

The Arc of Sedgwick County  
Legacy of Hope Endowment Fund  
Policies and Guidelines  
August 7, 2006  
Presented for Approved to Board of Directors on August 28, 2006

History of Legacy of Hope -- Overview:

The Legacy of Hope began with a bequest from Isabelle Winter, whose son Jefferson is served by The Arc. Fundraising for the endowment began in 2004, after the Wichita Community Foundation (WCF) announced in December 2003 that The Arc was a winner of a matching grant. The Arc received \$50,000 to match the \$150,000 raised by The Arc during CY2004. The goals cited in the 2003 WCF proposal form the basis for the areas of emphasis presented in the 2007 Request for Proposals.

The Arc was named the recipient of a second WCF matching grant in May 2006. The value of the matching contribution will be determined by the amount of funds raised by The Arc between June 1, 2006 and May 31, 2007, and will be awarded to The Arc at the end of that period. Our goal is to raise \$75,000 to be matched by \$25,000 from WCF.

Three annual fundraising events are currently designated as Legacy of Hope events: The Ladies Luncheon (March), the Golf Tournament (May), and the Independence Day Car Show (July). These events are scheduled to fall outside the United Way blackout period. Each of these events is organized by its own committee, led by a committee chairperson. The Endowment also benefits from periodic, designated gifts from individuals.

Endowment balances are invested with the Wichita Community Foundation. The Arc may receive a check every March from WCF in accordance with disbursement policies from WCF. The Arc pays WCF a small fund management fee to oversee the investment of our funds.

The amount of the annual disbursement is governed by policies of the Wichita Community Foundation. The current disbursement is calculated as five percent of a three-year moving average of the endowment fund's market values, determined one year before the Fiscal Year in which funds are to be distributed.

The Arc will maintain the principal of the endowment, and take disbursements only from cumulative earnings.

The Arc does not have a foundation that oversees the endowment fund. Endowment responsibilities at The Arc are administered by the Endowment Committee, Allocation Committee, and Board of Directors, as described below.

Endowment Committee:

The Chairman of the Endowment Committee is selected by the Board President and approved by the board. The Chairman serves at the discretion of the Board President.

Membership on the endowment committee is open to any board member, Arc member, or member of The Arc's Community Advisory Council.

The Endowment Committee is charged with overseeing fundraising events related to the endowment, seeking funding opportunities for the endowment, writing grants for the endowment, approaching sponsors for endowment funding, and setting policies regarding the appropriate use of endowment disbursements, pending approval of the board. The Endowment Committee prepares recommendations for areas of funding emphasis for the following year, based on strategic planning or a community needs assessment.

The Endowment Committee ensures that money disbursed is spent in accordance with The Arc's endowment guidelines by requiring reports from project managers on the progress of projects funded by endowment disbursements.

The Endowment Committee will prepare and publish the Request for Proposals each year by November.

The Endowment Committee reports to The Arc's board of directors.

The Endowment Committee is not a standing committee at this date.

The Endowment Committee will operate in compliance with the by-laws of The Arc of Sedgwick County.

#### Allocation Committee:

The Allocation Committee reviews proposals submitted for funding from endowment disbursements. The Allocation Committee reviews these proposals based on guidelines set by the Endowment Committee and approved by the Arc Board of Directors.

The Allocation Committee is not a standing committee at this date.

The Allocation Committee will operate in compliance with the by-laws of The Arc of Sedgwick County.

The composition of the allocation committee is composed of 5 to 7 persons, including the chairperson. This will include:

- 2-3 members from the Arc board of directors, appointed by interest and Board affirmation
- 1 member from senior Arc staff
- 2-3 at-large members appointed by interest and Board affirmation
- 1 chair, appointed by the President; can be either an at-large member or from the Board. The Chair votes only to break ties. If the Chair is from the board, then two other board members must be on the committee.
- No more than two members from the Endowment Committee can sit on the Allocation Committee

The Arc's Executive Director and staff accountant are ex-officio members of the Allocation Committee and have no voting privileges.

A quorum consists of a simple majority.

All applications for funding will be reviewed by the Allocation Committee, with recommendations for final approval sent to the Board Directors no later than the March board meeting.

In general, disbursements from the endowment should be oriented toward projects designed to stimulate new or enhanced Arc operations and services, kick-start Board initiatives, or address specific one-time needs.

Endowment disbursements are not to be used as a source for temporary loans, or to be spent on capital expenditures (unless part of a specific project that meets the criteria of the current year's Areas of Emphasis) or on items more appropriately funded from the Operating Reserve or a Fixed Asset Reserve. Disbursements are not to be used to fund the Arc's operating budget.

The Allocation Committee will give emphasis to funding projects that require one-time funding and which will yield long-term impact and return to The Arc. The Allocation Committee will also give emphasis to proposals that seek secondary sources of funding (e.g. foundation grants or corporate sponsorships) in order to conserve the endowment's financial resources.

### Guidelines for Applications:

The request for proposals will be published by November 1 of each year. To qualify for funding, proposals must meet and will be evaluated on the following criteria:

- a) Proposals must be submitted by Arc staff, board, or member;
- b) Proposed program must accommodate the Arc's mission and serve Arc clients;
- c) Endowment funds are intended to further the Arc's mission and serve clients in a broad manner. Fund disbursements will be allocated to programs or projects meeting these primary goals and will not be considered available for the direct use of any individual's personal financial needs;
- d) Funding may go to a partnership of agencies, as long as The Arc is included in the partnership project;
- e) Proposals must be submitted for review to the Allocation Committee prior to noon on December 15th, through the Executive Director of The Arc or his/her Executive Assistant;
- f) Proposals must be supported by a clear statement of purpose and meet a documented community need;
- g) Proposed programs must be consistent with the areas of emphasis set by the endowment committee for that year;
- h) Proposals must include a brief description of the program;
- i) Proposals must include a detailed proposed budget;
- j) Proposals must include identified expectations of program results;
- k) Proposals must include name and contact information for the project administrator;
- l) Proposals must include a timeline for the project with a start date after March of the year in which funding is received, and before December of the same year. The time line must also include a target completion date;
- m) If the project requires on-going funding, the proposal must include plans for future funding after the first year;
- n) If supplemental sources of funding will be sought for the proposed program, the proposal must include a list of the prospective funding partners;
- o) If accepted for funding, the project must include a mid-point progress report as well as a final success report presented to the board.

Progress on funded projects must be reported at project midpoint and conclusion by the Project Administrator to the Board of Directors.