \$500:00.
- The treasurer may acquire capital expenditures specifically identified in the annual budget approved by the board.
- The annual budget may have some nominal allocation for smaller capital expenditures.
- A fixed-asset inventory of office equipment, computers, and printers will be maintained and adequate insurance will be maintained.

Financial Audits

In order to ensure financial accountability, the Western Marquette County Health Foundation will have its financial statements reviewed or audited by an independent auditing firm on an annual basis. Whether a financial audit or reviewed financials is used will be based upon the constructs defined within the State of Michigan Intent to Solicit. The selection of the firm to conduct the audit will be approved by the board. The auditor's report, management letter, and IRS Form 990 will be presented to the board for approval. A copy of the audited or reviewed statement will be distributed to the full board. The audited or reviewed financial statements will also be made available to anyone else who requests them.

Financial Controls

Accounts

Western Marquette County Health Foundation shall maintain its accounts in financial institutions that are federally insured. All funds received by the foundation shall be deposited daily. All nonproductive funds shall be invested in accordance with the investment policy established by the board.

Authority To Sign

Orders of withdrawal shall bear the signature of one of the following officers or staff members:

- Board Chair
- Vice Chair
- Treasurer
- Secretary

Any checks payable to any one of the above-named persons shall be signed by someone other than the payee. Checks over the amount of \$5,000 require two signatures.

Bonding

Each officer or designated signatory with authority to withdraw funds shall be bonded. The cost associated to secure the aforementioned coverage shall be that of foundation. The amount of insurance coverage will be reviewed annually by the finance committee.

Quarterly Review

The finance committee shall, on a quarterly basis, review all disbursements in the amount of \$500 or more.

Investments

The board appointed investment counsel shall invest the foundation's short-term funds in such a way as to maximize return while protecting principal and will follow the guidelines listed below.

- The finance or investment committee on a regular basis should review investment activity.
- When held in commercial bank, investment of foundation funds should not exceed \$500,000 in any one institution for federal insurance purposes, unless approved by the board.
- Accounts such as interest-bearing checking accounts, money market accounts, certificates of deposit, investment-grade commercial paper, and government securities are to be the primary short term investments. Investing in any other type of investment vehicle requires counsel from the investment firm and prior approval by the finance or investment committee.
- A current list of financial institutions approved as depositories for investment will be kept on file and updated regularly by the committee. This list includes commercial banks, savings and loans, insurance companies, and brokerage houses insured by the Securities Protection Investment Corporation.
- Within guidelines, maximum interest rates shall be sought, with the maturity of the investments governed by expected cash needs.
- All securities are to be written in the name of Western Marquette County Health Foundation.
- On an as-needed basis, the board will review the approved Investment Policy Statement presented by the foundation's contracted SPIC Investment Firm to gauge risk factor.

IRS 990 or IRS 990 PF

The board shall ensure that the following steps toward public disclosure of Western Marquette County Health Foundation's financial status take place:

- Review Form 990 by legal counsel each year.
- Distribute, to the full board, a copy of the Form 990 in advance of filing for review and consideration.
- File accurate, complete, timely, and in compliance with regulatory requirements Form 990 by IRS deadlines each year, extensions must be approved by the board.

- Disclose to the general public, through the organization's Web site, Form 990 and the audited financial statements.

Reserves and Endowments

Western Marquette County Health Foundation reserves the right to establish an unrestricted endowment fund to support the general purposes of the organization. The principal is to be invested in a prudent manner in accordance with the investment policy as prescribed from time to time by the board, and the income (defined as total return income) is to be used to support the organization's general purposes.

The foundation may allow the creation of named endowments to recognize a donor and his or her wishes.

The board, or its designated committee, shall retain the right to dissolve endowments and use the principal for general purposes or for the restricted purposes contained in each endowment when, in the board's discretion, the purposes of the endowment can no longer be met or the organization's needs may so require.

The endowment fund shall annually distribute an amount ranging from five percent of the fund's average value as calculated in this paragraph. The distributions shall be made quarterly in an amount equal to [one and one-quarter] percent of the calculated distribution value. The distribution value is the average of the fair market value of the fund as of the close of each of the preceding 12 calendar quarters. The fund's market value shall be based upon all assets in the fund including principal and retained income, adjusted for all gains and losses, whether realized or unrealized, and determined as of the last business day of the quarter. The distributions shall be made promptly following the close of each quarter. To the extent that it may legally do so, the organization shall interpret this policy as satisfying a gift provision that calls for retaining principal and distributing income.

Risk Management

Insurance

Western Marquette County Health Foundation will purchase necessary policies to insure the organization against risk. Types of insurance to be purchased should include

- Insurance against employee theft and dishonesty
- Indemnification
- General liability (personal and property damage and punitive damage)
- Nonprofit Officers' and Directors' Liability
- Workers' Compensation (if needed when it directly employs a person)
- Annual Meeting Cancellation
- ERISA Fiduciary Liability

Additional types of insurance needed to protect the organization must be approved by the board.

FUNDRAISING

Board Member Fundraising

Fundraising is a major part of a board member's responsibility, and financial support of the annual appeal and special events is expected.

In addition to any organization-wide fundraising activities approved by the board, board members may be asked to engage in individual fundraising activities on behalf of Western Marquette County Health Foundation, including:

- Annual end-of-year fundraising letter to personal and professional contacts
- Yearly fundraising activities in their communities
- Making contacts for support of foundation programs; seeking assistance from other board members if needed
- Encouraging local members [or supporters] to consider planned giving

Conduct Policy Acknowledgements

Board members are expected to give an annual monetary gift to Western Marquette County Health Foundation and are asked to make the foundation a priority in their personal giving. Board members are expected to be involved in fundraising by using their personal and business connections when appropriate, by soliciting funds when appropriate, by serving on fundraising committees, and by attending fundraising events.

Donor Relations

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

Gift Acceptance

Western Marquette County Health Foundation receives gifts in the form of cash, checks, and securities. Securities are received into the investment account maintained at Bell Financial, which is located in Ishpeming, MI. Gifts of securities will be acknowledged to the donor at the value received into the account, as of the day received. All securities will be sold immediately upon receipt into the account. The funds available after the sale will be invested only in the foundations existing investment pool.

The purpose of this gift acceptance policy is to give guidance and counsel to those individuals within Western Marquette County Health Foundation concerned with the planning, promotion, solicitation, receipt, acceptance, management, reporting, use, and disposition of private sector gifts.

These policies must be viewed as flexible and realistic in order to accommodate unpredictable situations as well as donor expectations, as long as such situations and expectations are consistent with the foundation's mission and policies. Flexibility must be maintained since some gift situations will be complex, and proper decisions can be made only after careful consideration of all related factors. These policies may, therefore, require that the merits of a particular gift be considered by the appropriate staff and/or committee of the board along with legal counsel and directors if necessary.

All fundraising activities and gift acceptance policies, and their day-to-day implementation, are designed and managed by the executive director, in conjunction with the fundraising committee, and are subject to approval by the board.

The board, through the finance committee and the treasurer, is responsible for the gift acceptance policy. This responsibility cannot be delegated or waived. These policies and authorizations shall be reviewed by the finance committee on an annual basis or as circumstances warrant.

Policy Statements

Board Acceptance of Gifts

The board shall exercise its public trust, as mandated by statute, in making final decisions for the acceptance of all gifts and grants and for any exception to its policies and guidelines. Gifts and gift instruments may be received by the executive committee but can be accepted officially only by the board as managers of the public trust. The foundation shall accept only those gifts the transference and implementation of which shall be deemed consistent with the public laws and/or regulations of the United States of America and the State of Michigan.

Philanthropic Intent

The board shall determine that gifts to the foundation are evidence of philanthropic intent and that the donor's philanthropy is in accord with the stated mission and goals of the foundation. The purpose is to prevent the foundation from being an object of philanthropic intent for either designed or innocent avoidance of taxes, prejudiced purposes, or evaluation of gifts without generous, advanced, objective, experienced evaluation.

Ethics

The board shall assure itself that all philanthropic promotions and solicitation are ethical by adopting policies that prohibit foundation personnel from benefiting personally by way of commissions or other devices related to gifts received.

Review Legal Arrangements

Legal counsel retained by Western Marquette County Health Foundation shall, as required, review legal documents, contracts, and all donor agreements. The foundation shall seek the advice of legal counsel in all matters pertaining to its planned giving program. All agreements shall follow the formats of the specimen agreements to be approved by legal counsel unless counsel has agreed in writing to a change for a specific agreement.

The foundation shall encourage donors to seek their own counsel in matters relating to their bequests, life income gifts, tax planning, and estate planning. All legally binding documents involving gifts over \$10,000 shall be prepared and/or reviewed by counsel retained by the donor, to avoid any conflict of interest or undue influence. Alternatively, a donor may sign a document prepared by the foundation, releasing the foundation from any liability and waiving any conflict.

Professional Fees

While Western Marquette County Health Foundation is happy to offer assistance to attorneys and other professional advisors by providing specific language to be used in charitable giving instruments, it cannot pay any attorney's or advisor's fees associated with this work.

Unacceptable Gifts

The foundation reserves the right to refuse any gift that is not consistent with its mission. In addition to and without limiting the generality of, the following gifts will not be accepted by the foundation:

- Gifts that violate any federal, state, or local statute or ordinance
- Gifts that contain unreasonable conditions (e.g., a lien or other encumbrance) or gifts of partial interest and property
- Gifts that are financially unsound
- Gifts that could expose the foundation to liability

Stewardship

Western Marquette County Health Foundation will be responsible for good stewardship toward its donors by following these guidelines:

- All gifts will be acknowledged within the required, or otherwise reasonable, period of time.
- All gift acknowledgment letters/receipts will be prepared by the treasurer or secretary or his or her designee.
- Gifts to the foundation shall be reported in a manner consistent with the standards recommended by the Association of Fundraising Professionals (AFP) or the National Council on Planned Giving (NCPG).
- Files, records, and mailing lists regarding all donors and donor prospects are maintained and controlled by the foundation. Maximum use will be made of information and contacts that members of the board, various volunteer groups, or the staff have with potential donors.

Written reports of interviews and solicitations will be maintained in the donor prospect file and/or computer.

- This information is confidential and is strictly for the use of foundation board and staff. Use of this information shall be restricted to organization purposes only. Donor has the right to review his or her donor fund file(s).
- Should the gift be restricted, the foundation will provide the donor with a narrative and financial report detailing the activities made possible by their support. This report will be submitted to the donor within 365 days of the completion of the underwritten activities.
- Gifts to the foundation and accompanying correspondence will be considered confidential information, with the exception of the publication of donor recognition societies. All donor requests for confidentiality will be honored.
- Names of donors will not be provided by Western Marquette County Health Foundation to other organizations, nor will any lists be sold or given to other organizations.

Conflict of Interest

The Western Marquette County Health Foundation board will assure itself that personnel or volunteers are circumspect in all dealings with donors in order to avoid even the appearance of any act of self-dealing. The board will consider a transaction in which the employee has a "material financial interest" with a donor an act of self-dealing. In reviewing self-dealing transactions, the board shall consider financial interest "material" to an employee if it is sufficient to create an appearance of a conflict. In each case, this will be a question of fact.

The board will examine all acts of self-dealing including, but not limited to prohibition against personal benefit. Those individuals who normally engage in the solicitation of gifts on behalf of the foundation shall not personally benefit by way of commission, contract fees, salary, or other benefits from any donor in the performance of their duties on behalf of the foundation.

Conformity to Federal and State Laws

The board will assure itself that fundraising activities comply with local, state, and federal laws.

Gift Valuations

Western Marquette County Health Foundation shall follow accepted guidelines for the valuation of gifts such as stock, real estate, personal property, and life insurance that require specific methods of valuation for the protection of both the donor and foundation.

Gifts of art, furniture, books, stamps, coins, and other collections must have values assessed by properly accredited independent appraisers retained by potential donors for appropriate gift tax credit. The foundation shall acknowledge receipt of such properties but must not verify values.

Required Reporting of Gifts to the Internal Revenue Service

Should Western Marquette County Health Foundation sell, exchange, or otherwise dispose of any gift (other than checks, cash, or publicly traded stocks or bonds), within two years after the date of the gift, the foundation will furnish the Internal Revenue Service and the donor with a completed Form 8282.

Sponsorship and Endorsements

Western Marquette County Health Foundation actively solicits and encourages the business community, service clubs, and other organizations to become sponsors of foundation events, programs, and services. The foundation enters into sponsorship agreements with sponsors it deems appropriate. Sponsorship agreements may vary by sponsor.

A sponsorship is defined as a mutually beneficial exchange arranged in advance whereby

- Foundation obtains support for a specified activity.
- Sponsor receives value in return for cash and/or products and services-in-kind to foundation.

Sponsorship Approvals

Western Marquette County Health Foundation's board has the right to refuse an offer of sponsorship that is deemed inappropriate or incompatible with the mission, goals, or best interests of Western Marquette County Health Foundation.

Conditions of Sponsorship

The foundation undertakes to ensure that all partners understand that the sponsorship agreement will have no impact on the policies or practices, such as materials selection or purchases, of the foundation. Use of Western Marquette County Health Foundation's name or logo is strictly controlled. Any use of the foundation's name or logo by community or business partners requires prior approval in writing.

A partnership agreement will define the terms of the sponsorship (e.g., project details, timing, limitations, invoicing, and formal recognition of the sponsorship) and any recognition to be provided to the sponsor. The sponsorship agreement will have a set time period and all obligations on the part of foundation and the sponsor will end upon the termination of the agreement, unless otherwise specified in the agreement.

Certain partnership agreements may entitle a sponsor to exclusivity. In all other cases a sponsor may not limit the foundation's ability to enter into other sponsorships.

Sponsor Recognition

Sponsors will be provided with a level of recognition commensurate with their contribution. Recognition shall be in conjunction with, but not limited to, the programs or services that are supported by the sponsor.

Charitable Tax Receipts

Charitable receipts may not be issued for sponsorships where the sponsor receives a benefit such as advertising or promotion in return for the donation. However, the foundation will issue an appropriate numbered receipt to its business partners for tax purposes.

COMMUNICATIONS

Website Policy

Privacy: Western Marquette County Health Foundation respects the privacy of each visitor to the foundation's website. The foundation may use cookies. Any personal information provided by a visitor will be used solely by the foundation for internal purposes and, where appropriate, to contact

individuals directly. Personal information will not be sold and will be shared only with those third-party service providers who perform functions on our behalf, including processing credit card payments, providing customer service, removing repetitive information from customer lists, analyzing data, and providing marketing assistance.

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or out of any breach of any warranty, even if such parties have been advised of the possibility of such damages or such damages were foreseeable.

Opt-Out Policy

Western Marquette County Health Foundation will provide each member equal opportunity to opt out of any communication method utilized by the foundation. Members will be notified regarding these policies on an annual basis.

Media Relations

Board Members are authorized to speak with the media. The board designate shall collaborate on message development and coordinate who will handle which press inquiries. Provided that they have prior permission to do so employees and board members acting in a capacity with a committee or a caucus shall speak publicly on behalf of the foundation only in accordance with established public speaking procedures.

Key Points To Remember When Dealing with the Media:

- Be polite.
- Be helpful.
- Find out what the reporter needs to know and what his or her deadline is.
- Don't let a deadline pass without a response.
- Don't get drawn into providing information or opinions that you don't have the authority to provide.
- Always inform the secretary of the call for follow-up.

Lobbying and Political Activity

Western Marquette County Health Foundation encourages individual participation in civic affairs. However, as a charitable organization, the foundation may not make contributions to any candidate for public office or political committee and may not intervene in any political campaign on behalf of or in opposition to any candidate for public office.

We therefore:

- Refrain from making any contributions to any candidate for public office or political committee on behalf of the foundation.
- Refrain from making any contributions to any candidate for public office or political committee in a manner that may create the appearance that the contribution is on behalf of the foundation.
- Refrain from using any organizational financial resources, facilities, or personnel to endorse or oppose a candidate for public office.
- Clearly communicate that we are not acting on behalf of the organization, if identified as an official of the foundation, while engaging in political activities in an individual capacity.
- Refrain from engaging in political activities in a manner that may create the appearance that such activity is by or on behalf of the foundation.