



Summary of Financial Policies and Procedures

Central to the mission of the Community Foundation of Wabash County, (Community Foundation), is the development and safeguarding of charitable assets to support the quality of life of Wabash County. Assets are maintained in component funds which are accounted for separately but co-mingled for investment purposes. The Community Foundation offers a variety of types of funds, as well as four investment portfolios: the **Endowment Investment Portfolio**, the **Intermediate Fund Portfolio**, a **Money Market Fund**, and a **Preferred Savings Account**. Administration of funds, including investment management, spending, investment, and CFWC fees are executed according to Community Foundation policies, which are summarized in this document.

New Fund Procedures. Donors, as founders of new funds in the Community Foundation, will be asked to complete a **New Fund Administration Questionnaire**, which provides important information about them and their wishes. We seek to fully understand and document donors' charitable desires regarding the administration of the fund. The more we know, the better able we are to implement your intentions in perpetuity.

ENDOWED FUNDS

ENDOWMENT INVESTMENT PORTFOLIO

The **Investment Policy** of the CFWC establishes the objectives and guidelines of the endowment portfolio. The investment objective of the endowment portfolio is to preserve the real purchasing power of the principal gift and provide a stream of income for spending, which grows at a rate equaling or exceeding the rate of inflation, in order to sustain the grantmaking capacity of the Foundation in accordance with the Foundation's current **Endowment Spending Policy**. Investment objectives will be achieved by maximizing total return consistent with prudent risk limits. Reasonable consistency of return on an annual basis is important to assure the Foundation's capacity to sustain a level of operation that will provide for its continual growth. Accordingly, the funds are to be actively managed in a manner that provides long term growth of capital while attempting to limit downside risk. The asset allocation and investment requires adequate diversification in order to reduce volatility. Investment instruments may include active fund managers and passive exchange traded funds in the following categories.

US Gov't Bonds/Notes
Inflation-protected Bonds
US Equities
Hedged Strategies
Precious Metals

Corporate Bonds
High Yield Bonds
Non-US Equities
REITS
Private Equity

Non-US Gov't Bonds
Multi-Asset Income Strategies
Global Allocation Strategies
Commodities

Grant Distribution from Endowments - The Community Foundation Endowment Spending Policy authorizes the calculations and procedures regarding grant distributions. In July 2009, the CFWC adopted **UPMIFA**, the Uniform Prudent Management of Institutional Funds Act, which addresses expenditure and retention of assets in institutional and endowment funds. It is important to remember that only a portion of the total return is distributed. A distribution is called a grant. To calculate the annual grant amount, on December 31 of each year, the Community Foundation compares the contributed and market values of each endowment and assigns a payout rate to the 12-quarter moving average of the endowment value. The payout rate is established by the Investment Committee, and has been 4% for endowments whose market value exceeds contributed value, and 2% on endowments whose market value is less than its contributed value. The Investment Committee has occasionally reduced the payout in order to preserve principal.

Endowment beneficiaries can elect a distribution schedule appropriate for their operations, however not more frequently than semi-annually. Endowment beneficiaries may elect to retain annual payouts in the endowment. Accumulated undistributed payouts are accounted for separately, but are retained in the endowment investment portfolio and are subject to market gains as well as losses. Beneficiaries may elect to transfer accumulated payouts to different portfolios.

Grants from newly created endowments will commence not earlier than one year after creation. Grants will not be distributed from endowment funds whose contributed value has not reached the minimum for that type of endowment.

Administrative Fees on Endowments - The Community Foundation Fund Fee Policy authorizes the administrative fee rate assessed on endowments based on a sliding scale. Currently, the quarterly fee rate applied to endowments other than scholarships is .25%. This rate is applied quarterly to the endowment's market value where the contributed value is less than \$1 million. The quarterly rate applied to scholarship endowments is .375%.

NON-PERMANENT FUNDS

INTERMEDIATE FUND PORTFOLIO

Duration: 2-5 years. The investment objective of the Intermediate Fund Portfolio is to provide returns in excess of short duration portfolio management with less risk and volatility than the Community Foundation's Endowment Investment Portfolio. The portfolio will own both equity and fixed income investments with an emphasis on income producing securities. The allocation to equity securities will be less than in the longer term Endowment Investment Portfolio but will exceed the zero equity weighting within the Short Term Portfolio. The Intermediate Fund Portfolio value does fluctuate. Returns are not guaranteed, nor are deposits insured. The fund has lower volatility than the Endowment Portfolio due to the funds more conservative allocation. Current investment instruments include, but are not limited to:

US Gov't Bonds/Notes	Corporate Bonds	Non-US Gov't Bonds
Inflation-protected Bonds	High Yield Bonds	Multi-Asset Income Strategies
US Equities	Non-US Equities	Global Allocation Strategies

MONEY MARKET FUND

The Money Market Fund is a non-fee collection of liquid, near-term instruments, including cash and cash equivalents with high-credit rating and short-term maturities. Donors who elect this portfolio intend to minimize risk and will likely recommend a grant in the near future.

PREFERRED SAVINGS

The Preferred Savings Account is a non-fee based investment account for short-term funds that require immediate liquidity or have been designated for very short-term projects. Assets in this account will generally only be placed into FDIC Insured Preferred Savings, short-term U.S. Government backed obligations, U.S. Government Securities Money Market Funds, or other cash equivalents

SCHOLARSHIP SUITE OF PORTFOLIOS

The Community Foundation's suite of scholarship portfolios are designed for the prudent investment and timely granting of assets intended to support post-secondary education. The portfolios hold scholarships earned by school age Wabash County students who are participating in the Community Foundation's Imagine Early Program, formerly named the Early Award Scholarship Program. Imagine Early is funded in part by the Charles Stewart Mott Foundation and by awarding scholarships early reinvents the delivery of post-secondary financial aid. Participating students in grades 4 through 8 earn post-secondary scholarships by completing 100% of their in-school work at a 70% proficiency. The awards are maintained in one of three portfolios below depending upon the student's graduation year and are available to support a student's educational expenses up to age 22.

- Conservative Scholarship Portfolio – Bonds (75%), Stocks (25%)
- Balanced Scholarship Portfolio – Bonds (55%), Stocks (45%)
- Growth Scholarship Portfolio – Bonds (25%), Stocks (75%)

Grant Distribution from non-permanent funds. Grants are distributed as stipulated by donors in the fund agreement.

Administrative Fees on Non-Permanent Funds. The **Community Foundation Fee Policy** authorizes an administrative fee on contributions to non-permanent funds. Fees are assessed at the time of receipt and are based on the size of the contribution. No other fee is assessed on the contribution. However, additional contributions to a non-permanent fund will be assessed at the time of receipt also based on the size of the contribution. The maximum fee on a contribution to a non-permanent fund is 2% on contributions of \$1 million and less.

Administrative Fees on Donor-Advised Non-Permanent Funds. The **Community Foundation Fee Policy** authorizes an administrative fee on contributions to non-permanent donor advised funds. Fees are assessed at the time of receipt and are based on the size of the contributions. No other fee is assessed on the contribution. However, additional contributions to a non-permanent donor-advised fund will be assessed at the time of receipt, also based on the size of the contribution. The maximum fee on a contribution to a non-permanent donor advised fund is 2% on contributions of \$74,999 and less.

COMMUNITY FOUNDATION BOARD OF DIRECTORS, COMMITTEES, AND STAFF

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Tyler Olson, Vice Chair
Jim Widner, Secretary
Jim Chinworth, Treasurer
Susan Manwaring, At Large

Member

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Beth Driscoll
Nathan Fancher
David Grant
Dam Krouse
Doug Lehman
Todd Lybarger
Dave Mann
John Philippsen
Cheryl Working
Stacy Young
Tenille Zartman

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4 Anonymous Members

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Joanne Case, Director of Imagine
Early
Terri Sprunger, Director of
Operations
Judi Orr, Imagine Early
Engagement Manager
Conner Hindman, Director of
Imagine One 85

**community volunteer*

These entities below receive payment for services from the Community Foundation of Wabash County.

Investment Advisors:

Graystone Consulting
A business of Morgan Stanley
Farmington Hills, Michigan

Auditor 2025:

Estep Burkey Simmons, LLC
Muncie, Indiana 47308

Contracted CFO

Cindy Seitz, CPA
North Manchester, IN 46962

Complete copies of the above referenced policies are available upon request. Policies and procedures are subject to change and are made in recognition of, and subject to all times to applicable law and the terms and conditions of the Articles of Incorporation and Bylaws of the Community Foundation.