Foundation for the Compton Community College District
Policies and Procedures

TABLE OF CONTENTS

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 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):

____
____
____
____

________________________________ ________________ ____, 20___

Signature Date

____

Print Name

Policy Name:	**Scholarship Management and Disbursement**
Policy Number:	**100**
Adopted on:	**February 17, 2022**

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:	**February 17, 2022**

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 it.

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 that 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 the 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 includes 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 the implementation of the 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 a 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:

Giving + Total Return = Spending + Inflation + 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 the above restrictions, in the event that a proposed contribution contains a prohibited asset, the Board of Directors reserves the right to accept the donation.

<u>Prohibited Transactions</u>
Prohibited transactions include, but are not limited to the following:

1. Margin Transactions
2. Short Selling

<u>Asset Allocation Guidelines</u>
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):

Asset Class	Minimum	Maximum	Preferred
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 of 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.

<u>Diversification for Investment Managers</u>
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 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 February 17, 2022, 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:	**February 17, 2022**

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 a 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 that 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 that 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 an endowment is to produce a predictable income over time. Therefore, the 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: **February 17, 2022**

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:	**Restricted Funds**
Policy Number:	**203**
Adopted On:	**November 17, 2022**

I. PURPOSE

The Foundation for the Compton Community College District manages several types of restricted funds to meet the needs of donors in the community. Based upon individual preference, each restricted fund is structured as temporarily restricted or permanently restricted.

Restricted gifts may be available for use now or endowed (as defined by the endowment policy). Restricted gifts terms and conditions can be defined by special agreement with the donor.

II. TYPES OF RESTRICTED FUNDS

a) Temporarily Restricted funds may only be used for a stated purpose as designated by the donor.

b) Permanently Restricted funds are considered endowments and are addressed in the Foundation for the Compton Community College District's Policy 201 – Endowment.

Policy Name:	**Stewardship Fees**
Policy Number:	**204**
Adopted On:	**February 17, 2022**

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: **February 17, 2022**

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 an 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, and 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 continues 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 appending to a level that protects the purchasing power of the fund.

Policy Name: **Whistleblower**
Policy Number: **301**
Adopted On: **February 17, 2022**

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 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: **February 17, 2022**

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. <u>Document Retention</u>

Nonprofit organizations must keep records for federal tax purposes for as long as they may be needed to 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) <u>Permanent Retention</u>

Some records should be kept permanently. These include:

(A) <u>Organizing Documents</u> (such as articles of incorporation and bylaws, with amendments, and minutes of board meetings).

(B) <u>Tax Records</u>, (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) <u>Intellectual Property Records</u> (such as copyright, trademark, and patent applications and registrations, and samples of protected works).

(D) <u>Financial Records</u> (such as financial statements, audit reports, deeds, mortgages, bills of sale, depreciation schedules, and copies of checks for important payments and purchases).

(E) <u>Other Non-Tax Records</u> (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, and 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 other methods appropriate to maintain confidentiality. Electronic documents shall be deleted from all individual computers, databases, networks, and backup 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:	**February 17, 2022**

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, businesses, 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 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: **November 17, 2022**

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 serves 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, or a specific program or project. Specific policies governing restricted gifts are spelled out in the Restricted Fund Policy 203.

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 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 requested 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: **February 17, 2022**

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, the way the organization intends to use donated resources, and 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 acknowledgment 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: **February 17, 2022**

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.