

**Granbury ISD Education Foundation
Policies and Guidelines
February 25, 2016**

The Granbury ISD Education Foundation was created to support the educational programs for both the students and staff of the Granbury ISD. The Granbury ISD Education Foundation activities and funds will be used to support educational excellence and promote community engagement in and for the Granbury ISD.

The Granbury ISD Education Foundation is committed to responsible governance and financial management. The Granbury ISD Education Foundation Board of Directors (Board), administrators, and staff will work together to make certain that all governance and financial matters of the organization are addressed with integrity and in the best interest of the Granbury ISD Education Foundation.

These policies and procedural guidelines are designed to protect the assets of the Granbury ISD Education Foundation; ensure the maintenance of accurate records; provide a framework of operating procedures; and ensure compliance with reporting requirements.

Review of these policies and guidelines should take place by the Vice President of Finance & Governance and the Finance & Governance Committee at least every two (2) years. All changes to the policies and guidelines should be submitted to the Board in writing for discussion and consideration.

- Section I: General Policies and Guidelines
- Section II: Financial Policies and Guidelines
- Section III: Investment Policies
- Section IV: Gift Acceptance Policies
- Section V: Conflict of Interest Policy
- Section VI: Whistleblower Protection Policy
- Section VII: Document Destruction Policy

Adopted: _____

Representative: _____, Finance & Governance Chair

SECTION I: GENERAL BOARD POLICIES

1.01 Authority and Accountability

The Board as a whole is responsible to stakeholders and donors who provide funds for the operation of the Granbury ISD Education Foundation. The Board is also accountable, in a more general sense, to exercise good stewardship of the Granbury ISD Education Foundation on behalf of the trust placed in it by the general public, consumers, staff, volunteers, and other stakeholders. The Board may delegate authority to an individual director or officer or employee or member of a committee; however the Board retains ultimate responsibility and accountability.

The Board will be accountable and report to the Granbury ISD Education Foundation's funders and other key stakeholders through annual and periodic reports on the activities and finances of the Granbury ISD Education Foundation. It is the intent of the Granbury ISD Education Foundation to operate in an open and transparent manner.

1.02 Board of Directors' Nomination Process

New board members will be nominated and recruited to fill Board vacancies annually as per the bylaws. The nominating committee shall propose nominees to the members for election to the board of directors and also persons to be elected to fill vacancies on the board of directors. The nominating committee shall also propose candidates at the first meeting of the board of directors after the annual meeting of the membership, to stand for election as officers of the corporation.

1.03 Directors and Officers Liability Insurance

Directors and Officers Liability Insurance will be maintained by the Granbury ISD Education Foundation. The Insurance shall be purchased annually with coverage for all Board members.

1.04 Memorandum of Understanding

A Memorandum of Understanding (MOU) outlining the expectations and responsibilities of the Granbury ISD Education Foundation and the Granbury ISD shall be developed and reviewed periodically. The MOU will be approved by the Granbury ISD Education Foundation Board of Directors and the Granbury ISD School Board.

1.05 Funding Requests to Foundations or Corporations

Funding requests or proposals to other foundations or corporations may be approved by the Granbury ISD Education Foundation Board of Directors. The Board shall be made aware of the purpose, amount requested and reporting requirements.

1.06 Funds Received for the School District

Funds received for the Granbury ISD from other foundations or corporations will be disbursed to the Granbury ISD as prescribed by the funder or as outlined in the application or proposal. The Granbury ISD shall be responsible for required accounting and reporting. A summary report will be provided to the Granbury ISD Education Foundation Board of Directors.

1.07 Annual Budget

The Finance Committee shall develop a budget for Unrestricted and Restricted Funds for presentation to the Board for approval at the Annual Meeting. The budget shall adhere to the Board commitment to disburse funds.

1. 70-80% disbursed for specific initiatives and funding priorities for the benefit of Ultimate as approved by the Board.
2. 10-20% reserved for long range planning and/or endowment purposes
3. 10% used for general operation of the Granbury ISD Education Foundation including printing costs, salaries (if applicable), office supplies, postage, event costs, etc.

SECTION II: FINANCIAL POLICIES AND GUIDELINES

2.01 Financial Controls and Operating Procedures

The Vice President of Finance & Governance shall have the primary responsibility for designing and maintaining the accounting process. Bookkeeping, financial or other accounting support may be provided by others as designated. Monthly reports should be submitted to the Board indicating revenue and expenditures and assets and liabilities, at a minimum. An annual budget may be prepared by the Finance & Governance Committee for Board consideration.

A review of any changes to the Internal Revenue Service (IRS) Tax Code pertaining to 501(c)(3) organizations shall be conducted annually by the Finance & Governance Committee (or outside consultant) to ensure compliance.

The Finance & Governance Committee shall provide fiscal oversight in the safeguarding of the assets of the Granbury ISD Education Foundation and shall have primary responsibility for ensuring that all internal and external financial reports fairly represent its financial condition. The Finance & Governance Committee shall report to the Board.

Guidelines

1. The bookkeeper will make and record deposits, and issue checks for signing.
2. The check signers should be members of the Executive or Finance & Governance Committees, but should not be the bookkeeper or other person(s) responsible for routine bookkeeping or issuing checks. Checks should be executed with two signatures.
3. Bank statements should be reconciled at least monthly by someone other than the bookkeeper.

2.02 Types of Funds

The Foundation recognizes the following primary types of fund or gifts:

Unrestricted: A donation given for distribution as directed by the Board (guided by the mission and funding priorities established by the Granbury ISD Education Foundation).

Restricted: A donation given for a specific purpose as directed by the donor. The Board must approve the donation prior to acceptance and must take into consideration the following:

1. Purpose is consistent with mission and funding priorities established by the Granbury ISD Education Foundation;
2. The minimum principal amount shall be \$1,000; The distribution of funds must be consistent with the disbursement guidelines;
3. Endowment restricted funds follow the guidelines in this handbook.

2.03 Fund Disbursement

Funds will be disbursed in accordance with guidelines and charitable organization requirements as determined by local, state and federal statutes.

Funds will be disbursed following approval of the Board. Such approval should be recorded in the minutes. Disbursements will be issued by check for all requests that are in writing and accompanied by substantiating documentation as approved by the Vice President of Finance & Governance and the Board.

Grants

Upon approval by the Board for allocation of funds for programs, projects and services for the Granbury ISD, the Granbury ISD Education Foundation will distribute funds in the form of one check payable to the school district for restricted (designated) purposes. Funds will not be allocated to individuals. The following guidelines will apply:

1. The Granbury ISD School Board shall affirmatively accept the funds at a publicly held meeting.
2. The procurement and purchase order procedure determined by Granbury ISD will be adhered to. This includes allocation of fixed assets, depreciated items, and values. All items shall become the property of Granbury ISD.
3. The allocation of funds shall be as specified in the approved grant application.
4. Upon completion of the program, project or service, the grant recipient shall complete an evaluation form.
5. Reports shall be submitted to the Granbury ISD Education Foundation by the Granbury ISD indicating allocation of grant funds and pending disbursements.
6. Funds not allocated will be returned to the Granbury ISD Education Foundation or deducted from the total of future funding of additional programs, projects or services.

Reimbursements and Operations

1. Requests for funds for reimbursement may require completion of a request form. Receipts for reimbursement or documentation for the expenditure are required.
2. Invoices received by the Granbury ISD Education Foundation shall be paid in a timely manner.
3. All paperwork for allocations should be filed in an orderly fashion.

2.04 Endowment

The Granbury ISD Education Foundation is to maintain an endowment or restricted funds account. This fund provides a permanent corpus from which earnings can be used for designated or undesignated purposes as determined by the Board. The Board reserves the right to designate a percentage of funds received by the Granbury ISD Education Foundation to this fund for administrative purposes. The management of the endowment funds shall follow the investment policy.

2.05 Reporting Guidelines

The Granbury ISD Education Foundation will determine the reporting requirements and date requirements for local, state, and federal tax compliance. A professional accountant may be retained to file the appropriate documents. Filing Form 990 for a charitable organization is required by the Internal Revenue Service.

The Granbury ISD Education Foundation will comply with the state Non-Profit Corporation Act and the state Business Organizations Code that require nonprofit corporations to maintain financial records and minutes of certain proceedings and make them available to members for reexamination and copying. An annual financial report will be prepared for consideration and approval by the Board. All required records, book and annual reports will be available to the public for inspection.

2.06 Audits and Accountability

The Granbury ISD Education Foundation will obtain through an independent accountant, an external audit or review of the financial and accounting records by a majority vote of the board of directors when deemed necessary. The Finance & Governance Committee shall oversee the audit or review, which should include the following:

- Internal controls
- Accuracy of the records and the reports to the governing body
- Proper authorization of activities and expenditures
- Determination of the physical existence of assets
- Review of the tax-exempt status and identification of any activities that may endanger it
- Verifying that payroll taxes, licenses, any taxes and corporate reports are properly filed in a timely manner as appropriate

SECTION III: INVESTMENT POLICIES

Investment Policy

It is the responsibility of the Finance & Governance Committee to select investments appropriate for the objectives and revenue needs of the Granbury ISD Education Foundation. Investment managers may be designated to select and monitor specific investments for the Foundation's funds. The Finance & Governance Committee shall monitor specific investments for the Foundation's funds. The Finance & Governance Committee shall monitor investment managers to determine that investments are made with safeguards of exercising ordinary care and sound judgment.

No assets shall be invested in securities of any organization that does not meet the requirements as determined by the Board.

Investment objectives and goals should be realistic and appropriate given fund needs by the Granbury ISD Education Foundation and should:

1. Minimize short-term risk;
2. Preserve capital;
3. Grow long term;
4. Mix asset guidelines;
5. Review the asset portfolio and report to the Board on a routine basis.

SECTION IV: GIFT ACCEPTANCE POLICIES

A gift is defined as anything of value given to the Granbury ISD Education Foundation. The donor relinquishes all possession and control at such time as the donation is accepted by the Granbury ISD Education Foundation. The donor does not have the right of final selection of recipients. The Granbury ISD Education Foundation reserves the right to refuse all or any part of any gift that does not serve or further its mission. It is the responsibility of the donor to seek professional advice and counsel with regard to any gift made to the Granbury ISD Education Foundation and the tax liability thereof.

4.01 Gift Acceptance

Gifts to the Granbury ISD Education Foundation may be cash, service, goods, stocks, memorials, property or any item of value. The Granbury ISD Education Foundation reserves the right to accept or reject any funds or gifts as deemed appropriate by the Board. The Granbury ISD Education Foundation will typically not accept gifts that:

1. do not conform to the mission
2. cause an additional financial burden
3. violate law or regulation.

Guidelines

Gifts should be directed to and collected by the Granbury ISD administration office. GISD administration office personnel will log all gifts and forward them to the Granbury ISD Education Foundation for further action. The Granbury ISD will maintain a separate log of gifts, and will prepare 'thank you' letters to contributors (to be signed by a Foundation officer).

4.02 Liquidation of Gifts

All gifts, other than cash, made to the Granbury ISD Education Foundation will be held or liquidated based upon the decision of the Board. In general, such gifts will be liquidated as soon as practical.

SECTION V: CONFLICT OF INTEREST POLICIES

5.01 Article I – Purpose

The purpose of the conflict of interest policy is to protect the tax-exempt interest of the Granbury ISD Education Foundation when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Granbury ISD Education 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.

5.02 Article II – Definitions

1. Interested Person

Any director, principal officer, or member of a committee with governing board delegated powers, who has a direct or indirect financial interest as defined below, is an interested person.

If a person is an interested person with respect to any entity which the Granbury ISD Education Foundation is a part, he or she is an interested person with the respect to all entities.

2. Financial Interest

A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

- a. An ownership or investment interest in any entity with which the Granbury ISD Education Foundation has a transaction or arrangement,
- b. A compensation arrangement with the Granbury ISD Education Foundation or with any entity or individual with which the Ultimate Education Foundation has a transaction or arrangement, or
- c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Granbury ISD Education Foundation is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

A financial interest does not necessarily constitute a conflict of interest. Under Article III Section 2, a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

5.03 Article III – Procedures

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 directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement.

2. Determining a Conflict of interest

After disclosure of financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

3. Procedures for Addressing the Conflict of Interest

- a. An interested person may make a presentation at the governing board or committee meeting, but after the presentation, he/she 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 governing board or 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 governing board or committee shall determine whether the Granbury ISD Education 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 or desirable under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Granbury ISD Education Foundation's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.
- e. A person with financial interest in a vote before the Board shall abstain from participation in the discussion and voting.

SECTION VI: WHISTLEBLOWER PROTECTION POLICY

6.01 Policy

In keeping with the policy of maintaining the highest standards of conduct and ethics, the Granbury ISD Education Foundation will investigate any suspected fraudulent or dishonest use or misuse of Granbury ISD Education Foundation's resources or property by board members. All board members shall act with honesty, integrity and openness in all their dealings as representatives for the organization. Failure to follow these standards will result in disciplinary action including dismissal from ones board duties and possible civil or criminal prosecution if warranted.

Board members are encouraged to report suspected fraudulent or dishonest conduct (i.e. to act as "whistleblower"), to the Granbury ISD Education Foundation Executive Director, the President of the Granbury ISD Education Foundation Board of Directors, or the Superintendent of Schools. Alternately, to facilitate reporting of suspected violations where the reporter wishes to remain anonymous, a written statement may be submitted to one of the individuals listed above.

Reasonable care should be taken in dealing with suspected misconduct to avoid:

- Baseless allegations;
- Premature notice to persons suspected of misconduct and/or disclosure of suspected misconduct to others not involved with the investigation; and
- Violations of a person's rights under law

Due to the important yet sensitive nature of the suspected violations, effective professional follow-up is critical. All relevant matters will be reviewed and analyzed with documentation of the receipt, retention, investigation and treatment of the complaint. Appropriate corrective action will be taken, if necessary,

and findings will be communicated to the parties involved. Investigations may warrant investigation by an independent person such as auditors and/or attorneys.

The Granbury ISD Education Foundation will protect whistleblowers as defined below:

Granbury ISD Education Foundation will use its best efforts to protect whistleblowers against retaliation. Whistle blowing complaints will be handled with sensitivity, discretion and confidentiality to the extent allowed by the circumstances and the law. Generally this means that whistle-blower complaints will only be shared with those who have a need to know so the Granbury ISD Education Foundation can conduct an effective investigation, determine what action to take based on the results of any such investigation, and in appropriate cases, with law enforcement personnel.

Any complaint or retaliation will be promptly investigated and appropriate corrective measures taken if allegations of retaliation are substantiated.

SECTION VII: DOCUMENT DESTRUCTION POLICY

7.01 Policy

The Granbury ISD Education Foundation acknowledges its responsibility to preserve information relating to litigation, audits and investigations. The Sarbanes-Oxley Act makes it a crime to alter, cover up, falsify, or destroy any document to prevent its use in an official proceeding. Failure on the part of employees to follow this policy can result in possible civil and criminal sanctions (up to and including termination of employment).

The Granbury ISD Education Foundation follows the document retention procedures outlined below. (documents that are not listed, but are substantially similar to those listed in the schedule will be retained for the appropriate length of time):

Name of Record	Retention Period
Annual Audits and Financial Statements	Permanent
Annual Reports	Permanent
Appraisals	Permanent
Board Meeting and Board Committee Minutes	Permanent
Board Policies/Resolutions	Permanent
Bylaws	Permanent
Cash Receipts	7 years
Check Registers	Permanent
Contracts (after expiration)	7 years
Correspondence (general)	4 years
Credit Card Receipts	7 years
Donor Records and Acknowledgement Letters	7 years
Insurance Policies	Permanent
Invoices	7 years
IRS 1099s	Permanent
IRS 990 Tax Returns	Permanent
IRS Determination Letter	Permanent
Real Estate Documents	Permanent
Scholarship Award Letters	4 years
Stock and Bond Records	Permanent

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