Fiscal Sponsorship Start-Up Guide

This document is meant to provide a step-by-step process for a brand-new group, project, or idea to become a fiscally sponsored entity under the Chaffee County Community Foundation. CCCF is proud to be able to offer fiscal sponsorship services to Chaffee County. Fiscal sponsorship is an important tool that allows individuals, groups, initiatives and projects to start up quickly under the umbrella of, and with the support of, an existing 501c3 organization.

The process of incorporating and building your own tax-exempt organization is complicated, expensive, and can take up to a year. Becoming fiscally sponsored can happen in a matter of days and allows you to focus on the work you want to be doing.

Key Benefits Of Fiscal Sponsorship:

- Ability to receive tax deductible donations from your donors starting on day 1
- Back-of-house services including fund accounting, HR support, payroll services, insurance, legal compliance, and more
- Technical assistance in key areas such as strategic and financial planning, data tracking, and more

Step-by-Step Guide to Becoming a Fiscally Sponsored Entity

Before getting started, it is important to understand that becoming a “non-profit” can be done very easily at the state level – the process is akin to forming an LLC – a simple form and $50 on the Secretary of State’s website. However, this does NOT mean you are now a 501(c)(3) tax exempt organization! That process is a federal one involving filing Form 1023, paying almost $1,000 in filing fee, and waiting for the IRS to grant you your “determination” letter, which can take up to or over a year.

1. So, the most important thing you'll need, and something your attorney should definitely review once you've drafted it, are by-laws. Attached in Appendix A are two examples - change up all the details, but keep all the articles/sections intact as most of those are required by law.

2. You'll need to name three unrelated board members as the founding board when you file the articles of incorporation. So get those folks' approval, contact info, etc, and have them give input on term lengths and other things that are mentioned in the bylaws.
3. You need a name! You can search the CO SOS website to see if the name you want is available - [https://www.sos.state.co.us/biz/NameCriteria.do](https://www.sos.state.co.us/biz/NameCriteria.do)

4. Finally, you will (or preferably your attorney, but it is possible to do directly) follow this link: [https://www.sos.state.co.us/biz/FileDoc.do](https://www.sos.state.co.us/biz/FileDoc.do) and click on "Nonprofit Corporation", then follow the steps to file your articles of incorporation with the state! There is a $50 filing fee.

5. You're done! Now we can set up a fiscal sponsorship agreement with the entity so that you can start applying for grants or accepting tax deductible donations. The basic fiscal sponsorship agreement is in Appendix B.
EXAMPLE ORGANIZATION #1 – RE:VISION

ARTICLE I - Name and Purpose

Section 1: The name of the corporation shall be Re:Vision.

Section 2: The business and purpose of the corporation shall be to cultivate thriving, resilient communities by working with people in marginalized neighborhoods to develop local leaders, cultivate community food systems, and grow resilient neighborhood-owned economies.

ARTICLE II - Location

The principal office of the corporation shall be in Westwood, located in Denver, Colorado.

ARTICLE III – Membership

Re:Vision will have no membership.

ARTICLE IV – Board of Directors

Section 1: Board Role. The Board is responsible for governing the business of Re:Vision, and may delegate responsibility for day-to-day operations to Re:Vision’s Executive Director and committees. The Board shall have up to eighteen, and no less than three, members.

Section 2: Voting. All motions brought before the Board require a simple majority to pass, unless otherwise stated hereunder.

Section 3: Meetings. The Board shall meet monthly, unless otherwise agreed upon. Under no circumstances shall the Board meet less than quarterly. Meetings shall take place at a place and time agreed upon in the previous meeting. Any Board members may be included in meetings by way of conference calls if they are not able to be present in person. All Board meetings will be conducted according to procedures outlined in the Governance Policies. All board meetings will have minutes taken and those minutes will be made available to the public upon request. The Board shall conduct meetings in accordance with Robert’s Rules of Order or such other rules as the Board approves. The Executive Director will be involved in Board meetings but will not have voting power.

Section 4: Board Elections. New Board members must be elected through at least a two-thirds majority vote among existing Board members at any official meeting where proper notice has been given.

Section 5: Election Procedures. The Governance Committee shall be responsible for nominating a slate of member representatives annually, seeking to preserve the diversity and balance necessary to enable Re:Vision to accomplish its stated purpose (see Article I, Section 2). Nominees selected by the Governance Committee must be persons who support the purposes as stated in Article I, Section 2.
Board members shall cast a vote at the designated board meeting or by way of proxy which must be received by the date and time of the meeting.

Section 6: Terms. All Board members shall serve two-year terms but are eligible for re-election. However, no Board member shall serve more than three two-year terms consecutively. Any Board member who leaves the Board for any reason must wait one full year before being eligible for re-election.

Section 7: Quorum. A Board meeting must be attended by a minimum of fifty percent of Board members, either in person or on conference call, in order for the meeting to be official.

Section 8: Vacancies. When a vacancy on the Board exists, potential candidates for new members may be received from Staff, Volunteers, Board members, or Community Leadership Board members by the Governance Committee. Upon review, the Governance Committee will send out formal nominations to Board members together with the regular Board meeting announcement, to be voted upon at the next official Board meeting. Vacancies can be filled as they become available.

Section 9: Resignation, Termination and Absences. Resignation from the Board must be presented in writing and received by the President of the Board. A Board member may be removed for cause by a two-thirds majority vote of the remaining members. Whether cause exists shall be decided by the Board at any official meeting. Board members may request short-term leave by submitting the request to the President. The President will notify the Board and the Board will vote on the leave request at the next official meeting. If a Board member is not on approved short-term leave and misses either more than 3 consecutive previously scheduled meetings or more than 3 meetings in any 12-month period, that Board member may be immediately terminated by a simple majority vote at any official meeting.

ARTICLE V- Type and Role of Officers

Section 1: Officers and Duties. There shall be four officers of the Board consisting of a President, Vice President, Secretary, and Treasurer. The officers shall be elected by the Board annually and shall serve one-year terms, with a maximum of three consecutive terms. Their duties are as follows:

The President shall convene regularly scheduled Board meetings, shall preside, or arrange for other members of the Executive Committee to preside at each meeting in the following order: Vice President, Secretary and Treasurer. The President shall be counted for purposes of quorum requirements but shall only vote on matters brought before the Board if a tie vote exists.

The Vice President will chair committees on special subjects as appointed by the President. If necessary, the Vice President assumes the roles and responsibilities of the President.

The Secretary shall be responsible for keeping records of Board actions, including overseeing the taking of minutes at all meetings, sending out meeting announcements, distributing copies of minutes and the agenda to each Board member, and working with the Executive Director to assure that corporate records are maintained.

The Treasurer shall make a report at each Board meeting. The Treasurer shall chair the Finance Committee, assist in the preparation of the budget, and make financial information available to Board members and the public.
Section 2. Any officer elected by the Board of Directors shall be subject to removal, with cause, by an action of a two-thirds majority vote at any official meeting.

ARTICLE VI - Committees

Section 1: Committees. The Board shall have standing committees as outlined in this Article VI. The functions, duties, and composition of each of the committees shall be established by a Committee Description that is approved by the Board of Directors. The Board may also approve advisory committees as needed.

Section 2: Fundraising Committee. The Fundraising Committee will lead the Board in meeting its duty to ensure the organization has the resources it needs to achieve its mission.

Section 3: Finance Committee. The Finance Committee will assist the Treasurer in overseeing financial health and management of Re:Vision, and in making annual budgets.

Section 4: Executive Committee. The Executive Committee will be comprised of the President, Vice President, Secretary, Treasurer, and Executive Director. The Executive Committee has authority to act on behalf of the Board outside of properly notified meetings when full board action is impracticable.

Section 5: Governance Committee. The Governance Committee shall provide oversight of the Board’s operations and recommend governance policies and procedures to ensure effective operation of the Board.

Section 6: Inclusivity Committee. The Inclusivity Committee will identify the inclusion and diversity strengths, issues, and opportunities within all levels of Re:Vision and make recommendations for strategies to increase inclusion, diversity, and equity within the organization.

Section 7: Minutes. Each committee shall keep regular minutes of its proceedings and send the minutes to the Secretary for storage within two weeks after each scheduled committee meeting.

Section 8: Quorum. At all meetings of committees, fifty percent of the members shall constitute a quorum for the transaction of business and each member shall be entitled to one vote.

ARTICLE VII - Special Rules

Section 1: Indemnification. The corporation shall defend, indemnify, and hold harmless any Director, Officer, or former Director or Officer of the corporation or any person who may have served at its request against any action, suit or proceeding, civil or criminal, in which he or she is made a party by reason of being or having been an Officer or Director of the corporation, to the fullest extent allowed by applicable law.

Section 2: Contracts. Any contract entered into by Re:Vision must follow the policies and procedures of Re:Vision regarding contracts as approved by the Board.

Section 3: All checks and deposits will be handled according to the accounting and financial policies of Re:Vision as approved by the Board.

Section 4: All founding documents, minutes to Board and committee meetings, financial records, and any other pertinent records must be kept in a location that has been disclosed and accessible to all Board members and the Executive Director of Re:Vision.
Section 5: The fiscal year of Re:Vision is from January 1st to December 31st.

ARTICLE VIII – Dissolution

Upon the dissolution of the corporation, the Board of Directors shall, after paying or making provision for the payment of all of the liabilities of the corporation, dispose of all of the assets of the corporation exclusively for the purposes as shall at the time qualify as an exempt organization or organization under Section 501(c)(3) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law), as the Board of Directors shall determine. Any such assets not so disposed of shall be disposed of by the Court of Common Pleas of the county in which the principal office of the corporation is then located, exclusively for such purposes or to such organization or organizations, the Court shall determine, which are organized and operated exclusively for such purposes.

ARTICLE IX – Amendments

These By-laws, along with the Articles of Incorporation can be amended at any official meeting of the Board upon a two-thirds majority vote of members.

EXAMPLE ORGANIZATION #2 – CCCF

ARTICLE I

LOCATION

A. Business Offices The principal office of the Corporation shall be located in Salida, Colorado. The Corporation may from time to time change the location of its principal office. The Corporation may have such other offices, either within or without the State of Colorado, as the Board of Directors may designate or as the affairs of the Corporation may require from time to time.

B. Registered Office The registered office required by the Colorado Revised Nonprofit Corporation Act (“the Act”) to be maintained in Colorado may be changed from time to time by the Board of Directors or by the officers of the Corporation, or to the extent permitted by the Act by the registered agent of the Corporation, provided in all cases that the street addresses of the registered office and of the business office or home of the registered agent of the Corporation are identical.

ARTICLE II

MISSION

The Chaffee County Community Foundation is a philanthropic community catalyst that inspires ideas and ignites action.

ARTICLE III

BOARD OF DIRECTORS
A. **Number and Qualifications** The Board of Directors of the Foundation shall consist of no more than 15 individuals nor less than 5. Such number may be increased or decreased by amendment to these Bylaws. Directors shall be individuals who shall reside within the State of Colorado or be in some other way closely identified with the State of Colorado. The nomination of any new member of the Board shall be made only after due consideration and evaluation of the nominee’s awareness and perception of the educational, cultural, social, civic and other charitable needs of Chaffee County, Colorado, and on the basis of such nominee’s activity or activities in relation to either community or charitable organizations operating within the State of Colorado. The purpose of this last provision is to ensure that the Board of Directors is generally responsive to the needs of the communities in which it serves.

B. **Compensation** Members of the Board of Directors shall serve without compensation, except that reasonable expenses incurred by Directors in the performance of the Foundation's business and which are duly authorized or ratified by the Board of Directors may be reimbursed.

C. **Election** Initially the Board of Directors shall consist of persons selected by the Incorporator of the Foundation. Thereafter, the Board shall perpetuate itself by elections held at the annual meeting of the Board of Directors. The Nominating and Governance Committee, in consultation with the Directors not currently up for election in any one year, shall submit candidates for nomination at such annual meeting for a one, two or three year term. Nominations may also be made from the floor at the annual meeting. After the slate of nominees has been named and seconded, elections shall take place whereupon any nominee receiving a majority vote from among all the Directors currently in office and entitled to vote shall become a member of the Board of Directors for such term.

D. **Term of Office** The terms of Directors shall be for three years, except in the case of Directors elected to fill vacancies occasioned by death, resignation or removal of a Director before the expiration of such Director’s appointed term, in which case the term of a Director appointed to fill such vacancy shall be for the unexpired term of such Director’s predecessor. Directors shall be term-limited after their service for three consecutive terms (9 years total). However, the Nominating and Governance Committee, in consultation with the Chair, shall determine whether or not a Director should be asked to serve an additional term. If the determination is in the affirmative, the Director will be approached to see if he or she is willing to be nominated again.

E. **Resignation, Removal and Vacancies** Any Director may resign at any time by giving written notice to the Chair or to the Executive Director of the Corporation. A Director’s resignation shall take effect at the time specified in such notice, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. A Director shall be deemed to have resigned in the event of such Director’s incapacity as determined by a court of competent jurisdiction. Any Director may be removed at any time, with or without cause, by the affirmative vote of a majority of the entire Board. Any vacancy of a Director may be filled by the affirmative vote of a majority of the remaining Directors. A Director elected to fill a vacancy shall hold the office for the unexpired term of such Director’s predecessor in office. Any Directorship to be filled by reason of an increase in the number of Directors shall be filled by the affirmative vote of a majority of the Directors then in office. In the event any Director fails to attend more than one quarter of the meetings in any given year without having same excuse by the Chair, that Director may be asked to resign from the Board. A Director may be granted a leave of absence from the Board for a period of time if the Board so agrees.

F. **Powers and Duties of the Board of Directors**

1. **General Powers** Except as otherwise provided in the Act, the Articles of Incorporation or these Bylaws, all corporate powers shall be exercised by or under the authority of the Board of Directors.
Directors, which shall be known as the Board of Directors. The general powers of the Board of Directors shall include the following:

(a) Directors are responsible for setting the strategic vision of the Corporation. This includes developing, monitoring, and evaluating the Corporation’s strategic plan, as well as ensuring that there are adequate financial and human resources to fulfill the Corporation’s mission. Directors see that the Corporation has specific strategies to reach established goals.

(b) Directors are responsible for monitoring fiscal controls and ensuring accountability. They approve and monitor the Corporation’s annual budget based on projected revenue and expenses and make course corrections as needed. Directors assure that an annual audit is conducted by the auditing firm hired by the Directors.

(c) Directors implement the policies and procedures contained in the Corporation’s Certificate of Incorporation, Articles of Incorporation and Bylaws, and make appropriate revisions to these governing documents as needed.

(d) Directors are responsible for hiring and evaluating the performance of the Executive Director of the Corporation, who, in turn, is responsible for hiring and supervising all other employees.

(e) Directors are expected to serve on one or more Board committees or task forces.

(f) Directors are expected to contribute financially to the Corporation to the extent of their capability on an annual basis.

(g) Directors shall determine all distributions and disbursements to be made from the Foundation. Directors shall also approve all new projects and programs, then directing staff or volunteers to carry out such initiatives.

(h) Directors shall have general charge of the affairs, property and assets of the Foundation. It shall be the duty of the Directors to carry out the aims and purposes of this Foundation, and, to this end, to manage and control all of its property and assets. Directors shall have the power and responsibility of determining the distribution of Foundation property (subject to any contrary provisions in the Certificate of Incorporation, these Bylaws or U.S. Treasury Regulations), determining an overall investment policy for the Foundation, and exercising oversight authority over the implementation of such investment policies with respect to the property of the Foundation. Each member of the Board shall serve in a fiduciary capacity.

2. The Board is hereby committed to exercise, in the best interest of the Foundation, the powers described in Treasury Regulations s1.170A-9(e)(II)(v)(B), (C), and (D).

3. The Board shall obtain information and take other appropriate steps to reasonably assure itself that each participating Director, custodian or agent administers such funds of the Foundation in accordance with Treasury Regulations s1.170A-9(e)(II)(v)(F).
4. The Board may, from time to time, appoint, as advisors, persons whose advice, assistance and support may be deemed helpful in determining policies and formulating programs for carrying out the Foundation's purposes.

5. The Board is authorized to engage such persons, including an executive director and assistants, attorneys, Directors, custodians and agents, as in its opinion are needed for the administration of the Foundation and to pay reasonable compensation for services and expenses thereof. The duties of such persons shall be as authorized by the Board of Directors or these Bylaws.

6. The Board is hereby authorized to establish discrete categories of donor funds for the receipt of donations made to the Foundation.

G. Meetings and Quorum

1. An annual meeting of the Board for the election of officers and the transaction of such business as may properly come before the meeting shall be held in the month of December of each year at a time and place established by the Board of Directors. The Board shall hold quarterly meetings or such other regular meetings at such time and place as may be fixed by the Board, or at such time and place as may be fixed by the Chair. Special meetings of the Board may be called by the Chair, and shall be called by him or her upon the request of any two Directors. A majority of the members of the Board shall constitute a quorum. In the absence of a quorum, if the Directors present, by a majority pass a resolution, such resolution shall become an act of the Board of Directors in the event a majority of all the Directors, either voting at the meeting or voting later in writing or by electronic memorandum, vote in favor of the resolution.

2. Notice of all Board meetings, except as herein otherwise provided, shall be given at least five (5) days prior to such meeting to the address of record of each Director by mail, private carrier, electronically transmitted facsimile, email message sent via the worldwide web, or other form of wire or wireless communication. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail in a sealed envelope so addressed, with postage thereon prepaid. Any notice sent by facsimile or email message shall be deemed delivered when confirmation of such notice being sent by facsimile or email message has been received. Attendance of a Director at any meeting, special or regular, shall constitute a waiver of notice of the meeting, except when a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at nor the purpose of any regular or special meeting of the Board of Directors needs to be specified in the notice or waiver of notice of such meeting.

3. Except as otherwise provided herein or required by law, any Board action approved by the affirmative vote of a majority of the Directors present at a meeting at which a quorum is present shall be the action of the Board of Directors.

4. Meetings of Directors may be held through any communications equipment if all persons participating can hear each other and such participation in a meeting shall constitute presence at such meeting.

5. Action of the Board of Directors may be taken without a meeting upon written consent of a majority of the members of the Board of Directors. Any such action may be conducted by telephone, mail, facsimile, email or other form of wire or wireless communication.
H. Miscellaneous

1. The independent auditor appointed or approved by the Board of Directors shall at such time as the Board may determine, at least annually, prepare for the Foundation or for any individual account or accounts of any Director or Directors, insofar as the same relate to trusts held hereunder, a financial statement, including a statement of assets and liabilities, a statement of income, expenses, and distributions, a list of projects and/or organizations to or for which funds were used or distributed for charitable purposes, and such additional reports or information as may be ordered from time to time by the Board of Directors. The auditor shall also prepare such financial data as may be necessary for returns or reports required by state or federal government to be filed by the Foundation. The auditor's charges and expenses shall be proper expenses of the Foundation. Copies of all audits, statements, reports and data delivered by the auditor to the Board shall be made available or furnished to each Director, custodian or agent having custody of funds of the Foundation.

2. The Board may take other appropriate actions to make the Foundation and its purposes known throughout the regions of Central Colorado and in that connection, seek gifts to the Foundation from the widest possible segment of the population of Colorado.

ARTICLE IV

OFFICERS

A. The officers of this Foundation shall be a Chair, Vice-Chair, Secretary and Treasurer. Officers will be members of the Board of Directors and the Directors may also elect such other officers as they shall deem necessary or desirable for the proper functioning of the Foundation. The officers shall be chosen by the Board and the Board may choose one person to hold two offices, except the offices of Chair and Secretary. Officers shall hold office until the date fixed pursuant to these Bylaws for the annual meeting of the Board next following the election of such officers, and until their successors are elected and qualified.

B. The officers of this Foundation shall have such authority and shall perform such duties as are specified in these Bylaws and as may be additionally specified by the Board of Directors and such other duties as may from time to time be required of them by the Board or the Chair, except that in any event each officer shall exercise such powers and perform such duties as may be required by law.

1. Chair of the Board The Chair of the Board shall: (i) preside at all meetings of the Board of Directors; (ii) see that all resolutions of the Board of Directors are carried into effect; and (iii) perform all other duties incident to the office of the Chair of the Board and as from time to time may be assigned to the Chair by the Board of Directors.

2. Vice Chair The Vice Chair shall assist the Chair of the Board and shall perform such duties as may be assigned to him or her by the Chair or by the Board of Directors. The Vice Chair shall, at the request of the Chair, or in the Chair's absence or inability or refusal to act, perform the duties of the Chair and when so acting shall have all the powers of and be subject to all restrictions on the Chair.

3. Secretary The Secretary shall: (i) ensure that board meeting minutes are recorded accurately, approved and distributed in a timely manner; (ii) ensure effective management of the organization's records; and (iii) in general, perform all duties incident to the office of Secretary.
and such other duties as from time to time may be assigned to the Secretary by the Chair or the Board of Directors.

4. **Treasurer** The Treasurer shall: (i) oversee effective management of the organization's finances and fiscal priorities, (ii) ensure development and Board review of financial policies and procedures and (iii) in general, perform all duties incident to the office of the Treasurer and such other duties as from time to time may be assigned to the Treasurer by the Chair or Board of Directors.

**ARTICLE V**

**EXECUTIVE DIRECTOR**

The Executive Director is hired by the Board of Directors. The Executive Director reports to the Board of Directors and serves at the pleasure of the Board of Directors. The Executive Director shall, subject to the direction and supervision of the Chair of the Board and the Board of Directors: (i) be the chief executive officer of the Corporation and have general and active control of its affairs and business and general supervision of its officers, agents, and employees; (ii) in the absence of the Chair of the Board and Vice Chair, preside at all meetings of the Board of Directors; (iii) propose, prepare, and present to the Board of Directors specific programs and activities that will further the Corporation’s purposes; (iv) direct and supervise the implementation of the programs and activities approved by the Board of Directors; (v) see that all resolutions of the Board of Directors are carried into effect; and (vi) perform all other duties incident to the office of Executive Director and as from time to time may be assigned to such office by the Chair of the Board or by the Board of Directors.

**ARTICLE VI**

**COMMITTEES**

The following committees are hereby established in these Bylaws: (i) the Executive Committee, (ii) the Finance Committee, (iii) the Grants Committee, and (iv) the Nomination and Governance Committee. Directors may choose to leave committees dormant until required by the general business of the Foundation. Except as set forth below, all of the committee members shall be Directors.

By one or more resolutions adopted by the vote of a majority of the Directors present in person at a meeting at which a quorum is present, the Board of Directors may establish other committees, each of which, to the extent provided in the resolution establishing such committee may have and may exercise all of the authority of the Board of Directors, except as prohibited by the Act. The delegation of authority to any committee shall not operate to relieve the Board of Directors or any member of the board from any responsibility or standard of conduct imposed by law or these Bylaws.

Rules governing procedures for meetings of any committee shall be the same as those set forth in these Bylaws or the Act for the Board of Directors, unless the Board or the committee itself determines otherwise; provided, that a quorum for the purposes of committee meetings shall exist if at least one-third of the committee members are present at the committee meeting.

A. **Executive Committee** There shall be an Executive Committee consisting of the Chair, Vice Chair, Secretary, Treasurer, and such other officers or Directors as the Board may determine. The Executive Committee shall be chaired by the Chair of the Board of Directors.
Except for the power to fill vacancies in the Board of Directors or to determine the distribution of property of the Foundation, and as may otherwise be provided herein by the Board, the Executive Committee shall, during intervals between the meetings of the Board, possess and may exercise all of the powers of the Board in the management of the affairs of the Foundation including the responsibility and power over the investment policies with respect to the property of the Foundation, whether held directly or through Directors, custodians or agents, and such other duties and authority as may lawfully be delegated to it by the Board. A majority of the members of the Executive Committee shall constitute a quorum. The Executive Committee shall keep full records and accounts of its proceedings and transactions. All actions by the Executive Committee shall be reported to the Board at its meeting next succeeding such action and shall be subject to control, revision and alteration by the Board, provided that no rights of third persons shall be prejudicially affected thereby. Vacancies in the Executive Committee shall be filled for the unexpired term by the Board, and the Board may appoint one or more Directors as alternate members of the Executive Committee who may take the place of any absent member or members at any meeting.

B. **Finance Committee** The Chair of the Board of Directors shall annually appoint at least three Directors to the Finance Committee, and the Treasurer shall serve as Chair of the Committee. Non Directors may be appointed by the Chair to serve on this Committee. All members of the Committee shall be financially literate, and at least one member shall have accounting or financial management expertise. The primary function of the Finance Committee is to assist the Board of Directors in fulfilling its obligation to ensure that the Corporation’s financial statements and other financial reports, systems of internal accounting and financial controls, and annual independent audit of the Foundation’s financial statements accurately and fairly reflect the Corporation’s financial condition.

C. **Grants Committee** The Chair of the Board of Directors shall annually appoint at least three Directors and a Chair to the Grants Committee. Non Directors may be appointed by the Chair to serve on this Committee. Members of the Committee shall be selected for their understanding and perception of the needs for philanthropy in the area communities and for their integrity and judgment. The principal purpose of the Committee shall be to assess applications and opportunities for grants and funding by the Corporation and to make recommendations for grants and distributions to be awarded by the Board of Directors.

D. **Nominating and Governance Committee** The Chair of the Board of Directors shall annually appoint Directors to a Nominating and Governance Committee, and shall appoint one of such Directors to serve as the Chair of the Committee. The Nominating and Governance Committee shall be responsible for: (i) providing, in a timely manner, nominations to the Board of Directors to fill vacancies occurring by reason of resignation or removal and to fill or renew the terms of Directors whose terms have expired; (ii) providing nominations to the Board of Directors of persons to serve as officers of the Corporation; and (iii) overseeing Board knowledge, Board effectiveness, and Board leadership.

E. **Other Committees of the Board** As noted above, the Board may provide for such other standing or special committees as it deems desirable and discontinue the same at its discretion. Appointments to and the filling of vacancies on such standing or special committees shall be made by the Chair unless the Board otherwise provides. Each such committee shall consist of at least one (1) Director in addition to other members, and shall have such powers and perform such duties or functions, not inconsistent with the law or the Articles of Incorporation of the Foundation, as may be delegated to it by the Board.
F. **Advisory Committees** The Board may provide for such other committees, advisory groups, etc., consisting in whole or in part of non-Directors, as it deems desirable, and discontinue the same at its discretion. Each such committee shall be advisory only to the Board and shall have such powers and perform such duties or perform such functions, not inconsistent with law, as may be prescribed for it by the Board. Appointments to and the filling of vacancies on such other committees shall be made by the Chair unless the Board otherwise provides. Any action by each such committee shall be reported to the Board at its meeting next succeeding such action and shall be subject to control, revision, and alteration by the Board.

**ARTICLE VII**

**GIFTS TO THE FOUNDATION**

A. **Receipt of Gifts** The Corporation may receive and accept gifts, grants, devises or bequests to the Corporation which shall be used, in the sole discretion of the Board of Directors, for the purposes of the Foundation and for its administrative and other expenses. To facilitate Foundation fundraising, the Corporation may enter into charitable trust agreements and charitable gift annuity agreements, establish and operate one or more pooled income funds, accept gifts of real property, accept gifts of publicly held and privately held securities, and undertake such other commitments or arrangements as the Board of Directors deems appropriate to encourage and accept both current and deferred charitable gifts. The Corporation shall not be obligated to accept any property that, in its sole discretion, it believes will not be properly available to or best serve the purposes of the Foundation because of the nature of the property or the terms of the gift, grant, devise or bequest.

B. **Donor Designations and Restrictions** Subject to the provisions of Section C of this Article, a donor or testator may express a designation, restriction or condition as to the time when and/or the purpose for which the principal and/or income of any inter vivos or testamentary gift, grant, devise or bequest to the Corporation shall be distributed; provided, in each case, that such designation, restriction or condition does not constitute a “material restriction or condition” within the meaning of Treasury Regulation Section 1.507-2(a)(8). In this regard, each gift, grant, devise or bequest may become part of one of the following classifications of funds of the Corporation:

1. **Unrestricted Funds** If a donor or testator does not specify a designation, restriction or condition as to the use of the income or principal of any inter vivos or testamentary gift, grant, devise or bequest, it shall be considered part of the “Unrestricted Funds” of the Corporation which are used, in the sole discretion of the Board of Directors, to fulfill the general charitable purposes of the Foundation.

2. **Restricted Funds** A donor or testator may direct that his or her gift, grant, devise or bequest be used to make distributions to such organizations, agencies, and others as in the sole discretion of the Board of Directors best provide a service in a particular field or cause designated by the donor or testator, as part of the “Restricted Funds” of the Corporation.

3. **Designated Funds** A donor or testator may direct that his or her gift, grant, devise or bequest be used to make distributions to one or more community organizations or agencies that are proper beneficiaries of the Foundation and specifically named
by the donor or testator in the instrument of gift, grant, devise or bequest, as part of the “Designated Funds” of the Corporation.

(4) **Donor Advised Funds** A donor or testator may retain the right to make non-binding recommendations to the Board of Directors from time to time concerning the use of his or her gift, grant, devise or bequest, in accordance with IRS rules and written guidelines promulgated by the Foundation regarding such “Donor Advised Funds.”

(5) **Administrative Funds** If a donor or testator provides that his or her gift, grant, devise or bequest may be used to pay the Foundation’s operating costs, it may become part of the “Administrative Funds” of the Corporation.

(6) **Other Funds** The Board of Directors may authorize the establishment of such other types of funds as it determines are in accordance with the IRS rules and consistent with the charitable needs of the community served by the Foundation.

C. **Power to Modify Designations and Restrictions** Notwithstanding anything to the contrary herein, the Board of Directors, by resolution adopted by the affirmative vote of a majority of the members then in office, shall have the power to modify or eliminate any designation, restriction or condition on the use or distribution of funds for any specified charitable purposes or to specified organizations or on the investment of funds, if in its sole judgment (without the necessity of the approval of any participating Director bank, custodian or agent), such designation, restriction or condition becomes, in effect, unnecessary, undesirable, impractical, incapable of fulfillment or inconsistent with the charitable needs of the community served by the Foundation.

D. **Removal or Replacement of Directors, Custodians and Agents** Notwithstanding any other provision to the contrary, the Board of Directors shall have, with respect to any Director bank, custodian or agent holding funds of the Corporation: (i) the power to replace any Director bank, custodian or agent for any action or omission of such Director bank, custodian or agent which in the judgment of the Board of Directors constitutes a breach of fiduciary duty under the statutes and rules of law of the State of Colorado; and (ii) the power to replace any Director bank, custodian or agent for failure to produce a reasonable total return of net income and capital appreciation over a reasonable period of time, all as determined by the Board of Directors in accordance with the federal and state statutes, and rules of law and regulations from time to time applicable to the Foundation. The powers provided for in the foregoing sentence shall be exercised by the Board of Directors in the best interests of the Foundation. The determination of whether there is a reasonable total return of net income and capital appreciation shall be made separately with respect to each gift, grant, devise or bequest made to the Corporation which is specifically designated by the donor or testator for the use or benefit of a named charitable organization or agency or for the use or benefit of a particular class of charitable organizations or agencies, the members of which are readily ascertainable and are less than five in number. The determination of whether there is a reasonable total return of net income and capital appreciation with respect to all other funds of the Corporation shall be made in the aggregate. If it appears that there may be grounds for an exercise of either of the powers described in the first sentence of this Section D in respect of any funds of the Corporation, the Board of Directors shall notify the Director bank, custodian or agent holding such funds and provide a reasonable period of explanation or rectification. Before exercising either such power, the Board of Directors may seek advice of counsel as to the existence of grounds for such
exercise. Such powers shall be exercisable by resolution adopted by the affirmative vote of a majority of the members of the Board of Directors then in office.

E. In pursuance of the Foundation’s charitable objectives, the Board shall have the authority to cause to be formed or enter into relationships with other organizations described in Section 501(c)(3) of the Internal Revenue Code, including organizations operated for the benefit of and to carry out the purposes of the Foundation, in which case the Foundation may exercise such supervision and control over any organization as is necessary to qualify it as an organization described in Section 509 (a)(3) and the regulations thereunder.

ARTICLE VIII

FIDUCIARY MATTERS

A. Indemnification The Foundation shall indemnify to the full extent authorized by law any person made or threatened to be made a party to an action or proceeding, whether criminal, civil, administrative or investigative, by reason of the fact that he or she is or was a Director, officer, or employee of the Foundation or any predecessor of the Foundation or served any other organization, trust or enterprise as a director, officer or employee at the request of the Foundation or any predecessor of the Foundation. The Corporation shall also purchase and maintain insurance on behalf of Directors, officers and employees against liability asserted against or incurred by the person in that capacity or arising from the person's status as a Director, officer, or employee.

B. Conflict of Interest and Confidentiality: The Foundation shall adopt a Conflict of Interest Policy and a Confidentiality Policy that are applicable to all Foundation Directors, committee members, employees and volunteers. Each Foundation board member, employee and designated committee volunteer shall complete a conflict of interest disclosure form and submit it to the Board Chair to certify compliance with the policy.

C. Loans to Directors and Officers Prohibited No loans shall be made by the Foundation to any of its Directors and officers.

ARTICLE IX

BOOKS AND RECORDS

The Foundation shall keep correct and complete books and records of accounts and shall also keep minutes of the proceedings of its Board of Directors and committees having any of the authority of the Board.

ARTICLE X

FOUNDATION SEAL

The Board may provide a seal for the Foundation which shall be in the charge of the Secretary or such other officer as the Board may from time to time direct, and shall be affixed to such documents as may require the corporate seal.
ARTICLE XI

FISCAL YEAR

The fiscal year of the Foundation shall be the twelve month period ending on the last day of December, or such other period as may be designated by the Board.

ARTICLE XII

AMENDMENTS

These Bylaws may be amended or repealed by a majority vote of the members of the entire Board.

Dated this ____ day of ________________, 2018.

______________________________  ______________________________
Chairperson                        Secretary
Appendix B
Fiscal Sponsorship Agreement

Fiscal sponsorship can be an effective way to support new charitable initiatives. A fiscal sponsorship relationship allows Chaffee County Community Foundation (CCCF), as a nonprofit organization, to confer its 501(c)(3) tax-exempt status to groups that are engaged in charitable activities that support the mission of CCCF and aim to improve the quality of life in our region, generally for a small fee. Donations to the project are made to CCCF as the fiscal sponsor; CCCF then restricts those funds to support the activities of the project. It is CCCF’s responsibility to assure that the activities of projects fulfill their charitable purpose.

Name of Organization (or Project): _______________________________________________________

Mission of Organization: ______________________________________________________________

_____________________________________________________________________________________

1. CCCF agrees to assist the Organization with administrative and financial matters related to the fulfillment of the goals of the Organization. The Organization agrees to operate its activities in accordance with the terms of this agreement.
2. CCCF shall establish a designated fund to hold donations targeted for the Organization, and shall pay expenses and assess fees from such fund. All amounts deposited into this fund shall be used for the goals of the Organization, minus the administrative fee set forth below.
3. The Organization shall pay a 5% fee assessed on gross revenue.
4. The Organization shall conduct its activities in a manner consistent with CCCF’s mission in the community. If the Organization desires to make substantive changes in the goals of the project, written permission shall be obtained from CCCF prior to such changes.
5. The Organization shall designate ______________________________ to act as their authorizing person, and to serve as the coordinator of the Organization’s interactions with CCCF. Any expense reimbursements or requests shall require the authorization of this person. In the absence of the Organization’s coordinator, CCCF shall make decisions related to all matters of the Organization.
6. The Organization shall not attempt to influence legislation, participate in any political campaign, or engage in political activities according to the regulations of the 501-c-3 section of the Internal Revenue Code.
7. CCCF shall provide a statement of activity for the Organization on a monthly basis showing donations received, expenses paid, and fees assessed. The Organization shall provide CCCF with all expected annual income and expense estimates, and shall update CCCF with this information on a quarterly basis.
8. If the Organization conducts projects that have ending dates, Organization will provide CCCF with a final report describing the achievements of the project.
9. The Organization will send all donations received to CCCF for deposit and processing. Organization also agrees to comply with the guidelines for depositing checks, requesting checks for expenses, contracts with vendors, and all other administrative activities as detailed in the accompanying “Fiscal Sponsorship Guidelines.”
10. The Organization and CCCF shall maintain financial records relating to the project(s) of the Organization as necessary for tax purposes, auditing, or other requirement of state or federal agencies governing charitable organizations.

11. This agreement will be reviewed annually by CCCF and the Organization. This agreement may be terminated if any of these actions occur:
   A. If the Organization’s activities are in conflict with the charitable mission and purposes of CCCF or in violation with applicable state or federal laws and regulations governing charitable organizations.
   B. The Organization fails to comply with the terms of this agreement. CCCF will provide 30 days for the Organization to remedy any noncompliance to this agreement.
   C. Either Organization or CCCF shall be able to provide four weeks notice to each other to voluntarily terminate this agreement.

CCCF and the Organization hereby execute this agreement:

For CCCF:

Signed: ____________________________ Date: __________________________

For Organization:

Signed: ____________________________ Date: __________________________