

**REQUEST FOR BOARD ACTION**  
**HENDERSON COUNTY**  
**BOARD OF COMMISSIONERS**

**MEETING DATE:** December 6, 2021

**SUBJECT:** Playground Fund Raising with Community Foundation - Contract

**PRESENTER:** Carleen Dixon, Director of Parks and Recreation  
Tommy Laughter, Elk's Lodge  
Donnie Jones, Special Needs Sports

**ATTACHMENTS:** Yes

1. Non-Endowed Designated Fund Agreement – Jackson Park Playground
2. Community Foundation – Management Fee Policy
3. Community Foundation – Condensed Statement of Investment Policy

**SUMMARY OF REQUEST:**

The Henderson County Parks and Recreation Department is requesting the Board approve a contract with the Community Foundation to establish the “Jackson Park All Inclusive Playground Project” account. The account will be used to accept funds raised by the Elk's Lodge, or other organizations, for the purchase and installation of a playground at Jackson Park.

The Community Foundation will establish a link that anyone can access to make a donation to the project. All funds raised will be restricted specifically for the playground project.

**BOARD ACTION REQUESTED:**

The Board is requested to approval the contract as presented, and authorize staff to execute the required documents.

**SUGGESTED MOTION:**

*I move the Board approve the contract with the Community Foundation to establish the “Jackson Park All Inclusive Playground Project” account, and authorize staff to execute the required documents.*

**NON ENDOWED  
DESIGNATED FUND AGREEMENT  
CREATING**

**Henderson County Parks & Recreation - Jackson Park Fund**

This agreement is made and entered into as of the \_\_\_\_ day of \_\_\_\_\_, 2021 by and between the **Community Foundation of Henderson County, Inc.** (The "Foundation") and Henderson County Parks & Recreation – Jackson Park Fund, a department of Henderson County Government (H.C. Parks & Rec).

The Foundation is a non-profit, tax-exempt corporation serving as a community foundation for Henderson County, North Carolina and surrounding areas. The Henderson County Parks & Recreation department of Henderson County, N.C. local government agrees that the Foundation will establish a **Non-endowed Designated Fund** with the Foundation. The Foundation and the H.C. Parks & Rec therefore agree as follows:

**NAME**

A fund designated as **Henderson County Parks & Recreation - Jackson Park Fund** (the "Fund") is assigned by the Foundation to receive funds for the Jackson Park All Inclusive Playground Project by this agreement as a component fund within the Foundation to receive gifts and to be administered according to this agreement.

**GIFTS TO THE FUND**

The H.C. Parks & Rec has this day established terms for this project agreement with the Foundation. The **Fund** currently has a balance of \$397.76.

Any person (whether an individual, corporation, trust, estate, or any other organization or entity) may contribute to this Fund. The form of the gifts and any other conditions associated with the gifts must be acceptable to the Foundation. All such gifts to the Fund shall be irrevocable.

**PURPOSES**

The purpose of the Fund is to support a public playground, public recreation center or area, and other public areas, created, established, designated, maintained, and provided for the purposes of public rest, play, recreation, enjoyment or assembly. Specifically, this Fund is to support the public area of Jackson Park, Henderson County, N.C. From time to time, special initiatives and projects may be the focus for fundraising campaigns and use of funds, such as the current **Jackson Park All Inclusive Park Project**.

**DISTRIBUTION OF FUNDS**

So long as the fund continues, all assets of the fund shall be subject to distribution upon meeting the purposes of the Fund, as approved by the Foundation's Board of Directors. The Foundation will not be compelled to make recurring distributions more frequently than quarterly.

## **ADMINISTRATIVE PROVISIONS**

1. Investment of the Fund assets will be made, as the Foundation deems appropriate, in accordance with the Foundation's Investment Policy. The Foundation shall hold, administer and distribute from the Fund according to the terms and purposes of this agreement.
2. All property and money in the Fund shall be assets of the Foundation and may be commingled with other Foundation assets. The Foundation shall not be required to segregate the assets of the Fund for investment purposes, but the Foundation shall be required to maintain separate accounts of the Fund on its books and records.
3. For the purposes of this agreement, "principal" and "income" shall be allocated in accordance with policies of the Foundation as adopted by the Board of Directors from time to time.
4. For Funds that are restricted, it is recognized that changes in circumstances can render restrictions inappropriate or obsolete over time. Therefore, the Foundation, through its Board of Directors, shall have the right to modify or eliminate restrictions or conditions as it deems appropriate, but shall do so only to the extent it deems necessary, preserving insofar as possible the original intent of the Grantor.
5. All assets held in the Fund shall be subject to the Articles of Incorporation and Bylaws of the Foundation.

## **PROHIBITED DISTRIBUTION**

No part of the Fund shall inure to the benefit of, or be distributable to:

1. Any officer or director of the Henderson County Board of Commissioners or any subsequent service provider department and/or organization; or
2. Any officer or director of the Foundation or any immediate family member of any officer or director of the Foundation.

Notwithstanding this prohibition, the Foundation is authorized and empowered to pay reasonable compensation for services rendered and to pay payments and distributions in furtherance of the purposes set forth in this agreement.

## **MANAGEMENT FEES**

The Fund is responsible for bearing a fair portion of the total administrative costs of the Foundation. The Fund is therefore subject to the uniform and regular charges in accordance with the Foundation's Management Fee Policy for Designated Funds, and may include participation in Investment Choice Plan at the Foundation's discretion.

## **VARIANCE POWER**

It is understood that the Fund to be established pursuant to this agreement will be subject to the provisions of the Articles of Incorporation and Bylaws of the Community Foundation of Henderson County, including the power reserved by the Board of Directors to modify any condition or restriction on the distribution of funds if, in its sole judgment (without the approval of any trustee, custodian, or agent), such restriction or condition becomes, in effect, unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the area served by the Foundation.

**LAW**

This agreement shall be governed by, and construed according to, the laws of the State of North Carolina and all applicable Federal laws and regulations.

Witness the hands and seals of the parties as of the day and year set out above.

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Henderson County Parks & Recreation



by: \_\_\_\_\_  
President/CEO

CORPORATE SEAL

ATTEST:

\_\_\_\_\_

ATTACHMENT TO NON ENDOWED  
DESIGNATED FUND AGREEMENT  
CREATING

**Henderson County Parks & Recreation - Jackson Park Fund**

We have received the following Policies governing the Community Foundation of Henderson County:

- Condensed Investment Policy
- Management Fee Policy
- Investment Choice Form

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Henderson County Parks & Recreation



By: \_\_\_\_\_  
President/CEO

CORPORATE SEAL

ATTEST:

\_\_\_\_\_

## Management Fee Policy

Any out-of-pocket expenditure by Community Foundation of Henderson County, Inc. for investment services or other property management services will be charged in addition to anything set forth below. Any Funds involved with fundraising may have an additional fee established within the Fund agreement documents.

1. **PERMANENT FUNDS** are endowments from which income is distributed. An annual fee based on a percentage of the Fund Balance will be levied at the beginning of each month computed on previous month-end balance depending on the classification of the fund. Funds that are set up by the same donor are combined for fee purposes. The following are the classifications of funds:

Annual Fee			Annual Fee		
Organizational	.75%	First \$1M	Scholarship	2.0%	First \$1M
	.65%	\$1M - \$3M		1.75%	\$1M - \$3M
	.55%	Over \$3M		1.5%	Over \$3M
<hr/>			<hr/>		
Designated			Dormant Scholarship*	1.0%	
Unrestricted	1.0%	First \$1M	*Dormant Scholarship status applies to Funds that are unable to make an award. This status encourages and supports growth.		
Field of Interest	.85%	\$1M - \$3M			
Mixed*	.75%	Over \$3M	<hr/>		
<hr/>			Donor Advised	1.25%	First \$1M
Administrative			Quasi-Endowed	1.0%	\$1M - \$3M
				.75%	Over \$3M
<hr/>			<hr/>		
			Donor Advised	1.0%	First \$1M
			Endowed	.85%	\$1M - \$3M
				.75%	Over \$3M

\*Mixed - If scholarship is a portion, will be charged the scholarship otherwise charged as designated, field of interest, unrestricted and Administrative

***All funds may receive interest on spendable income awaiting distribution. This percentage will be set by the Community Foundation according to the market.***

2. **TEMPORARY FUNDS** are not established in perpetuity. Funds that maintain an average daily balance of \$15,000 or more will receive interest. This percentage will be set by the Community Foundation according to the market.
  - a. Donor Advised Funds (non-endowed) - established by an individual or business, which retains privilege of recommending fund distributions. **No fee** is charged unless funds are held less than 3 months, then a minimum charge of \$75 may be assessed.
  - b. Pass-Through Funds - organization designated fund, which has full payout program. A 1% fee is charged on all contributions. For funds that remain idle for more than one year, an annual fee of 1% will be levied monthly based on the previous month-end balance.
  - c. Non-endowed advised funds Investment Choice Option – are temporary funds available for spendable and not established in perpetuity. This option is for funds maintaining an average balance of \$10,000 for at least a two to five year period. An annual fee of 1% will be levied at the beginning of each month computed on previous month-end balance.
3. **CHARITABLE REMAINDER TRUSTS** are set up with transfers of money, securities or both to a trust that pays the donor income for life. The trust can also provide income for a survivor or survivors for life. Then the trust assets become a permanent endowment with the Community Foundation and the income is paid to the charitable interests of the donor. An annual fee based on .75% of market value per year on first \$1M, .65% on next \$2M and .55% over \$3M, charged monthly. This charge will be levied in addition to the direct cost of preparing the annual tax return by a CPA.
4. **CHARITABLE GIFT ANNUITIES** are set up with transfers of money, securities or both to a trust that pays the donor income for life. The trust can also provide income for a survivor or survivors for life. Then the trust assets become unrestricted with the Community Foundation. A fee of .5% (1% if not unrestricted) of market value per year, charged monthly. This charge will be levied in addition to the direct cost of administration services.

***Note: All funds involved with investments are at risk in the market. Market values change frequently. Accounts are reconciled monthly actual balance will vary according to time of transaction and proceeds realized.***

# COMMUNITY FOUNDATION OF HENDERSON COUNTY

## Condensed Statement of Investment Policy

### Purpose

The purpose of the Investment Policy is to assist the Board of Directors of the Community Foundation of Henderson County in effectively supervising and monitoring its investment activities; and to provide guidance to investment managers employed to manage its assets on behalf of the Board. It is set forth by the Board in order to advise all concerned of their legal and fiduciary responsibilities and to establish a clear understanding by all involved parties as to the investment goals and objectives of the Foundation.

### Investment Committee

The Board of Directors empowers the Investment Committee to invest, manage and monitor funds for the benefit of the current and future generations who are the ultimate beneficiaries of the Foundation. The Investment Committee members have a fiduciary responsibility and must develop and adhere to the Investment Policy. The Investment Committee has retained a qualified Investment Consultant to assist in its duties and responsibilities.

### Investment Objectives

The primary objective of the investments of the Foundation will be to provide for consistent long-term growth of principal and income without undue exposure to risk. The investment objective is to achieve a total return including appreciation which will satisfy the current financial needs of the various funds, protect and increase their long-term inflation adjusted value, and minimize short run volatility.

### Asset Allocation

The Foundation's philosophy is that we are not market timers and will strive to maintain asset allocations within policy ranges. The specific target allocation and acceptable deviation from the target are:

ASSET CLASS	ACCEPTABLE RANGE
<b>Global Equity</b>	
US Equity – Large Cap	15% - 25%
US Equity – Mid Cap	0% - 10%
US Equity – Small Cap	5.0% - 15.0%
International Equity	12.5% - 22.5%
International Small Cap	0% - 10%
<b>Global Fixed Income</b>	
Core Fixed Income (including TIPPS)	7.5% - 17.5%
High Yield	0% - 10%
<b>Real Assets</b>	
Real Estate	0% - 10%
Natural Resources	2.5% - 12.5%
<b>Diversifying Strategies</b>	
Alternatives	5.0% - 15%

### Permitted Investments

The Policy establishes "permitted investments" guidelines for our investment managers. These guidelines address marketability, diversification, prohibited securities and transactions, and acceptable fixed-income credit ratings.

### Investment Managers and Consultants

Elements to consider before hiring a new Investment Manager, as well as guidelines for the periodic review of existing managers, are included in the Policy. In addition, our expectations of the investment consultant are spelled out.

*If you would like a copy of the entire  
Investment Policy please let us know.*

*Updated June 7, 2013*