

Hill-Snowdon Foundation

Sample Policies

EXECUTIVE POLICIES

Mission

The Hill-Snowdon Foundation envisions a fair and just society for low-income families, particularly youth of color and no-and low-wage workers. Our mission is to:

Work with low-income families and communities to create a fair and just society by helping them develop the capacity and leadership skills necessary to influence the decisions that shape their lives. We believe that it is essential for people to proactively define the type of society in which they want to live and then work collectively to achieve this vision. HSF seeks to accomplish this mission by providing grants to organizations that work directly to build the power of low-income families; leveraging our and others' resources; and promoting opportunities for learning and growth.

Committees

Executive Committee

The Executive Committee shall be comprised of the President of the Foundation and the chairs of other Committees. The Executive Committee provides oversight and direction to the activities of the Foundation and, when necessary, makes decisions about issues delegated to the Executive Committee between meetings. The Executive Committee is responsible for the hiring, support and oversight of staff and consultants to the Foundation. For executive staff, an evaluation will be conducted by the Committee on an annual basis. One Committee member is designated as the primary liaison for executive staff.

Grantmaking Committee

The Grantmaking Committee is responsible for developing grant guidelines, including the scope of Foundation grants both geographically and in terms of areas of interest. The Committee develops grant applications and policies and procedures for accepting, reviewing, and selecting grant applications. The Committee is also responsible for evaluating the effectiveness of the Foundation's grantmaking programs.

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Finance Committee

The Finance Committee manages the fiduciary and regulatory operations of the Foundation. This Committee is responsible for recommending a budget, recommending changes to that budget, overseeing and reporting on Foundation spending relative to budget, reporting on grantmaking, overseeing the management of Foundation assets, and overseeing and reporting on required filings. The Committee ensures that the Foundation complies with the mandatory distribution rules, does not distribute to disqualified organizations, and complies with the public inspection laws. This Committee also takes on the role of the investment committee in larger foundations. It is responsible for managing the assets of the Foundation. It is responsible for developing investment guidelines, setting investment goals in accordance with the distribution goals of the Foundation, selecting an investment manager if necessary, monitoring investment results, and making changes to policies, goals and managers when appropriate.

Succession

The Board agrees that all direct descendants of Arthur B. Hill, who are at least 16 years of age, are eligible to join the Hill-Snowdon Foundation Board as non-voting members. At the age of 21, after serving for at least two years as non-voting members, such individuals become eligible for full voting membership, as long as they meet Board membership responsibility requirements (see Trustee Orientation Guidelines). Elections to the Board require a two-thirds majority vote and require the parent of the prospective member to recuse him or herself.

Conflict of Interest Policy and Declaration

The Board adopts the Hill-Snowdon Foundation Conflict of Interest Policy dated July 2004 and agrees that each individual Board member will complete the Declaration of Conflict of Interest on an annual basis.

Directors and Officers Insurance

The Board agrees to purchase and carry Directors and Officers Insurance for the Foundation and its officers and staff.

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Policy Development

The Board agrees that policies can be recommended by staff, Board members, or Board committees. Staff and/or Board members can develop the recommended policies. Recommendations must be presented at annual or other specially called Board meetings. Decisions on policies are made by consensus, or if that is not possible, by majority rule.

As an update to the above policy, the Board agrees that the Finance Committee may make a recommendation by email to the full board and invoke a 72 hour response requirement (similar to “business communications policy below) to expedite the decision-making process on time-sensitive financial and investment matters.

Perpetuity

The board agreed to plan for the foundation to exist in perpetuity.

FINANCE POLICIES

Payout

The annual budget and payout are based on 5% of the value of assets. Administrative expenses will not be incorporated into the 5% payout rate.

The annual budget and payout use a three-year rolling average for payout calculations and use the asset value as of December 31 each year to calculate the rolling average. An estimated grants budget for the coming year is created and approved before the end of the 4th quarter, and if necessary, the grants budget is amended in the 1st quarter of the budgeted year based on the payout calculation with the actual 4th quarter asset value included. If the fourth quarter estimation in the rolling average calculation is too high, the grants budget may be kept as approved up to a payout rate of 5.25%.

The annual budget is based on a payout level to meet the 1% excise tax.

[Above payout policies are temporarily suspended as needed during rolling grant blackout years (2011-2014) per Rolling Grant Blackout policy (see Grantmaking policies) in order to rebuild the corpus after the economic downturn]

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Expenditures/Expenses

The Board authorizes annual expenditures on administrative expenses to be budgeted at and fall within a range of 15% - 20% of the annual grantmaking budget. (Note: the grantmaking budget includes the annual payout of 5% of assets plus pass through grants from the Charitable Lead Unitrusts: administrative expenses are calculated exclusive of excise tax and investment fees). If these administrative expenses go up to between 20% and 25% of the grantmaking budget, prior approval is required by the Finance Committee. If they go above 25%, prior approval is required by the full Board.

The Board authorizes the coverage of reasonable expenditures for Board and staff for Hill-Snowdon Board retreats and meetings as well as for conferences and events related to Hill-Snowdon, including:

- Coach plane tickets booked in advance for board and staff;
- Hotel costs, not in excess of \$300 per night; and,
- Reasonable daily expenditures including food and cab.

The Board authorizes the expenditure of up to \$2,500 per year per Board member on travel, conferences or other events related to Hill-Snowdon (not including Board retreats, regular meetings). If a Board member incurs expenses above this threshold, expenses should be approved (if possible in advance) by the Finance Committee.

The Board authorizes all expenditures by the Executive Director within the scope of the budget without prior approval from the Finance Committee. All expenditures that exceed 20% of any line item of \$5,000 or over must be approved in advance by the Finance Committee. The Executive Director will schedule and hold a quarterly meeting with the Finance Committee to review financial performance and expenditures.

The Board authorizes that the Executive Director has discretion to move budgeted funds between program area line items on the annual grants budget by up to \$50,000.

GRANTMAKING POLICIES

Proposals Put Forth by Family Members

Hill-Snowdon Foundation will consider funding requests from Board/family members for specific projects or organizations to which they are connected if:

- The project furthers the mission and values of the Foundation and has a broad social value;

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- Support for such projects does not adversely impact the Foundation's primary grantmaking programs; and,
- The project is not being undertaken to primarily benefit the family member(s) that is requesting support.

Any Board member making such a request must recuse him or herself from the vote. The vote must pass by a two-thirds majority of Board members; all requests over \$25,000 must be reviewed and approved at the annual meeting of the Board or a special meeting must be called and a quorum of eligible Board members must be present. Any person making such a request must submit necessary narrative and financial documentation to allow the appropriate review by Board and staff. Grants to organizations or projects fulfilling the above criteria will be made from a separate allocation of funds, to be titled Special Projects, and will not come out the normal grants budget.

Discretionary Grants

Each trustee has a designated amount (\$15,000 per year*) for awarding discretionary grants.

** Amount per year modified October 2009 to begin in FY2010.*

Trustees are authorized to roll over their discretionary balance once into the next fiscal year; at the end of that fiscal year any unspent funds go into the general fund.

Small Grants Program

The Board agrees that the Opportunity Fund will be available for unforeseen expenses and not for meetings, conferences, etc. that could be planned and budgeted for.

Opportunity Fund grant eligibility will be limited to current grantees.

The Executive Director is authorized to award grants of \$5,000 and less under the small grants program on a monthly review cycle. Reports on small grant program awards and declinations will be submitted to the Grantmaking Committee on a quarterly basis and to the full Board on an annual basis.

Roll-Over of Unused Grant Funds

A maximum of \$100,000 in a year of unused grant funds can be rolled over into a general grantmaking discretionary fund which will be managed by staff. Maximum grant size from the fund will be \$5,000 at staff's discretion or larger grants can be approved by the board.

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Rolling Grants Blackout

HSF will implement a 4-year rolling blackout on grants in which each grassroots partner will be asked to sit out for one year over a four-year period beginning in 2011. In the first year of the rolling blackout (2011), no new organizations will be funded. In the second through fourth years (2012-2014) of the rolling blackout, unspent grant funds due to attrition will be used to make grants to new organizations.

OPERATIONAL POLICIES

Business Communications

The Board agrees that all Hill-Snowdon business communications be conducted by email (unless another method is necessary), with an expected turnaround time of five business days. It is assumed that all recommendations presented in such correspondence stand, unless a response to the contrary is received by the sender within the prescribed time period. All such correspondence should be marked “response required in five days” and should identify the purpose of the correspondence.

Gift Policy

Gifts of merchandise (flowers, food baskets, etc.) paid by Hill-Snowdon Foundation to its board members, family members and employees are allowable if the gift is valued at \$100 or less; such gifts are not treated as taxable compensation. Gift certificates in any amount are not allowable to board members or family members, but are allowable to employees if they are \$100 or less and they are treated as taxable compensation. Cash gifts (cash given not in relationship to employment) in any amount are not allowable to board members, family members, or employees.

Vendor Selection

Hill-Snowdon Foundation seeks vendors with good labor practices. If possible, union hotels, print shops, etc. are contracted. HSF uses the Union Hotel Guide at <http://www.hotelworkersrising.org/HotelGuide/> to actively not patronize hotels with ongoing labor issues and disputes and to seek out union hotels.