



**Arizona Grantmakers Forum**  
**Standing Rules and Policies**  
**(Revised April 12, 2011)**

**A      *Fiscal Policies and Procedures***

**1.      **Delegation of Authority.**** The Board of Directors may delegate limited authority over AGF financial affairs to the Treasurer, who functions as the chief financial officer of AGF, and to staff; however, the Board retains full fiscal responsibility and authority. The Treasurer shall work directly with the President to oversee the management of fiscal procedures and shall report to the Board on a regular basis on the financial condition of AGF.

**2.      **Receipt of Funds.****

**2.1**      The main sources of AGF revenue are (1) membership dues; (2) program underwriting/sponsorships; and (3) grants. The President shall make sure that all donation and membership solicitations include instructions to (a) make the contributions payable to “Arizona Grantmakers Forum” and (b) mail the contributions to the AGF office.

**2.2**      The President shall ensure proper separation of duties when handling receipts, designating an AGF staff person to open mail and record all receipts. Upon receipt of checks, the designated AGF staff person will restrictively endorse checks with an “Arizona Grantmakers Forum, For Deposit Only” stamp. The President will deposit the checks in an AGF bank account at least monthly. Checks greater than \$10,000 will be deposited within five business days. The President will provide the Treasurer with a list of all receipts received along with relevant bank statements at least once a month. The President shall provide prompt acknowledgement of donations to all donors and members.

**3.      **Disbursement Authority.****

**3.1**      The Chair, Vice-Chair, and Secretary/Treasurer of the Board of Directors, and the President are authorized to sign checks and otherwise disburse funds for the purpose of fiscal administration of the Board-approved budget. No officer or the President shall be the sole signatory on any check made payable to self nor authorize any other non-approved disbursement to self. For this purpose, the definition of “self” includes immediate family members and any organization in which the signatory or an immediate family member of the signatory has a financial interest.

**3.2**      All disbursements require approved invoices or expense vouchers before payment is made. A check in excess of \$1,000 requires two signatures, one of which may be that of the President.

**3.3**      The President must document all disbursements in a cash disbursements journal (or check register), either manually or through the use of accounting software.

## Arizona Grantmakers Forum – Standing Rules and Policies

### **4. Commitment Authority.**

**4.1** The President has the authority to enter into binding contracts and commitments on behalf of AGF, provided that (1) the full cost of the commitment has been included in the Board-approved budget and (2) if the contract or commitment is valued at \$5,000 or more, the signature of an officer of the Board is required in addition to the President's signature. In all other instances, approval by the Board of Directors is required before any commitment can be made.

**4.2** The President will strive to get the best price possible for all products and services and should obtain a minimum of two bids on all expense items exceeding \$5,000. This provision is subject to waiver from the AGF Board.

**5. Funds.** AGF divides its investable assets into two groups each with a specific purpose.

**5.1** Operating Funds: The Operating Funds of AGF are defined by the cash in the checking account and additional funds normally provided by dues and grants that are sufficient to cover budgeted expenses for the remainder of the year.

**5.2** Reserve Funds: The reserve Funds of AGF are defined as all investable assets in excess of the Operating Funds. The purpose of the Reserve Fund is to ensure AGF's future stability and capability of providing services to its members and the philanthropic community. To the extent feasible, the Board shall maintain a six to twelve-month operating reserve in the Reserve Fund. The Board may authorize the transfer of funds to and from the Reserve Fund upon the advice of the Treasurer, it being agreed and understood that the Reserve Fund is intended to be used only in extraordinary circumstances. The board may designate Reserve Fund balances which exceed the designated twelve-month reserve for capital investments in technology, special projects, grants or member services that would help fulfill the strategic direction of the organization.

### **6. Investment Objectives.**

**6.1** Operating Funds: The primary objective of the Operating Funds is to provide cash for the daily operations of AGF for the current budget year. Therefore, these funds may be invested in interest bearing checking or savings accounts, money market accounts, and/or certificates of deposits with maturities that provide cash flow in the current fiscal year. AGF shall not keep excess funds in the checking account, maintaining a balance to meet approximately 30- to 60-days of expenses.

**6.2** Reserve Funds: The primary objective of the Reserve Funds is to provide for the long-term growth of principal and income without inappropriate risk. Acceptable investments for the Reserve Funds shall include all investment instruments acceptable for the Operating Funds as well as any professionally managed fund (e.g. mutual funds, commingled community foundation funds) that is comprised of a well-diversified asset allocation with an expected volatility not to exceed the historic annual volatility of the S&P 500. The President/CEO of AGF, in consultation with the Treasurer, shall make recommendations relating to investment allocation, timing and instruments. These will be presented to the Finance Committee for final approval.

### **7. Financial Review Requirements.**

**7.1** The President shall prepare bi-monthly financial statements, including a Statement of Financial Position (actuals versus budget) and Membership Revenue Statement. Statements will be distributed to the Chair and Treasurer on a bi-monthly basis and to the Board of Directors at every board meeting.

**7.2** The President shall review all Reserve Fund statements and forward a copy of each such statement to the Treasurer for the Treasurer's review.

## Arizona Grantmakers Forum – Standing Rules and Policies

**7.3** The President/CEO shall ensure that the Board Treasurer has access to the monthly online bank statements in a timely fashion. The President/CEO will also ensure that the organization's accounting firm has access to all bank statements and investment statements in order to reconcile the accounts on a monthly basis. In the event that any questions arise regarding the nature of expenditures the accounting for all deposits and expenditures, the Treasurer and President/CEO will resolve these questions promptly.

**7.4** The President, at the start of each year, shall draft a letter to the Payroll company outlining the specific salary and payroll deductions for each employee. The letter will be co-signed by the board Chair and President. The board Treasurer will review the first payroll statements to ensure that the payroll statements are correct. Finally, the President will prepare a year-end payroll schedule which the board Treasurer will compare with the payroll company records to ensure full compliance.

**8. Annual Budget.** The Board of Directors shall approve the budget for the upcoming year at the annual meeting in November.

**9. Capitalizing Assets.** All assets exceeding \$1,000 should be capitalized in financial statements.

### **B. Membership**

**1. Membership Application.** The President shall prepare membership applications and all membership applications and fees will be submitted to the President. The President shall review all applications to determine eligibility of membership and provide written notification regarding acceptance to all applicants.

**2. Membership Dues.** Membership dues should be calculated based on total philanthropic expenditures, including grants, made during the previous year, or 5% of total assets, which ever is greater, except as otherwise stated in this paragraph. New foundations with no grant history, may pay the minimum dues level for the first year. Members located outside of Maricopa County are eligible for a 50% discount. Member dues are payable by February 15. Members joining mid-year will pay a prorated dues amount.

**3. Nonpayment of Dues.** If dues have not been paid by February 15 a second notice will be sent no later than Feb. 28. The President shall assign a member of the Membership Committee to personally contact members whose dues remain unpaid on March 15. The President shall send a termination of membership notice, effective as of (April 15), to those members whose dues remain unpaid on March 31<sup>st</sup>.

**4. Membership Resignation.** A member may resign by written notice of resignation to the Chair of AGF. Members resigning from AGF are not eligible to receive a refund of membership dues.

**5. Membership Removal.** Any member may be removed from membership, with or without cause, by a majority vote of the Board at any annual or special meeting called for that purpose. "Cause" is defined as disrupting the activities of AGF, violating AGF principles, or otherwise taking actions adverse to the best interests of AGF.

**6. Membership Voting.** Each member organization shall have one vote; at the beginning of each year, each member shall notify the President of the organization's voting representative.

## Arizona Grantmakers Forum – Standing Rules and Policies

### **C. Governance**

- 1. Board Role.** In addition to all of the obligations and responsibilities vested in the Board by law, the Board is responsible for setting policies and direction for AGF and establishing the scope of work for each committee.
- 2. Responsibilities/Expectations.** Each Board member is expected to (a) attend the majority of all Board meetings; (b) secure annual financial support to AGF in addition to membership dues; and (c) serve on at least one committee.
- 3. Board Composition.** Board composition should reflect the broad categories of AGF membership: corporations, private foundations (both family and independent foundations), public foundations (community foundations and federated funds), and government entities. Board composition should reflect the statewide nature of AGF’s mission and membership. In choosing Board members, AGF also should strive to have gender, ethnic and racial diversity. Board members should be either trustees or executive level staff members. Board membership is individual, not institutional; there are no Board seats designated for specific organizations. A Board member may not send a representative or proxy in his or her stead.
- 4. Election to the Board of Directors.**
  - 4.1** The Board Development Committee shall solicit nominations for the Board of Directors from the membership at least two months prior to the annual meeting. The Board Development Committee may recruit members to apply for Board positions. Any member wishing to serve on the Board shall notify a member of the Board Development Committee of that fact, in writing, no later than one month prior to the annual meeting. The Board Development Committee will prepare the slate of Board candidates; the slate shall contain at least one candidate for each vacant Board seat. The Board Development Committee shall send a ballot to all members in good standing no later than 15 days prior to the annual meeting. To the extent practicable, the ballot should include a biography of all candidates.
  - 4.2** Board members shall serve no more than three consecutive terms.
  - 4.3** The Board of Directors may vote to appoint one or more ex officio board members. An ex officio board member will not have the right to vote at Board meetings.
  - 4.4** The Immediate Past Chair shall become an ex officio member if s/he exceeds the term limits as specified in Section 4.2. and serves until such time as the current Chair becomes the Immediate Past Chair.
- 5. Compensation.** Board members shall receive no compensation for Board service. A Board member may be reimbursed for third-party expenses incurred by the Board member in accordance with the approved annual budget. A Board member may be reimbursed for other expenses only with the prior approval of the Executive Committee.
- 6. Political Activities.** No AGF member or staff member may use the name, property or facilities of AGF in connection with any political activity or any other activity that is prohibited by AGF’s status as a tax-exempt corporation.. The Board may engage in activities that are permitted under and consistent with AGF’s tax exempt status.
- 7. Conflict of Interest**
  - 7.1** Purpose. The purpose of the conflicts of interest policy is to protect the Corporation’s interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an

## Arizona Grantmakers Forum – Standing Rules and Policies

interested person to the Corporation and to avoid any actions or relationships which might give rise to a conflict of interest or to the appearance of a conflict of interest.

### **7.2** Definitions.

- a. Interested Person. An interested person is any director, officer, member of a committee with board delegated powers or staff member of the Corporation or a person serving on the board of any affiliated entity of the Corporation who:
  - i. Has a direct or indirect financial interest, as defined below, or
  - ii. Whether or not the transaction is brought before the board of directors of the Corporation for action, knows at the time of commitment that the interested person or a related person either:
    1. Is a party to the transaction, or
    2. Has a financial interest in or is so closely linked to the transaction and of such financial significance to the interested person or a related person that the interest would reasonably be expected to exert an influence on the interested person's judgment if the interested person were called on to vote on the transaction, or
  - iii. When the transaction is brought or is of such character and significance to the Corporation that it would in the normal course be brought before the board of directors of the Corporation for action, knows at the time of commitment that any of the following persons is either a party to the transaction or has a financial interest in or is so closely linked to the transaction and of such financial significance to the person that the interest would reasonably be expected to exert an influence on the interested person's judgment if the interested person were called on to vote on the transaction:
    1. An entity, other than the corporation, of which the interested person is a director, general partner, agent or employee, or
    2. A person that controls one or more of the entities specified in item (A) of this subdivision or an entity that is controlled by or is under common control with one or more of the entities specified in item (A) of this subdivision, or
    3. An individual who is a general partner, principal or employer of the interested person.
- b. Financial Interest. A person has a financial interest if the person has, directly or indirectly, through business, investment or a related person: (i) an ownership, partnership, or investment interest in any entity with which the Corporation has a transaction or arrangement, or (ii) a compensation arrangement with the Corporation or with any entity or individual with which the Corporation has a transaction or arrangement, (iii) a potential ownership, partnership, or investment interest in, or compensation arrangement with, any entity or individual with which the Corporation is negotiating a transaction or arrangement, or (iv) any other professional or business relationship with any entity or individual with which the Corporation has a transaction or arrangement. Compensation includes direct and indirect remuneration, as well as gifts or favors that are substantial in nature, including payment for service as a board member or staff. A financial interest is not necessarily a conflict of interest. Under Section 3.b. hereof, a person who has a financial interest may have a conflict of interest only if the appropriate board or committee decides that a conflict of interest exists after required disclosure is made.
- c. Related Person. A related person of an interested person means either: (i) the spouse, or a parent or sibling of the spouse, of the interested person, a child, grandchild, sibling, parent or spouse of a child, grandchild, sibling or parent, of the interested person, an individual having the same home as

## Arizona Grantmakers Forum – Standing Rules and Policies

the interested person or a trust or estate of which an individual specified in this Section 2.c. is a substantial beneficiary, and (ii) a trust, estate, incompetent, conservatee or minor of which the interested person is a fiduciary.

- d. **Qualified Person.** A qualified person means any director, officer, or member of a committee with governing board delegated powers, who is not an interested person with respect to a transaction or arrangement under consideration.

### 7.3 Procedures.

- a. **Duty To Disclose.** In connection with any actual or possible conflicts of interest, an interested person must disclose to the directors and members of pertinent committees with board delegated powers that are considering the proposed transaction or arrangement: (i) the existence and nature of his or her financial interest, and (ii) all facts known to the interested person respecting the subject matter of the transaction that an ordinarily prudent person would reasonably believe to be material to a judgment about whether or not to proceed with the transaction. The directors and/or members of pertinent committees with board delegated powers that are considering the proposed transaction may request from the interested person such additional information or documents relating to the transaction as is required for adequate disclosure.
- b. **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, he or she shall leave the board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The qualified persons shall decide if a conflict of interest exists. If it is determined that a conflict of interest exists, additional actions shall be taken as provided for herein.
- c. **Procedures For Addressing the Conflict of Interest.**
  - i. An interested person may make a presentation at the board or committee meeting concerning the transaction, but after such presentation, he/she shall leave the meeting and not participate in any future meetings during the discussion of, deliberations about, and the vote on, the transaction or arrangement that results in the conflict of interest.
  - ii. The chairperson of the board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
  - iii. After exercising due diligence, the board or committee shall determine whether the Corporation can obtain a more advantageous transaction or arrangement with reasonable efforts from a person or entity that would not give rise to a conflict of interest.
  - iv. If a more advantageous transaction or arrangement is not reasonably attainable under circumstances that would not give rise to a conflict of interest, the board or committee shall determine by a majority vote, but at least two, of the qualified persons whether the transaction or arrangement is in the Corporation's best interest and for its own benefit and whether the transaction is fair and reasonable to the Corporation and shall make its decision as to whether to enter into the transaction or arrangement in conformity with such determination.

## Arizona Grantmakers Forum – Standing Rules and Policies

- v. The interested person shall not influence or attempt to influence the decisions of the board or committee considering the transaction.
- d. Violations of the Conflicts of Interest Policy. If the board or committee has reasonable cause to believe that an interested person has failed to disclose actual or possible conflicts of interest, it shall inform the interested person of the basis for such belief and afford the interested person an opportunity to explain the alleged failure to disclose. If, after hearing the response of the interested person and making such further investigation as may be warranted in the circumstances, the board or committee determines that the interested person has in fact failed to disclose an actual or possible conflict of interest, it shall take appropriate corrective action.

**7.4** Records of Proceedings. The minutes of the board and all committees with board-delegated powers shall contain: (a) the name(s) of the interested person(s) 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 board's or 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 votes 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 therewith.

**7.5** Compensation Committees. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member's compensation. No member, either individually or collectively, is prohibited from providing information to the board or any committee regarding compensation.

**7.6** Annual Statements. Each interested person of a committee with board delegated powers shall annually sign a statement which affirms that such person: (a) has received a copy of the conflicts of interest policy, (b) has read and understands the policy, (c) has agreed to comply with the policy, and (d) understands that the Corporation is a charitable organization, and that in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

**7.7** Periodic Reviews. To ensure that the Corporation operates in a manner consistent with its charitable purposes and that it does not engage in activities that could jeopardize its status as an organization exempt from federal income tax, periodic reviews shall be conducted. The periodic reviews shall, at a minimum include the following subjects: (a) whether compensation arrangements and benefits are reasonable and are the result of arm's-length bargaining, and (b) whether partnership and joint venture arrangements and arrangements with management organizations or other organizations conform to written policies, are properly recorded, reflect reasonable payments for goods and services, further the Corporation's charitable purposes, and do not result in inurement or impermissible private benefit.

### **8. Use of AGF Member List**

**8.1** No member or staff of AGF may use, or facilitate the use of, the AGF membership list for any solicitation purpose of any kind whatsoever, but rather should direct interested parties to use the AGF member contact information listed at the AGF website.

**8.2** Mailing labels for AGF's membership can be obtained free of charge from the AGF staff for use by any AGF member.

**8.3** AGF’s mailing labels are to be used solely for the distribution of informational materials or for invitations to educational events that foster shared learning within the AGF network. Under no circumstances may a member use the AGF name in the working of one of their own program announcements or invitations.

**8.4** AGF staff may, when time permits, assist other select national organizations (such as grantmaker affinity groups) by mailing their information to AGF members, assuming the national organization provides the materials and postage.

**9. AGF Employee Protection (Whistleblower) Policy**

If any employee reasonably believes that some policy, practice, or activity of AGF is in violation of law, a written complaint must be filed by that employee with the President/CEO or the Board President.

It is the intent of AGF to adhere to all laws and regulations that apply to the organization and the underlying purpose of this policy is to support the organization’s goal of legal compliance. The support of all employees is necessary to achieving compliance with various laws and regulations. An employee is protected from retaliation only if the employee brings the alleged unlawful activity, policy, or practice to the attention of AGF and provides the organization with a reasonable opportunity to investigate and correct the alleged unlawful activity. The protection described below is only available to employees that comply with this requirement.

AGF will not retaliate against an employee who in good faith, has made a protest or raised a complaint against some practice of AGF, or of another individual or entity with whom AGF has a business relationship, on the basis of a reasonable belief that the practice is in violation of law, or a clear mandate of public policy.

AGF will not retaliate against employees who disclose or threaten to disclose to a supervisor or a public body, any activity, policy, or practice of AGF that the employee reasonably believes is in violation of a law, or a rule, or regulation mandated pursuant to law or is in violation of a clear mandate or public policy concerning the health, safety, welfare, or protection of the environment.

**10. Document Retention.** The law requires AGF to maintain certain types of corporate records, usually for a specified period of time. Failure to do so could subject AGF and/or its employees to penalties and fines, cause the loss of rights, obstruct justice, spoil potential evidence in a lawsuit, place AGF in contempt of court, or seriously disadvantage AGF in litigation. Therefore, AGF and/or its employees shall adhere to all legally required document retention requirements as well as other standard practices related to retention of electronic files and data back up as specified in AGF Administrative Policies and Procedures.

**11. Process for Determining Compensation**

This **Policy on the Process of Determining Compensation** of Arizona Grantmakers Forum applies to the compensation of the organization’s chief employed executive.

The process includes all of these elements: (1) review and approval by the board of directors or compensation committee of the Organization; (2) use of data as to comparable compensation; and (3) contemporaneous documentation and recordkeeping.

- a. Review and approval. The compensation of the person is reviewed and approved by the board of directors or compensation committee of the Organization, provided that persons with conflicts of interest with respect to the compensation arrangement at issue are not involved in this review and approval.

## Arizona Grantmakers Forum – Standing Rules and Policies

- b. Use of data as to comparable compensation. The compensation of the person is reviewed and approved using data as to comparable compensation for similarly qualified persons in functionally comparable positions at similarly situated organizations.
- c. Contemporaneous documentation and recordkeeping. There is contemporaneous documentation and recordkeeping with respect to the deliberations and decisions regarding the compensation arrangement.

The overall intent of the AGF compensation package is to

- Attract and retain key executive talent
- Pay appropriately compared to similarly-situated organizations
- Reward executive commensurate with organization performance.

Compensation Setting Process

- Executive Committee conducts annual CEO performance evaluation in November/December.
- Executive Committee makes recommendation to full board regarding compensation
- Full board approves annual CEO compensation package at December board meeting
- The CEO is responsible, working with the Board Chair, for scheduling all meetings associated with the CEO Performance Evaluation.

### **D. Board Committees**

**1. Standing Committees.** The standing committees are: the Program Committee, the Membership Committee, Finance & Audit Committee, Public Policy Committee and the Governance Committee. The Program Committee is responsible for generating ideas for monthly programs, suggesting speakers, and evaluating programs. The Membership Committee is responsible for membership recruitment, retention and development activities. The Finance & Audit Committee is responsible for overseeing budget preparation, ensuring accurate tracking/monitoring/accountability of funds, and for authorizing investment allocations. **The Public Policy Committee is responsible for educating members about the value of and opportunities for engaging in public policy.** The Governance Committee annually shall propose a slate of candidates for election and conduct the election; it also will investigate written complaints against Board members.

**2. Ad Hoc Committees.** The Chair may appoint ad-hoc committees with the approval of the Board of Directors.

**3. Committee Chairs.** In consultation with the Board of Directors, the Chair will appoint the chair of each standing committee. Each such chair shall serve a term of one year, with appointments to be made at the first meeting after the annual meeting and whenever vacancies occur.

**E. Personnel.** Policies governing employees are set forth in the Employee Handbook, a copy of which is on file in the AGF office.

Arizona Grantmakers Forum – Standing Rules and Policies

**F. Media**

1. **Spokesperson.** The Chair of the Board is the spokesperson for AGF on all policy issues, provided, however, that the Chair, from time to time at the Chair’s discretion, may delegate that responsibility to another board member or to the President.
  
2. **Official Response.** Whenever the Chair or a Board member or an AGF member requests that a public statement be made on behalf of AGF, the Chair shall consult with the Board regarding the appropriate statement and the statement shall be approved by a majority of the Board; provided, however, that if the Chair determines that an immediate statement is required, the Chair shall consult with the Executive Committee and the statement shall be approved by a majority vote of those members of the Executive Committee voting on the issue.
  
3. **Public Comment.** Each Board member has an obligation to help donors, contributors, members, the media and the general public to see AGF in the best possible light. Public comment, whether to a group or an individual, must be supportive of AGF’s initiatives, activities and personnel. Disagreements are to be aired in confidence, in the boardroom.

**G. Meetings**

1. **Attendance by Non-Members.** A non-member organization may attend no more than two members-only meetings in any calendar year; provided, however, that this restriction may be waived by the Chair of the Membership Committee for good reason. “Good reason” refers to changes in circumstances, such as personnel changes, that may preclude the non-member from making an informed decision about joining AGF without attending an additional meeting. In no event, may a non-member attend more than three members-only meetings in any calendar year.
  
2. **Conduct at Meetings.** The meetings and activities of AGF cannot be used for soliciting grants, attempting to influence the grantmaking decisions of members or promoting the interests of any grantseeking organization. Discussions at meetings are to be considered “off the record” unless explicitly stated otherwise. Unless invited by a member of the Executive Committee, attendance by grantseekers or other persons not eligible for membership will not be permitted.

**H. Review and Amendments**

1. **Review of Policies.** The Board of Directors shall review these policies on an annual basis.
  
2. **Amendments.** The Executive Committee may propose amendments to these policies to the Board of Directors. A Board member may bring a policy issue to the Board if the Executive Committee has failed to recommend action to the Board. A member may bring a policy issue to the Executive Committee. If no action is taken by the Executive Committee, the member may bring the issue to the Board of Directors.

Approved by: \_\_\_\_\_ Title: \_\_\_\_\_

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