

LUNA COMMUNITY COLLEGE FOUNDATION

POLICY MANUAL

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Section 1 Governance

1.1 Establishment & Revision of Board Policies

In accordance with the Articles of Incorporation and Bylaws of Luna Community College Foundation, Inc. ("the Foundation"), this Policy Manual sets forth policies adopted by the Foundation's Board of Directors ("the Board"). These policies have been adopted to guide the Board in carrying out its responsibility for governance of the Foundation, and as a source of guidance and information for Foundation employees and others. This Policy Manual contains all current policies of continuing applicability adopted by the Board.

The Chairperson of the Foundation ("the Chairman") or any director may submit proposed policies and proposed revisions to policies, together with any appropriate background information and administrative recommendations, to the Board for consideration. The Board will then consider approval.

Each policy contained in this manual is deemed effective on the date the policy is adopted by the Board. The adoption date of each new or amended policy shall appear at the bottom of the policy.

1.2 Responsibilities of the Board of Directors

The Board is responsible for governance of the Foundation. This responsibility may be exercised by the Board only as a unit; individual Directors are without power to act separately in the transaction of Foundation business, except when one of the Board's officers or committees is specifically authorized to act on behalf of the Board.

The Board's governance of the Foundation includes fiduciary oversight of the assets and programs of the Foundation, establishment of goals and policies to guide the Foundation, and oversight of the overall functioning of the Foundation. The Board vests responsibility for the day-to-day operation and management of the Foundation in the Manager or other appointee hereafter known as "Manager" as determined by the Board.

Specific Duties and Functions of the Board

The Board shall carry out the duties and functions authorized in the Foundation's Articles of Incorporation and Bylaws, and as further specified in this Policy Manual. The Board shall:

1. Hire and support the Manager or ; this may be in concert with the College;
2. Delegate authority to the Manager for effective day-to-day operation of the Foundation;
3. Regularly assess, at least on an annual basis, the performance of the Manager ;
4. Approve, periodically review, and update as needed the Foundation's statements of mission, vision, values, and purposes;

5. Establish, periodically review, and update as needed all Board governing documents including Articles of Incorporation, Bylaws, Policies and Committee Charters;
6. Establish, periodically review, and update as needed long-range strategies for the development of the Foundation and the management of the Foundation's assets and investments;
7. Ensure that all fiduciary responsibilities are met, including effective oversight of assets of the Foundation and assets held and/or administered by the Foundation for or on behalf of Luna Community College ("the College");
8. Ensure the Foundation has adequate resources to fund its operations;
9. Ensure the preservation of the Foundation's legal standing;
10. Enter into, periodically review, and update as needed memoranda of agreement, fee-for-service agreements, operating agreements, and other contracts with the College;
11. Promote strong and healthy relationships between the Foundation and the College, between the Foundation and its donors, and between the Foundation and the public;
12. Ensure ongoing good planning for the Foundation, consistent and in alignment with the College's priorities;
13. Periodically and comprehensively assess the Board's performance;
14. Review the performance of individual Directors
15. Ensure the protection of donor rights and compliance with donor gift restrictions;
16. Take appropriate action on recommendations from Board Committees; and
17. Take any other actions required by law to be decided at the level of the Board.

Additional Responsibilities of Individual Directors Each individual Director shall:

1. Act as an effective ambassador for the Foundation and the College;
2. Make every effort to be actively involved with a school or program at the College;
3. Engage in fundraising activities and events of the Foundation and the College;
4. Participate actively in Foundation Board meetings and retreats, and provide experience and special expertise as abilities and time permit on one or more Board committee;
5. Acquire and maintain a comprehensive knowledge of the College and its programs, strengths, and needs, and represent these to donors and the general public;
6. Acquire and maintain a comprehensive knowledge of the Foundation's role, responsibilities, programs, and opportunities, and represent these to the College, donors, and the general public; and

7. Provide advice and counsel to the Manager as requested.

Appointment of Directors, Officers and Committee Members

The Bylaws of the Foundation govern the appointment and term of Directors, officers, and committee members. The President of the College shall appoint directors to the Foundation at any time. The term of office of each director shall be for a period of 2 years. The director may continue to serve as long as he/she is reappointed by the President of LCC. Director appointments are effective immediately. Committee members and committee chairs are appointed by the Board Chair. The Bylaws permit a limited number of non-Director volunteers to serve on some of the Board committees.

Board Meetings

The frequency and conduct of Board meetings are set forth in the Bylaws. No Compensation

Foundation Directors and non-Director committee members are prohibited by law from receiving any distribution of the income, profit, or assets of the Foundation. Directors and non-Director committee members shall receive no compensation for their service to the Foundation; however, with prior approval of the Board Chair and the Manager, they may receive reimbursement for certain out-of-pocket expenses related to Foundation business.

Code of Conduct, Conflict of Interest, Discrimination/Harassment/Retaliation, and Confidentiality

In carrying out their duties to the Foundation, all Directors and non-Director committee members are required to comply with the Foundation's conduct policies set forth in its Bylaws and this Policy Manual, including, but not limited to Policy Code of Conduct; Conflict of Interest; Discrimination, Harassment and Retaliation; and Confidentiality.

Orientation of New Directors

When a new Director or non-Director committee member is appointed, he or she will receive copies of the Foundation Bylaws and Board policies. The Board Chair working with the Manager, shall arrange orientation sessions for newly appointed Directors/non-Director committee members with Foundation staff and committee chairs. Additional training will be provided as determined by the Board Chair and/or the Manager.

1.3 Board Committees

The Bylaws of the Foundation establish the procedures for the creation of committees and authorize the Board to appoint additional adhoc committees as necessary. The Bylaws resolutions by the Board of Directors shall set forth how committee members and committee chairs are appointed, the term of committee members, the authority of committees in general, the authority of particular committees, and the manner in which committees conduct their business and take action.

Each committee shall at all times operate and make decisions and recommendations in accordance with the Bylaws and the Board-approved resolution.

Directors are expected to serve as a member of at least one committee when appropriate. With the exception of the Board Chair, Directors will typically serve on no more than two committees.

Committees will conduct their work through meetings scheduled by the committee or as otherwise provided in the Bylaws and resolutions. Each committee will establish its own meeting schedule to ensure that the necessary work of the committee is conducted in a thorough and timely manner.

The chair of each committee is responsible for preparing the agenda for the committee meetings, in consultation with the Manager and/or the Board Chair. The Manager may submit agenda items for a committee meeting to either the Board Chair or the committee chair.

In accordance with the time requirements set forth in the Bylaws and committee resolutions, the chair of the committee will transmit to all committee members copies of the agenda and relevant materials in advance of each committee meeting. Each meeting of a committee shall be documented by minutes recording members present, matters considered, and decisions made or tabled, and all minutes shall be made available to be posted on the Board's website.

Directors are welcome to attend any committee meeting, to contact the committee chairs to obtain information about matters under consideration, and to review all committee agenda, reports, and minutes.

1.4 Responsibilities of the Manager

The Manager is responsible for implementing the policies adopted by the Board, and for managing the day-to-day operations of the Foundation. The Board hereby delegates authority to the Manager to carry out his or her responsibilities to manage the Foundation as set forth generally in this Policy Manual.

The Manager's responsibilities include, but are not limited to:

1. Assuring the Foundation operates in accordance with its mission;
2. Managing the day-to-day operations of the Foundation;
3. Hiring and supervising the Foundation's staff, and overseeing administration of the Foundation personnel system;
4. Managing the Foundation's finances and reporting to the Foundation Board Monthly on such matters;
5. Consulting and working cooperatively with the College administration, the Board, and others to plan for the future development of the College through the Foundation;
6. Reporting to the College's Board of Trustees on the Foundation's finances and overall operations on at least a quarterly basis;
7. Establishing and maintaining a centralized system for fundraising; advancement, and development for the benefit of the College; and
8. Reporting to the College's Board of Trustees on at least an annual basis on the state of the Foundation.

Annually, the Board shall adopt a "Delegation of Authority" which delegates certain authorities to the Manager and other specific Foundation executives to allow them to effectively and efficiently transact Foundation business, and which reserves to the Board or the Board Chair certain other authorities.

The Foundation Bylaws, the annual Delegation of Authority, and this Policy Manual specify certain actions for which Foundation Board approval is required. However, it is virtually impossible to anticipate every situation in which it may be appropriate for the Board to approve a particular action of the Manager. It is therefore the responsibility of the Manager, in consultation with the Board Chair, to seek Board approval when a proposed action is of such consequence that it could significantly affect the fiscal condition of the Foundation or its mission, or is of such public importance as to warrant the involvement of the Board, even though Board approval is not specifically required.

Implementation

The Manager shall appoint executives and other employees to assist in the performance of the functions and duties assigned to the Manager by the Board. In fulfilling his or her responsibilities, the Manager may delegate areas of responsibility to specific executives or other employees of the Foundation, except as may be expressly prohibited by the Board.

The Manager may adopt operating procedures for the operation of the Foundation, so long as those procedures are not inconsistent with Board policies. Operating procedures are effective when signed or otherwise approved by the Manager, and shall be made available as appropriate to Directors, Foundation employees, and College officials.

Appointment & Termination of Certain Staff Members

The Manager shall, where practical, inform the Executive Committee in advance of the appointment or termination of any Foundation staff member employed by the Foundation.

Section 2 Conduct of Directors

2.1 Code of Conduct

The Foundation exists to provide leadership to the College community and constituents in building financial resources to support excellence at the College. As a matter of fundamental principle, the Directors, volunteers, and staff of the Foundation will adhere to the highest ethical standards at all times as they carry out this mission. All Directors, volunteers, and staff of the Foundation will act with honesty, integrity and openness in all of their dealings. The Foundation will promote an environment that values respect, fairness, and integrity.

For purposes of these policies, the term "staff" means (a) all individuals employed and compensated by the Foundation and (b) all individuals employed and compensated by the College who report to and are supervised directly by the Foundation. For purposes of these policies, the term "volunteers" refers to

persons who, without compensation, provide direct services in support of Foundation activities, including but not limited to, non-Director members of the various Board committees.

Violations of this policy may result in disciplinary action up to and including termination of staff or removal of Directors and volunteers. The Executive Committee of the Board shall be responsible for determining appropriate disciplinary action for Directors and volunteers who violate this or other Foundation policies; the Manager shall be responsible for determining appropriate disciplinary action for staff who violate this or other Foundation policies.

Ethical Standards

In pursuing the highest ethical standards, all Directors, volunteers, and staff will demonstrate the following:

1. Truth, honesty and integrity in all personal and professional interactions;
2. Teamwork and collegiality, fostering a sense of mutual respect and cooperation;
3. Fairness in dealing with others and in implementing the decisions of the Board or the Manager;
4. Commitment to furthering the mission of the Foundation over personal interest and advantage;
5. Forthright expression of one's own views and tolerance for the views of others
6. Protection of the confidentiality and privacy of constituents;
7. Adherence to all local, state, and federal laws;
8. Fulfilling fiduciary responsibilities in accordance with donors' intentions and according to the Prudent Investor Rule;
9. Disclosure of any potential conflict of interest;
10. Avoidance of any conflict of interest, real or perceived;
11. Transparency in financial reporting; and
12. Dedication to quality in both process and outcomes.

2.2 Conflict of Interest

In recognition of the fact that effective and ethical Foundation governance and operation depends upon deliberate, thoughtful, and disinterested decision-making, all Directors, volunteers, and staff will comply at all times with Foundation Bylaws pertaining to Conflict of Interest.

In connection with their work for the Foundation, all Directors, volunteers, and staff have an affirmative obligation to act in the best interests of the Foundation; to subordinate personal, business, third-party, and other interests to the best interests of the Foundation; and to avoid conflicts of interest that materially and adversely affect the Foundation. This policy serves to further affirm Article VIII of the Foundation's Bylaws. This policy will serve to define the term "conflict of interest," to assist in the identification and disclosure of conflicts and potential conflicts, to outline the process for remedying conflicts and potential conflicts, and to minimize the impact of such conflicts or potential conflicts on the actions of the Foundation whenever possible.

Definition of Conflict of Interest

For purposes of these policies, a "conflict of interest" is any transaction or relationship which presents a conflict between a Director's, volunteer's, or staff's obligations to the Foundation and his or her personal, business, or other interests.

Prohibited Transactions, Actions, and Relationships

Transactions, actions, and relationships of Directors, volunteers, or staff that materially and adversely affect the interest(s) of the Foundation are prohibited, subject to the process and remedies set forth in this policy.

No Director, volunteer, or staff (or spouse of a Director, volunteer, or staff) may provide goods or services to the Foundation for remuneration (other than staff providing those services for which they were hired) during their term on the Board or as a volunteer, or during their employment with the Foundation, and for a period of 18 months thereafter, unless disclosed in advance and unless the Executive Committee of the Board or the Manager determines in advance that the transaction is in the best interests of the Foundation. This prohibition applies to the provision of goods or services to the Foundation by any business in which a Director, volunteer, staff, or spouse has an ownership or other financial interest (other than ownership of less than one percent of the stock of a publicly traded corporation). Conflicts or potential conflicts may and most often arise in connection with a Director's, volunteer's, staff's, or their spouse's ownership or other financial interest in another business, or service on the governing board of another nonprofit organization.

Disclosure

The Board recognizes that conflicts of interest are not uncommon, and that not all conflicts are necessarily harmful to the Foundation. However, the Board requires full disclosure of all conflicts and potential conflicts. Thus, all Directors, volunteers, and staff must disclose any and all conflicts and potential conflicts, both through an annual disclosure process and whenever such conflicts or potential conflicts arise.

All such disclosures shall be submitted on the form attached as Exhibit A to this policy.

Delegation

The Foundation Board shall delegate to the Executive Committee if need be, its authority to review and remedy conflicts and potential conflicts of Directors, non-Director committee members, and the Manager. Only disinterested members of the Executive Committee may participate in any such review. The Executive Committee shall inform the Board and the Manager of its determination and recommended action. The Board shall retain the right to modify or reverse such determination and action, and shall retain the ultimate enforcement authority with respect to the interpretation and application of this policy as it applies to Directors and non-Director committee members.

The Board delegates to the Manager its authority to review and remedy conflicts and potential conflicts of staff and volunteers other than non-Director committee members. The Manager shall inform the Board Chair of his or her determination and recommended action.

Process and Remedy

In considering whether a conflict of interest exists, and any remedy to said conflict, the Executive Committee (with respect to Directors, non-Director committee members, and the Manager) and the Manager (with respect to staff and volunteers other than non-Director committee members) will consider all available information and circumstances. In determining how to remedy any conflict, the Executive Committee and the Manager shall be guided first and foremost by whether the conflict materially and adversely affects the interests of Foundation.

A person whose potential conflict is under review may not debate, vote, or otherwise participate in such determination.

Gratuities

Individual Directors, volunteers, and staff shall not accept gratuities of more than a nominal value from third parties (including but not limited to donors, prospective donors, College officials, vendors, or prospective vendors) in consideration for or in connection with their work on behalf of the Foundation. If Directors, volunteers, or staff are uncomfortable with a proposed gratuity or have questions about application or interpretation of this policy, they should disclose the matter and direct all questions to their supervisor, the Board Chair, or the Manager.

Relationship with Donors and Prospective Donors

Directors, volunteers, and staff will assure that donors and prospective donors can have full confidence in the Foundation and its mission. To that end, Directors, volunteers, and staff will strive to:

1. Provide information on the Foundation's mission, the way the Foundation or the College intend to use gifts, and the Foundation's/College's capacity to use gifts effectively for their intended purposes;
2. Provide information on the membership of the Board and its governance responsibilities;
3. Provide access to the Foundation's most recent annual report, annual audited financial statement, and IRS Form 990 and 990-T;
4. Use and administer gifts for the purposes for which they were given;
5. Give appropriate acknowledgment and recognition for gifts;
6. Maintain donor information with respect and with confidentiality to the fullest extent permitted by donor preference, Foundation policies/procedures, and applicable law;
7. Treat donors and prospective donors in a professional manner in all interactions and at all times;
8. Inform all prospective donors whether those seeking contributions are Directors, volunteers, staff, or hired solicitors; and
9. Provide prompt, truthful and forthright answers to donors' and prospective donors' questions.

Compliance with the Law

The Foundation shall conduct its activities in compliance with all applicable state and federal law. No Director, volunteer, or staff shall take any action on behalf of the Foundation that he or she knows to violate applicable law. Any Director, volunteer, or staff who needs assistance to understand his or her

legal obligations should seek guidance from the Manager or make ask the College to assist via the College's General Counsel.

Compliance with Accounting Regulations Policies and Procedures

The Foundation shall conduct its fiscal and business matters in accordance with Foundation Policy in Compliance with Accounting Regulations, Policies & Procedures.

Institutional Responsibility

To assure that Directors, volunteers, and staff of the Foundation comply with this Code of Conduct, the Foundation shall assure as follows:

1. Disclosure to Directors, Volunteers, and Staff
 - a. All Directors, volunteers, and staff shall be given a copy of this Code of Conduct and, by completing an acknowledgement in the form of Exhibit A (attached) shall agree to abide by its terms.
2. Audits
 - a. To assure the independence of any Audit, no person who receives a salary, fee, or other form of compensation from the College or the Foundation shall be member of any committing dealing with the Audit.
3. Certification.
 - a. Each annual audited financial statement of the Foundation must include a certification in the form of Exhibit B (attached) that will be signed by the Manager and the Treasurer of the Foundation.
4. Loans
 - a. The Foundation will not extend personal loans to any Director, volunteer, or staff.

2.3 Discrimination, Harassment, and Retaliation

The Foundation is committed to the principles of equal opportunity and diversity -- in both the employment context and in connection with the Foundation's administration of programs and activities. All Directors, volunteers, and staff will comply at all times with the Foundation's Policy on Discrimination, Harassment & Retaliation.

The Foundation prohibits unlawful discrimination, harassment, and retaliation of any kind by any Director, volunteer, or staff in the workplace and in connection with the Foundation's administration of programs and activities. Through enforcement of this policy and by education of Directors, volunteers, and staff, the Foundation will seek to prevent, correct, and discipline behavior that violates this policy. Violations of this policy should be reported using the complaint process outlined in Foundation Policy pertaining to Complaints & Investigations.

Prohibited Discrimination

It is a violation of the Foundation's policy to discriminate in the provision of employment opportunities, benefits, or privileges; to discriminate in connection with the Foundation's administration of programs and activities; to create discriminatory work conditions; or to use discriminatory evaluative standards if the basis of that discriminatory treatment is based in whole or in part on a person's race, color, national origin, age, religion, disability, gender, pregnancy, sexual orientation, gender identity, marital status, or veteran status.

Discrimination of this kind may also be strictly prohibited by a variety of federal, state, and local laws, including, but not limited to: Title VII of the Civil Rights Act 1964; the Age Discrimination Act; the Americans with Disabilities Act; and the New Mexico Human Rights Act. This policy is intended to comply with the prohibitions set forth in these and other anti-discrimination laws. Prohibited discrimination by a Director, volunteer, or staff will be subject to disciplinary measures up to and including termination of employment or removal from office.

Prohibited Harassment

The Foundation strictly prohibits harassment of any kind based in whole or in part on a person's race, color, national origin, age, religion, disability, gender, pregnancy, sexual orientation, gender identity, marital status, or veteran status (this includes sexual harassment, discussed in more detail below). For purposes of this policy, harassment is any verbal or physical conduct designed to taunt, threaten, intimidate, or coerce any person working for or on behalf of the Foundation.

The following examples of harassment are intended to be guidelines and are not exclusive when determining whether there has been a violation of this policy:

1. Verbal harassment includes offensive and unwelcome comments, epithets, slurs, and negative stereotyping related to a person's race, color, national origin, age, religion, disability, gender, pregnancy, sexual orientation, gender identity, marital status, or veteran status;
2. Nonverbal harassment includes distribution, display or discussion of any written or graphic material that ridicules, denigrates, insults, belittles or shows hostility, aversion or disrespect toward an individual or group because of race, color, national origin, age, religion, disability, gender, pregnancy, sexual orientation, gender identity, marital status, or veteran status.

Prohibited Sexual Harassment

Sexual harassment is a form of unlawful discrimination defined as unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature when submission to or rejection of such conduct is used as the basis for employment or other administrative decisions, or when such conduct has the purpose or effect of creating an intimidating, hostile, or offensive working environment.

There are two types of sexual harassment:

1. "Quid pro quo" harassment, where submission or opposition to harassment is used as the basis for employment or other administrative decisions. Examples: A supervisor promising an employee a

raise if she goes on a date with him; a manager telling an employee he will fire her or take other adverse employment action against her if she does not have sex with him;

2. "Hostile work environment, " where the harassment creates an offensive and unpleasant environment. Hostile work environment harassment consists of verbiage of a sexual nature, unwelcome sexual materials or even unwelcome physical contact as a regular part of the work environment. Texts, e-mails, cartoons or posters of a sexual nature; vulgar or lewd comments or jokes; or unwanted touching or fondling all fall into this category.

Prohibited Retaliation

The Foundation strictly prohibits retaliation or attempted retaliation against any person because that person lodged a good faith complaint about alleged discrimination or harassment. No hardship, loss, benefit, or penalty may be imposed on an employee in response to:

1. Filing in good faith a complaint of discrimination or harassment;
2. Responding in good faith to a bona fide complaint of discrimination or harassment;
3. Appearing as a witness in the investigation of a complaint; or
4. Serving as an investigator of a complaint.

2.4 Complaints & Investigations

Any Director, volunteer, or staff who in good faith believes he or she has been subjected to violations of the Foundation's Policy on Code of Conduct or Discrimination, Harassment & Retaliation, or who observes conduct that he or she in good faith believes violates these policies, should file a written complaint so that the Foundation may take steps to investigate the matter and, where warranted, take remedial, corrective, and/or disciplinary action. Once a complaint has been filed, appropriate Foundation Director(s), staff, or a designated third party will investigate the allegations as swiftly and confidentially as permitted in light of the circumstances presented.

Complaint Process

Any person who believes he or she has been subjected to discrimination, harassment, or retaliation in violation of this policy, or who observes conduct that he or she believes is in violation of this policy, is encouraged to submit a complaint under the process set forth in Foundation Policy dealing with Complaints & Investigations.

Complaint and Investigation Process

The following outlines the general process for lodging a complaint and for the ensuing investigation:\

1. Complaints must be submitted in writing to the appropriate Foundation Director(s), staff, or designated third party.

Complaints of violations by Directors or non-Director committee members should typically be submitted to the Board Chair or the Manager of the Foundation; complaints of violations by staff

or other volunteers should typically be submitted to the College's Human Resources Director. However, a complaint may be submitted to any Director or Manager who will then forward the complaint to the appropriate Foundation Director(s), staff, or designated third party.

No investigation will be undertaken unless the complainant has submitted a written and signed complaint containing sufficient facts to determine if the policy may have been violated.

2. After submission of a complaint, the appropriate Foundation Director(s), staff, or designated third party will be assigned to investigate the allegations. Investigations of violations by Directors or non-Director committee members will typically be conducted by the Board Chair or his/her designee; complaints of violations by staff or other volunteers will typically be investigated by the Human Resources Director of the College along with the Manager, who may ask for assistance from the institution's General Counsel. If approved by the College President.
3. A fair and impartial investigation will be conducted by disinterested Director(s), staff, or a designated third party as swiftly as possible for the purpose of gathering facts to determine whether the complaint is substantiated.
4. At the conclusion of the investigation, the investigating Director(s), staff, or designated third party will prepare a written report summarizing his/her/their findings;
5. If warranted by the findings of the investigating Director(s), staff, or designated third party, the Foundation will take appropriate remedial, corrective, and/or disciplinary action.

Confidentiality of Complaint and Investigation

During the complaint and investigation process, the confidentiality of the information received, the privacy of the individuals involved, and the wishes of the complainant will be protected to as great a degree as possible. The expressed wishes of the complainant for confidentiality will be considered in the context of the Foundation's legal obligation to investigate and act on the complaint, and the right of the charged party to be informed of the complaint and respond to the charges contained therein.

2.5 Confidentiality

In support of the Foundation's commitment both to transparency and to maintaining the privacy of donors as well as the Foundation's own confidential and proprietary information, all Directors, volunteers, and staff will comply at all times with the Foundation's Policy on Confidentiality.

The Foundation is committed to transparency. However, in carrying out its mission, the Foundation receives, processes, stores, creates, and transmits confidential information, including, but not limited to, proprietary information and sensitive and/or private information from or related to donors, staff, and others.

In the course of their work for the Foundation, Directors, volunteers, and staff may have the need to be privy to confidential information. Confidential information in any form or format must be scrupulously protected by Directors, volunteers, and staff.

Definition of Confidential Information

The following information is considered confidential, whether communicated verbally or contained in electronic form and/or hard copy:

1. Legal advice and work product of the Foundation's General Counsel (if available) or outside counsel;
2. Information provided or discussed in executive sessions of the Board or Board committees;
3. All information contained on and produced from the Foundation's donor and financial databases and systems, including, but not limited to, the Foundation's Advance Web system;
4. Gift information, including gift agreements, deeds of gift and the like, and bequest information such as wills and trusts, unless the donor has agreed to the release of such information, and then only in the manner prescribed by the donor;
5. Payment and other financial information of donors;
6. Personal or private information of donors;
7. Donor prospect lists;
8. Donor profiles;
9. Foundation business plans and other proprietary materials;
10. Foundation employee files and background information;
11. College student, alumni and employee information;
12. Personal health information as defined by HIPAA, as well as medical and other personal information protected by the ADA, the FMLA, FERPA and other federal or state laws; and
13. Other information designated by the Foundation or the College as confidential, and other information that a reasonable person would understand should be treated as confidential.

Guidelines to Protect Confidential Information

Directors, volunteers, and staff may access or use confidential information only for legitimate Foundation business, and only after their access or use has been authorized by the Foundation's Manager or Board Chair and, where applicable, they have signed all required agreements for use (i.e., "Terms & Conditions of Use for Advance Web Software System"). Directors, volunteers, and staff are prohibited from accessing or using confidential information for any other purpose.

Directors, volunteers, and staff may disclose confidential information only to authorized persons with a legitimate and Foundation-approved need to know, and only after disclosure has been authorized by the Foundation's Manager or Board Chair.

Foundation staff shall also comply with all Foundation procedures related to the access, use, and disclosure of confidential information, including but not limited to those procedures set forth in the Foundation's Employee Handbook.

Requests for Information from Media the College or Others

On occasion, Directors, volunteers, or staff may receive requests for information from media, the College, or others who are not associated with the Foundation. All such requests shall be forwarded to the Manager who will respond to such requests.

2.6 Whistleblowing Activity

In accordance with the Foundation's Policy on Whistleblowing Activity, the Foundation encourages Directors, volunteers, and staff to report Foundation-related conduct that may constitute a crime, waste, fraud, abuse, or violation of public policy; the Foundation also prohibits retaliation against persons who in good faith engage in such whistleblowing activity.

Any Director, volunteer, or staff who observes Foundation-related conduct that he or she in good faith believes constitutes a crime, waste, fraud, abuse, or violation of public policy, is encouraged to report such conduct internally to the Foundation in accordance with the process set forth in Foundation Policy pertaining to Complaints & Investigations, and/or externally to appropriate law enforcement, government, administrative, or other officials with relevant oversight responsibility (collectively referred to as "whistleblowing activity").

The Foundation strictly prohibits retaliation or attempted retaliation against any person because that person has in good faith engaged in whistleblowing activity. No hardship, loss, benefit, or penalty may be imposed on a person in response to:

1. Filing in good faith an internal or external complaint of alleged crime, waste, fraud, abuse, or violation of public policy;
2. Responding in good faith to an internal or external complaint of alleged crime, waste, fraud, abuse, or violation of public policy
3. Appearing as a witness in the investigation of a complaint; or
4. Serving as an investigator of a complaint.

EXHIBIT A

CODE OF CONDUCT

**ACKNOWLEDGMENT OF THE CODE OF CONDUCT
OF LUNA COMMUNITY COLLEGE FOUNDATION, INC.**

In accepting or continuing a position as a Director, volunteer, or staff associated with Luna Community College Foundation, I acknowledge that I have received, read, and will at all times comply with the Foundation's Code of Conduct.

Printed Name

Date

Signature

EXHIBIT B

FINANCIALS CERTIFICATION

MANAGER'S AND TREASURER'S CERTIFICATION OF THE ANNUAL AUDITED FINANCIAL STATEMENT OF THE LUNA COMMUNITY COLLEGE FOUNDATION, INC.

I, _____ & _____ certify that:
(Manager) (Treasurer)

1. I have reviewed the independent auditors report and the accompanying statements of financial position for the College Foundation for the period ending
(collectively the "Report");
2. Based on my knowledge, this Report does not contain any untrue statement of a material fact or omit a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this Report;
3. Based on my knowledge, the financial statements, and other financial information included in this Report, fairly present in all material respects the financial condition, results of operations and cash flows of the Foundation as of, and for, the periods presented in this Report;
4. During the period covered by the Report, the Foundation maintained internal financial controls designed to reasonably ensure that material information relating to the Foundation is made known to us by others within the Foundation; and
5. Based on our most recent evaluation of internal controls over financial reporting, I have, along with the other certifying officer, disclosed, to the Foundation's auditors and any established Audit Committee of the Foundation's Board of Directors:
 - a. All significant deficiencies and material weaknesses in the design or operation of internal financial controls; and
 - b. Any fraud, whether or not material, that involves officers or other staff who have a significant role in the Foundation's internal financial controls.

Manager

Date

Treasurer

Date

EXHIBIT C

CONFLICT OF INTEREST DISCLOSURE FORM

This form is designed to allow Foundation Directors, volunteers, and staff to fully disclose any personal, business, or other interests that may conflict with their obligations to Luna Community College Foundation. The Foundation's Board of Directors requires full disclosure of all actual and potential conflicts of interest.

Once disclosed, this information will be shared with the Foundation Manager and/or the Board's Executive Committee who will objectively determine whether or not a conflict of interest exists, and whether or not such conflict materially and adversely affect the interest(s) of the Foundation. If the Manager, Executive Committee, or designees determine that an actual or potential conflict of interest does exist, they shall also determine an appropriate remedy. No person with a material interest in the conflict or potential conflict may participate in any of these determinations.

Name of Director, Volunteer, or Staff: _____

Position/Role with the Foundation:

Name of Employer (if other than the Foundation) :

For both yourself and your spouse, please provide the following information related to (1) your ownership or other financial interests in any business engaged or proposing to engage in a transaction with the Foundation and (2) all service on any governing board of another nonprofit organization that may create a conflict or potential conflict with your work for the Foundation (please attach separate page if necessary):

<i>Name of Person with Other Interest (Self or Spouse)</i>	<i>Name of Other Business or Board</i>	<i>Date(s) of Affiliation of Other Business or Board</i>	<i>Description of Conflict or Potential Conflict</i>

I acknowledge that I have received, read, and will at all times comply with the Foundation's Conflict of Interest Policy. I further acknowledge that I have a continuing obligation to disclose conflicts or potential conflicts as they arise.

Signature

Date

Section 3 Employment & Compensation

3.1 Equal Employment Opportunity & Diversity

The Foundation is committed to recruiting, hiring, compensating, developing, and promoting employees based on qualifications and individual merit. Thus, the Foundation shall provide equal employment opportunity to all employees and applicants without regard to the employee's/applicant's race, color, national origin, age, religion, disability, gender, pregnancy, sexual orientation, gender identity, marital status, or veteran status.

The Foundation's ability to meet its mission and exceed its business goals is strengthened by maintaining a diverse workforce in which differences are accepted and valued on an inclusive basis. Accordingly, the Foundation will seek to foster a diverse work force and work atmosphere in which all employees are treated with mutual respect, trust, and understanding, and in which all employees have the opportunity to reach their full potential.

3.2 Recruitment & Hiring

The Foundation is committed to utilizing recruitment and hiring processes that result in the hiring of the most qualified applicants. The Foundation is also committed to equal opportunity and diversity in the recruitment and hiring processes. Discrimination or harassment in the recruitment or hiring processes are prohibited by Foundation Policy 2.3 Discrimination, Harassment & Retaliation.

The Foundation may wish to consult with the College's Human Resources Department on written procedures to govern the recruitment and hiring of employees. All Foundation staff with authority to hire employees are responsible for following all applicable recruitment and hiring procedures conforming to state and federal law.

The Board, or a Board-authorized Director or committee of the Board, shall have final authority over hiring the Manager unless the College is assisting with employee compensation, then the Board will work with the College on executing the hiring of the Manager. The Manager shall have final authority over all other hiring decisions.

Essential Job Functions

The essential functions of a position must be determined before the position is opened for recruitment and must be included in the job description, job announcement, and job advertisement. If the essential functions of a position have changed, the Foundation may consult with the College's Human Resources Department to assist with any changes before the job is posted or advertised.

Human Resources Department Assistance with all New or Revised Job Descriptions, Job Announcements, and Job Advertisements

Because the Foundation is limited in size, and has no Human Resources Department. All new or revised job descriptions, job announcements, and job advertisements may be submitted to the Human Resources Department for review, and assist with approval, and posting if needed.

Equal Opportunity Employer

All job descriptions, job announcements, and job advertisements must include the following statement: "Luna Community College Foundation is an Equal Opportunity Employer."

Employment Eligibility Verification

Persons selected for hire must produce documentation establishing both identity and authorization to work in the United States, and must sign the 1-9 Employment Eligibility Verification form within 72 hours of the date employment begins.

3.3 Compensation & Benefits

The Foundation seeks to offer employee compensation and benefits that are comparable to those offered by organizations of similar size, complexity, and function.

The Foundation will review compensation and benefits for all Foundation employees on at least a yearly basis to assure they are in line with applicable industry benchmarks, and to assure they meet the needs of the Foundation and its employees.

In addition, as more fully described in Foundation Policy of Review of Compensation, on an annual basis the Board will review the compensation arrangement including salary ranges for each of those Foundation employees who may be considered "disqualified persons" to assure each such employee's compensation arrangement does not constitute an "excess benefit transaction" as those terms are defined under Section 4958 of the Internal Revenue Code and related regulations.

The Foundation's benefit package shall include paid time off, extended sick leave, a retirement plan, and various insurance plans. The benefit package may also include an educational benefit plan, and other benefits as determined by the Manager and the Executive Board of Directors. All benefits are subject to all terms, conditions, and qualifications of the various individual plans.

Employees who are full-time or part-time regular employees working twenty (20) hours or more per week (.50 FTE or greater) are eligible to receive benefits, subject to all terms, conditions, and qualifications of the Foundation's various benefit plans. Part-time employees working less than twenty (20) hours per week (less than .50 FTE) and occasional status employees are not eligible to receive benefits.

Because the Foundation's benefit package and/or benefit providers may change from year to year, a description of current benefits is set forth in the Foundation's Summary of Current Benefits and Summary of Educational Benefits.

3.4 Review of Compensation for "Disqualified Persons"

In compliance with Internal Revenue Code and consistent with the Foundation's Bylaws and policies on compensation, on an annual basis the Executive Committee shall review, analyze, approve, and document in advance the compensation arrangement including salary ranges for each of those Foundation employees who are or who may be considered "disqualified persons" (hereinafter referred to as "Disqualified Persons") to assure each such employee's compensation arrangement is reasonable and does not constitute an "excess benefit transaction" as those terms are defined under Section 4958 of the Internal Revenue Code and related regulations.

At least every five (5) years, the Board shall conduct or cause to be conducted a survey of compensation levels paid by similarly situated organizations, to inform its analysis of whether the Foundation's compensation arrangements for Disqualified Persons are reasonable and do not constitute excess benefit transactions.

Disqualified Persons

Section 4958 of the Internal Review Code defines a Disqualified Person as any person who was in a position to exercise "substantial influence" over the affairs of an applicable tax-exempt organization at any time during the five-year period ending on the date of the transaction at issue, and a family member of such person.

Because Section 4958 and the related regulations are not entirely clear as to whether certain employees should be considered disqualified persons, the use of the term Disqualified Person in this policy includes employees who are clearly considered disqualified persons under the statute and regulations (referred to in this policy as " Executives") as well as other employees who potentially may be considered disqualified persons under the statute and regulations (referred to in this policy as "Key Employees"). Furthermore, while officers of a tax-exempt organization qualify as disqualified persons under the Section 4958 and the related regulations, because the Foundation pays no compensation to its officers, they are not included in this policy's definition of Disqualified Persons whose compensation arrangements are reviewed by the Compensation Committee.

For purposes of this policy Disqualified Persons include the following Foundation employees:

1. Manager
2. Key Employees, defined as employees other than Manager who:
 - a. Receive reportable compensation from the Foundation in excess of \$ 120,000 for the calendar year ending with or within Foundation's tax year; and
 - b. Are among the top 20 most highly compensated Foundation employees (including all income from Foundation) for the calendar year ending with or within Foundation's calendar year; and

- c. Have responsibilities, power, or influence over the Foundation as a whole that is similar to those of Chief Executives, or
 - i. manage a discrete segment or activity of Foundation that represents 10% or more of the activities, assets, income, or expenses of the Foundation, as compared to the organization as a whole; or
 - ii. have or share authority to control or determine 10% or more of Foundation's capital expenditures, operating budget, or compensation for employees.

Excess Benefit Transactions

An "excess benefit transaction" is one in which a Disqualified Person receives compensation that is unreasonable. Reasonable compensation is defined as an amount that would ordinarily be paid for like services by like enterprises (whether taxable or tax-exempt) under like circumstances.

Procedure for Approving Compensation for Disqualified Persons

To assure that the Foundation does not engage in an "excess benefit transaction" the Executive Committee will utilize the following procedure to review, analyze, approve, and documents the compensation arrangements for Disqualified Persons:

1. Impartial Decision Makers

Members of the Executive Committee must take special care to assure they have no conflict of interest with respect to the compensation arrangement at issue. Thus, in accordance with the regulations implementing Internal Revenue Code Section 4958, an Executive Committee member may only participate in the review and approval of compensation for Disqualified Persons where the committee member:

- a. Is not a Disqualified Person participating in or economically benefitting from the compensation arrangement, and is not a member of the family of any such Disqualified Person;
- b. Is not in an employment relationship subject to the direction or control of a Disqualified Person participating in or economically benefitting from the compensation arrangement;
- c. Does not receive compensation or other payments subject to approval by a Disqualified Person participating in or economically benefitting from the compensation arrangement;
- d. Has no material financial interest affected by the compensation arrangement; and
- e. Does not approve a transaction providing economic benefits to any Disqualified Person participating in the compensation arrangement, who in turn has approved or will approve a transaction providing economic benefits to the member.

2. Comparability Data

When considering the compensation arrangement for a Disqualified Person, the Executive Committee must rely on data that allows the committee to compare the compensation arrangement for the Disqualified person with compensation levels for similarly qualified individuals in like positions at like organizations. This data may include, but is not limited to, the following:

- a. Expert compensation studies by independent firms;
- b. Written job offers for positions at similar organizations;
- c. Documented telephone calls about similar positions at both tax-exempt and for-profit organizations;
- d. Information obtained from the IRS Form 990 filings of similar tax-exempt organizations; and
- e. Annual compensation surveys of peer organizations.

3. Concurrent Documentation

The Executive Committee must document how it reached its decisions, including the data on which it relied. To qualify as concurrent documentation, written or electronic records of the Executive Committee (such as meeting minutes) must note:

- a. The terms of the compensation and the date it was approved;
- b. The members of the Executive Committee who were present during the discussion about compensation that was approved and those who voted on it;
- c. The comparability data obtained and relied upon and how the data was obtained; and
- d. Any actions taken with respect to consideration of the compensation by anyone who is otherwise a member of the Executive Committee, but who had a conflict of interest with respect to the decision on the compensation.

3.5 Employment & Compensation Training

The Foundation shall provide training to all Directors, volunteers, employees, and non-employee staff regarding all Foundation policies, including, but not limited to, Policy on Code of Conduct; Policy on Conflict of Interest; Policy on Discrimination, Harassment & Retaliation; Policy on Complaint & Investigations; and Policy on Confidentiality. Such training shall be provided at an initial orientation, and on a periodic basis thereafter as determined by the Board Chair, Manager, and any other person(s) dealing with employment.

3.6 Terms of Employment

At-Will Employment

Employees of the Foundation are employed at will unless their at-will status is modified by a signed written contract entered into between the employee and Manager (or between the employee and the Board Chair in connection with the Manager's employment). In such an "at-will" employment relationship, either the employee or Foundation may terminate the employment relationship at any time with or without notice, and for any reason or no reason at all. Nevertheless, termination of any employee by the

Foundation must be consistent with applicable laws and with Foundation Policy on Discrimination, Harassment & Retaliation.

Reduction in Force or Elimination of Position

In the case of a termination due to a reduction in force or the elimination of a position, the Foundation will give the employee as much advance notice as reasonably possible. Employees who will be affected by a reduction in force or elimination of position will generally be eligible to apply for a similar position within the Foundation if such a position is available at or before the date of termination, and if the employee's past performance has been satisfactory. However, the Foundation is not required to provide the employee with another position.

An employee who is involuntarily separated due to a reduction in force or elimination of his or her position, and who has worked continuously as a full time employee for more than one year, will generally be eligible for separation pay equal to two weeks' regular pay. Separation pay will not be made to an employee who is involuntarily separated for reasons other than a reduction in force or elimination of his or her position.

Section 4 Fiscal & Business Matters

4.1 Foundation Records

The LCC Foundation is a New Mexico non-profit corporation that has been granted exemption from federal income tax pursuant to Section 501(c) of the Internal Revenue Code. Its exempt purpose is to raise private funds for the benefit of the College, and it has continuously entered into written agreements with the College's Board of Trustees that meet the requirements of NMSA 1978, Section 6-5A- 1 B.

The Foundation is committed to transparency, while protecting the confidential information of donors and its own confidential and proprietary information.

Information and records that are considered confidential under Policy on Confidentiality will not be made available to the public unless required by law.

The following records shall be made available to the public on the Foundation's website:

- i. IRS Form 990 (Annual Return for Tax-Exempt Organizations);
- ii. Annual Audited Financial Statements;
- iii. Annual Report of Giving;
- iv. Articles of Incorporation;
- v. Bylaws;
- vi. Memorandum of Agreement between the Foundation and the College; and
- vii. Foundation Policies.

Requests for additional information or records should be directed to the Foundation's Manager 366 Luna Dr. Las Vegas, NM 87701.

Requests for additional information or records will be processed promptly. If the request seeks a large volume of records or records that will require time to locate and collect, the Foundation will so advise the requestor. If the requested information or record is available on the Foundation website, the requestor will be directed to the specific website location.

If a request for additional information or records calls for the retrieval and reproduction of records, a reasonable reproduction fee will be charged. The Foundation will require this fee to be paid in advance of the actual copying.

4.2 Document Retention and Destruction

Overview

This policy is established to ensure that the records of the Foundation are retained as required by law and/or for a period of time deemed sufficient to meet the business needs and mission of the Foundation. For purposes of this policy, the term "records" means all documents and communications in the possession, custody, or control of the Foundation which relate to the business of the Foundation, in hard copy or electronic format.

The Foundation will retain and destroy records consistent with this policy and the Foundation's Schedule of General Retention Periods, unless particular circumstances justify retaining a record for a different period of time.

Records not specifically listed in the Foundation's Schedule of General Retention Periods should be treated in the same manner as substantially similar records listed in the schedule.

Records not subject to the Foundation's Schedule of General Retention Periods and duplicates of records subject to the schedule should be retained only so long as necessary.

Questions as to whether a record is subject to the Foundation's Schedule of General Retention Periods should be directed to the Manager.

Failure to retain records as required by law and this policy could subject the Foundation to penalties and fines, and may disadvantage the Foundation in ongoing or future business or legal matters. Accordingly, the Foundation expects all of its employees to comply with this policy.

The Foundation will review annually its records in order to destroy those records deemed unnecessary to the Foundation's business needs, except those that are required to be preserved under applicable law and/or this policy. On or before April 1 of each year, the Foundation's Manager will provide a reminder to all Foundation employees to review their records for retention or destruction in accordance with this policy.

Legal Holds

Periodically, the Foundation may be required to retain records relevant to actual or potential litigation, or to government investigations and/or proceedings. If the Foundation is confronted with or contemplates litigation, or is subject to a governmental investigation/proceeding, the Foundation is committed to complying fully with its duty to preserve all records relevant to the matter(s) at issue. In such circumstances, the Foundation must retain General Counsel to establish a legal hold on all records related to the matter(s) at issue. That hold status will be communicated to all employees in possession of relevant records. Destruction of any relevant records will then be prohibited until the retained General Counsel notifies employees that the legal hold has been removed. Accordingly, the retention period for the records subject to a legal hold supersedes any established retention period identified in the Foundation's Schedule of General Retention Periods. Employees' obligation under a legal hold include turning off any automatic delete functions related to emails, text messages, and voicemails.

Additionally, no employee may discard records based on a concern by the employee or others that the records could be harmful in potential or actual litigation or a potential or actual governmental investigation/ proceeding. Failure of employees to abide by these policies can severe civil and criminal penalties, as well as disciplinary action up to and including termination of employment.

Emails, Text Messages, and Voicemails

Emails, text messages, and voicemails containing information subject to the Foundation's Schedule of General Retention Period or a legal hold should be moved to "archive" computer file folders; such file folders should be identified by subject and sender so that they may be easily indexed and located if needed. All other emails, text messages, and voicemails should be deleted on a regular basis.

Electronic Record Retention

Given the space requirements of retaining a large volume of hard copy records, retention of records in electronic form is an acceptable means of retaining most records, and generally records need not be preserved in both hard copy and electronic format. In certain circumstances, it may be necessary to retain a hard copy of a record (i.e., certain legal documents containing an original signature). In those cases, the Foundation should retain a hard copy of the record in accordance with the Foundation's Schedule of General Retention Period and/or a legal hold. Those determinations will be made on a case-by-case basis by the General Counsel retained by the Foundation.

Emails and Computer Files of Terminated Employees

Emails and computer files of terminated employees will be retained or destroyed on a case- by-case basis, unless subject to a legal hold. Where a legal hold has not been issued, the Board, in consultation with their retained General Counsel, shall be responsible for determining whether, to extent, and for how long the Foundation will retain the emails and computer files of terminated employees based on legal and/or business needs.

Destruction of Records

The Foundation's Manager is responsible for oversight and approval of the final destruction of records. From time to time, the Foundation's Manager may perform audits of paper and electronic document retention and destruction to ensure compliance with this policy. The Manager will determine the frequency and extent of these audits.

4.3 Gift Acceptance

Overview

This policy governs the Foundation's acceptance and disposition of gifts made to or for the benefit of the Foundation and/or the College. The Foundation is authorized to accept all gifts made to or for the benefit of the Foundation and/or the College in the form of cash, checks, electronic funds transfers, credit or debit card transactions, and publicly traded securities. All other gifts except (1) personal property with a value of less than \$ 10,000, which may be accepted at the discretion of the Foundation Manager and (2) planned gifts, the acceptance of which is addressed in the Foundation Policy on Planned Gifts -- may only be accepted by the Foundation in accordance with this policy.

The Foundation shall not accept gifts which propose to transfer directly to the College title to any tangible or intangible personal property, or real property. All such proposals shall be referred to the appropriate College official for consideration.

The Foundation shall not accept any gift which would improperly inure to the benefit of any individual or that that would jeopardize the tax-exempt status of the Foundation.

Restricted and Endowed Gifts

The Foundation is authorized to accept gifts that are restricted as to purpose, including gifts made for the purpose of establishing an endowment. By accepting a restricted gift, the Foundation and/or the College are legally bound to honor the donor's written directives. Generally, a donor's restriction may only be modified by the donor, a court, the Foundation, or the College in the circumstances and manner set forth in the Uniform Prudent Management of Institutional Funds Act and/or the applicable gift agreement (or other record of donor intent). Prior to the acceptance of any restricted or endowed gift, the donor's intended uses and/or restrictions shall be reviewed with the appropriate College officials and, if acceptable, shall be expressed in a written gift agreement to be signed by the donor, an authorized signer for the Foundation, and the head of the College unit which will be the beneficiary of the restricted or endowed gift. Endowed chairs must be approved by specific College officials and the LCC Board of Trustees in accordance with applicable policies.

Gift Acceptance

Gift acceptance will be in accordance with the Foundation's Bylaws and these policies. It is the responsibility of any Foundation employee or College representative who has been presented with a gift subject to this policy to refer the transaction to the Executive Committee for consideration prior to

acceptance of the gift. The Foundation's Gift Acceptance Procedure outlines the process to be used in submitting a proposed gift to the Foundation for consideration.

Gifts of Personal Property to the Foundation

The Foundation may accept gifts of tangible or intangible personal property for its own use or for liquidation, subject to the requirements of this policy. Tangible personal property includes, but is not limited to, works of art, manuscripts, literary works, personal papers, stamp collections, rare coins, rare or valuable books, manuscripts or other special collections which will require insurance and/or costs to store, jewelry, gemstones, home furnishings and appliances, boats, motor vehicles, and computer hardware and equipment for instructional or research purposes. Intangible personal property includes, but is not limited to, patents, copyrights, subscription lists, goodwill, trade names and trademarks, player contracts, installment obligations, partnership interests (general or limited), privately held stock, and certain rights to tangible property (i.e. oil and gas or mineral production royalties or other payments).

The Foundation Manager may in his or her discretion authorize the acceptance of gifts of personal property with a value of less than \$ 10,000. Furthermore, in-kind donations of nominal value that are intended to be used upon receipt, such as unused tickets for athletic or cultural events, supplies and postage, may be accepted by Foundation staff and without the approval of the Manager or Executive Committee.

Gifts of personal property with a value of \$ 10,000 or more may only be accepted by the Foundation after consideration and approval by the Executive Committee.

The Executive Committee will consider acceptance of gifts of personal property only after a thorough review of the following.

1. The value of the property;
2. Whether the property is needed for the Foundation's own use or, in the alternative, is readily marketable;
3. All carrying costs, including but not limited to insurance, storage, staff commitment, registration, and repair/maintenance; and
4. All terms, conditions, restrictions or other matters that may affect the sale or use of the property.

Once the gift is accepted, the Foundation will inform the donor if the gift will be retained by the Foundation or liquidated.

Gifts of Real Property to the Foundation

The Foundation may accept gifts of real property for its own use or for liquidation, subject to the requirements of this policy. Real property includes gifts of land interests together with all improvements and fixtures thereon, easements, rights-of-way and appurtenances attached thereto, and all liens, encumbrances, and restrictions thereon. The Foundation may accept gifts of real property only after review and approval by the Executive Committee.

The Executive Committee will consider acceptance of gifts of real property after a thorough review of the following:

- a. A current appraisal of the property, or if no appraisal is available or practical, other market analyses or information regarding the estimated fair market value of the property;
- b. The manner/type of interest in the property to be conveyed;
- c. A Phase I environment audit of the property;
- d. An asbestos survey of the property (where applicable);
- e. An ALTA survey of the property (this survey must clearly set forth the legal description of the property, its boundaries, any and all easements or rights-of-way on the property, and any and all improvements on the property);
- f. A title commitment for the property;
- g. All liens, encumbrances, or retained interests related to the property, including but not limited to mortgages, real estate contracts, deeds of trust, restrictions, reservations, life estates, easements, leases, mechanic liens and other limitations of record (no gift of real property should be accepted until all mortgages, deeds of trust, liens and other encumbrances have been discharged, except in cases where the fair market value of the Foundation's interest in the real property net of all encumbrances is substantial);
- h. The existence and amount of any carrying costs, including but not limited to property owners' association dues, country club membership dues, utilities, gardening expenses, transfer charges, taxes, and insurance (whenever possible, the donor should be encouraged to contribute funds for the management of the property until the Foundation is able to liquidate the property);
- i. Any and all documents or information in the possession of the donor related to the property which may impact the Executive Committee's review and acceptance of the property, including but not limited to title or property insurance policies, zoning restrictions, maps, photographs, income and expense statements (where applicable), and mortgage or lien documents.

The Executive Committee will review the material presented by the appropriate Foundation staff and decide whether to accept or reject the proposed gift of real property, or if necessary, to postpone a decision pending the receipt of additional information. The Executive Committee may, if it deems appropriate, authorize acceptance of the property only upon satisfaction of specified terms and conditions by the donor or others.

The final determination of the Executive Committee will be communicated to the Manager, and the Manager will communicate the Executive Committee's decision to the donor in writing, including any terms or conditions imposed by the Executive Committee prior to acceptance.

The Foundation's internal processes related to gifts of real property are set forth in the Foundation's Procedure for Accepting, Recording and Disposing of Real Property Gifts.

4.4 Planned Gifts

Overview

Consistent with Foundation Policy on Gift Acceptance, the Foundation is authorized to solicit and accept planned gifts made for the benefit of the Foundation or the College in the form of cash, checks, electronic funds transfers, credit or debit card transactions, and publicly traded securities. With the exception of certain planned gifts discussed below, planned gifts that are proposed to be given in any other form must be reviewed and approved by the Foundation's Executive Committee.

With the exception of unanticipated testamentary gifts, the donor's intended use of the gift shall be documented in the Foundation's EGF form and/or an executed gift agreement signed by an authorized individual for the Foundation, the donor, and the appropriate College official.

Charitable trusts are generally managed by commercial Directors. If there are special circumstances in which the Foundation is asked to serve as Director or co-Director of a charitable trust, the Foundation Manager, in consultation with the Foundation's Executive Committee, shall decide whether or not to act as Director.

Donor's estates are generally administered by a donor-appointed personal representative. If the donor has appointed the Foundation as personal representative, or if there are special circumstances in which the Foundation is asked to serve as personal representative or co-personal representative of an estate, the Foundation Manager, in consultation with the Foundation's Executive Committee, shall decide whether or not to act as personal representative of the donor's estate.

No Foundation staff shall provide legal or accounting advice to donors, and all donors will be advised to secure guidance from independent legal and/or tax counsel in all matters pertaining to a planned gift to benefit the Foundation or the College.

Specific Types of Planned Gifts

The following types of planned gifts, while not all-inclusive, are available to donors and are generally acceptable to the Foundation.

Gifts by Wills and Trusts

The Foundation may accept gifts in which it or the College are named as beneficiaries of a bequest or devise by will, an inter vivos trust (a trust established during life), or a testamentary trust (one established by will). Where the gift is in a form other than cash, checks, electronic funds transfers, credit or debit card transactions, or publicly traded securities, it must first be reviewed and approved by the Executive Committee.

Where a trust conveys to the Foundation an interest in either personal or real property, except in unusual circumstances and with the specific approval of the Executive Committee, the donor or trust must continue to maintain the property, pay taxes on the property, and insure the property until such time as the trust's interest in the property is terminated.

The Foundation normally will not prepare trust documents, but may provide, at the donor's request, a standard form document prepared by the Foundation or its retained General Counsel which shall be sent directly to the donor's attorney or financial advisor, subject to the disclaimer provided above. Any document prepared by the donor's attorney must be reviewed by the Foundation.

Charitable Gift Annuities

With the approval of the Manager, and the Executive Committee, the Foundation may accept and issue charitable gift annuities. If approved, the Foundation will work with the donor's legal and financial advisors to prepare the documents necessary for the establishment and administration of the charitable gift annuity. The Foundation will follow the rates (payout percentages) suggested by the American Council on Gift Annuities, but donors may choose and the Foundation may accept a lower payout. If the donor intends to create an endowment, the fair market value of the transferred asset must generally be at least twice the then-current endowment minimum creation value. The Foundation will comply with any applicable state laws requiring registration of charitable gift annuities.

Additional information on issuance and administration of charitable gift annuities are set forth in the Foundation's Procedure for Gift Annuity Administration.

Life Insurance

Foundation staff is authorized to accept outright gifts of life insurance policies, including whole life and universal life policies, without review and approval by the Executive Committee, if the following criteria are met:

- a. The policy is a life insurance policy which is fully paid-up;
- b. If the policy is not fully paid up, the minimum face value of the policy is \$50,000 and the value of the policy substantially exceeds the amount of the remaining premium payments, or if the transfer is accompanied by a written pledge of a charitable contribution from the donor to the Foundation in an amount which equals or exceeds the amount of the remaining premiums due;
- c. The policy is issued by an insurance company rated A+ or above by A.M. Best Company, or a comparable rating from Moody's or Standard & Poors;
- d. The Foundation is designated as the irrevocable owner and beneficiary of the policy with the right and ability to cash in the policy, or exercise any other rights of ownership, and apply the proceeds of the same for the benefit of the Foundation and/or the College; and
- e. If the gift is intended to establish an endowment, the net proceeds from the policy are sufficient to meet the minimum funding requirement to establish an endowment; and the donor provides a memorandum, letter or gift agreement to identify the purpose of the endowment

All other gifts of insurance must be reviewed by the Executive Committee prior to acceptance.

Bargain Sales

With the approval of the Executive Committee, the Foundation may enter into an agreement to purchase real or personal property from a donor at a price which is less than its fair market value. It is often desirable to have the donor sign a "letter of understanding" outlining the terms and conditions of the gift, possible tax consequences, and cautions regarding a subsequent sale of the property by the Foundation.

Where the gift will be made directly to the College, the donor and the College unit purchasing the property should negotiate directly to determine the terms of the sale and to assure that the sale/purchase is made in accordance with all College policies. No Foundation employees should act as a broker in the negotiation process.

Retirement Plans

Foundation staff is authorized to accept without the approval of the Executive Committee an unconditional gift making the Foundation or College the primary or alternative beneficiary of an individual retirement account, pension, profit sharing plan, or other similar retirement plan.

4.5 Foundation Debts, Disbursements & Investments

Legal Responsibility of Foundation for Debts

The Foundation shall assume responsibility for debts incurred in its name so long as those debts are for purchases made in accordance with this policy and the procedures established by the Foundation Manager. The Foundation shall not be responsible for debts incurred in violation of this policy and/or procedures established by the Foundation Manager, or for debts incurred by persons or organizations not directly under the Foundation's control. Persons making unauthorized purchases shall assume full responsibility for all such debts.

Disbursements

Any disbursement from Foundation accounts must be approved by an authorized Foundation employee; provide direct benefits to the accomplishment of the Foundation's mission; comply with donor intent (where applicable); follow appropriate vendor selection processes; conform with contract administration practices; be properly administered for accounting and tax purposes; and not be for improper purposes.

Approval by Authorized Foundation Employee

All disbursements must be approved by a Foundation employee who has been authorized to approve such disbursement by the Manager or the Board.

Direct Benefit to the Foundation Mission

All disbursements must be for the direct benefit of the Foundation's mission. No income or assets of the Foundation may be paid to provide unwarranted personal benefits or to fund uses or purposes that are not mission-related or that constitute an "excess benefit" as the term is used in the Internal Revenue Code.

Conformance with Donor Intent

All disbursements from donor-restricted funds held by the Foundation must be made in strict conformance with the donor's written requirements and/or restrictions.

Vendor Selection Processes

The Manager will be responsible to implement purchasing procedures that best accomplish the Foundation's purposes and ensure the best value to the Foundation.

Generally, the Foundation will use one of the following processes to select vendors: For all purchases that are anticipated to exceed \$5,000 in the fiscal year, a request for proposal to furnish goods or services will be published to three or more qualified vendors; selection of vendors shall be made based on the evaluation of the proposal for best value, including but not limited to quality, price and ability to timely deliver the desired goods or services;

A vendor may be selected without competitive bids regardless of the estimated cost when the Foundation Manager makes a determination, after conducting a good-faith review of available sources, that there is only one source for the required goods or services; however, the price must be reasonable and justified;

In all instances selection shall be made after negotiating terms, including price, based solely on the criteria for best value and other requirements identified in the request for proposal or request for price quotes.

Requirement of Written Contracts

All Foundation contracts for goods or services must be in writing, must be approved in advance as to form by and approved in accord with the Board approved budget, and must be signed by a Foundation employee who is authorized by the Board or the Manager to sign such contracts.

Administrative Requirements for Accounting and Tax Purposes

All disbursements of the Foundation shall be conducted in conformance with the following administrative requirements and recorded in sufficient detail in the appropriate books and records of the Foundation in conformity with generally accepted accounting principles.

Forms of Disbursement

The Foundation disburses funds through disbursement requests, approved credit card transactions, or petty cash.

Documentation of Disbursements

Payments to vendors or reimbursements to Foundation employees are initiated by either a Check Request or a Travel & Mileage Reimbursement Form approved by authorized signers for the Foundation account from which the payment is made. Authorized signers may not approve disbursements to themselves.

The business purpose for all disbursements must be documented according to Internal Revenue Service guidelines and include:

1. Type of event or expenditure and the reason for incurring the expense;
2. When and where the disbursement or event occurred or will occur
3. Who attended the event and/or incurred the expenditure and that person's relationship to the Foundation and

4. Explanation why the disbursement is an appropriate business expense.

All disbursements to vendors and reimbursement to College or Foundation employees will be accompanied by original invoices or receipts. In addition, all reimbursements to Foundation or College employees require a signed statement by the employee indicating the employee will not and has not received payment for these expenses from another source.

Petty Cash

Each petty cash expenditure shall be documented with a receipt appropriate to the purchase or expenditure request.

Improper Disbursements

Purchasing shall be conducted so as to ensure that no vendor is discriminated against on the basis of race, color, national origin, age, religion, disability, gender, pregnancy, sexual orientation, gender identity, marital status, or veteran status or other status protected by law.

The Foundation shall not purchase goods or services from a Director, employee, volunteer, or any of the foregoing person's family members, or from any business in which a Director, employee, volunteer, or any of the foregoing person's family members own a five percent or greater interest, unless such purchase is fully disclosed, is the lowest price bid that meets all bid specifications, or is otherwise objectively and demonstrably the most beneficial bid, and is approved in advance in accordance with Foundation Policy on Conflict of Interest. for purposes of this policy, a family member means a spouse, child, in-law, sister, brother, mother, father, grandparent, significant other or life partner.

In accordance with Foundation Policy 48 Political Activities & Lobbying, no disbursement may be made by the Foundation to fund a political activity.

Disbursements for lobbying activities may only be made with the prior approval of the Foundation Manager.

Investments

The authority of the Foundation to acquire, trade, transfer, or sell investment assets, including but not limited to those contained in the Consolidated Investment Fund, shall be governed by the Delegation of Authority approved by the Board on an annual basis.

4.6 Operating Budget

Preparation and Approval of the Annual Budget

The Foundation will prepare an annual budget at least 30 days before the beginning of its fiscal year.

Budget Monitoring

On a quarterly basis, financial reports comparing actual year-to-date revenues/expenses with budgeted year-to-date amounts shall be produced by the will include comments regarding the annual budget in the committee's quarterly report to the LCC Board of Trustees.

Budget Modifications and Variances

After a final budget has been approved by the Foundation Board, any changes to the budget must be approved by the Board. Budget variances, or anticipated budget variances, shall be reported on at least a quarterly basis, along with an explanation of the reason for the variances.

4.7 Lobbying & Political Activities

As a 501 organization, the Foundation is prohibited from dedicating a substantial part of its activities to attempting to influence legislation (i.e., lobbying). The Foundation is also prohibited from engaging in political activity on behalf of any candidate for public office. Directors, volunteers, and staff of the Foundation must strictly comply with these restrictions.

Lobbying

"Lobbying" includes both direct lobbying (communicating with a government official in an attempt to influence legislative matters) and grassroots lobbying (communicating in an attempt to affect the opinions of the general public or any part of the general public on any legislative matter).

The Foundation rarely participates in lobbying; nevertheless, the Foundation shall assure that it does not incur lobbying expenses that are deemed "substantial" under the applicable provisions of the Internal Revenue Code.

To assure that the Foundation remains in compliance with Section 501 if any director, volunteer, or staff wishes to engage in any lobbying activity on behalf of the Foundation, he or she shall first obtain permission to do so from the Manager.

If, after consultation with the Manager approves such lobbying activities, the Manager shall closely track and record the amount of all lobbying expenditures and the amount of time spent on such activities by Foundation staff.

Political Activity

"Political activity" includes any direct or indirect participation, for or against, any candidate for public office, including but not limited to:

- a. Contributing money to, or to oppose, any candidate, political action committee, or political party;
- b. Endorsing any candidate;
- c. Advertising for or against any candidate; or
- d. Participating in any campaign of a candidate.

No Foundation Director, volunteer, or staff acting or purporting to act on behalf of the Foundation, may engage in any political activity. This policy does not apply to political activity by Directors, volunteers, or staff in their personal capacity and on their personal time; nor does this policy in any way limit the right of any Director, volunteer, or staffs right to vote for their candidate of choice in any election.

Nothing in this policy prohibits the Foundation from engaging in nonpartisan activities such as voter education and voter registration activities. To assure that such activities are truly nonpartisan and conform to this policy, any volunteer, or staff who wishes to engage in such activities for or on behalf of the Foundation shall first obtain permission to do so from the Manager.

IRS Reporting

In connection with its annual IRS Form 990, and as otherwise required by law, the Foundation shall report all lobbying activities and political activities to the IRS on the appropriate IRS forms.

4.8 Foundation Support of Other Organizations

College Affiliated Entities

As part of its support for the College, the Foundation occasionally provides fundraising and/or administrative support to separately incorporated tax exempt entities affiliated with the College, as well as to internal advisory boards serving College departments and projects. For purposes of this policy, "affiliated with the College" means that the entity has a written agreement with the College pursuant to the Board of Regents Policy on Organizations Affiliated with the College; and "internal advisory board" refers to external volunteers associated with a College or College departmental project or undertaking that directly benefits the College.

Sponsorship of Events for Tax Exempt Organizations Not Affiliated with the College

The Foundation will not sponsor events held by Tax Exempt Organizations Not Affiliated with the College nor for-profit corporations, nor candidates for political office, nor for political parties.

4.9 Insurance and Indemnification

Insurance

The Foundation shall at all times maintain adequate insurance against general and auto liability, as well as adequate coverage for employer liability, workers' compensation, buildings, contents, computers, equipment, machinery, and other items of value owned or leased by the Foundation. The Foundation shall also at all times maintain adequate directors and officers insurance which shall provide coverage for Foundation-related conduct of all Directors, officers, and non-Director committee members. For all personnel handling cash, preparing or signing checks, the Foundation shall at all times maintain insurance that provides coverage in the form of a blanket fidelity bond.

As a guideline, the Foundation will at all times maintain, at a minimum, the following type and aggregate limits of insurance coverage: The Board will determine the coverage amounts on an annual basis.

Type of Coverage General Liability Cyber Liability

- a. Business Auto
- b. Directors and Officers/Fiduciary Liability/Employment Practices
- c. Employee Dishonesty/Crime Property & Casualty
- d. Workers' Compensation
- e. Minimum Aggregate Amount of Coverage adequate to cover buildings, personal property, and fine arts that are owned, leased, occupied, held or possessed by the Foundation to the extent required by law

The Foundation shall maintain copies of all insurance policies currently in effect. The Foundation shall also maintain a detailed listing of all insurance policies currently in effect, which shall include the following:

- a. Description (type of insurance);
- b. Agent and insurance company, including all contact information;
- c. Coverage and deductibles;
- d. Premium amounts and frequency of payment;
- e. Policy effective dates; and
- f. Date(s) premiums paid and check numbers

Indemnification of Directors, Officers, and Non-Director Committee Members

In accordance with the New Mexico Nonprofit Corporations Act and the Foundation Bylaws, the Foundation shall indemnify all Directors, officers, and non-Director committee members from all claims, actions, suits or proceedings, civil or criminal, and including but not limited to those seeking damages, equitable or declaratory relief, reasonable expenses, costs, and attorneys' fees actually and reasonably incurred in connection with the defense of any claims, actions, suits or proceedings, in which the Director/officer/non-Director committee member is made a party by reason of being or having been a Director, officer, or non-Director committee member, so long as such Director, officer, or non-Director committee member is not adjudged to be liable on the basis that he/she has breached or failed to perform the duties of his/her office and the breach or failure to perform constitutes willful misconduct or recklessness.

By this policy, the Foundation confirms that the term "Director" as used in the indemnification provision of the Bylaws includes non-Director committee members.

4.10 Compliance with Accounting Regulations, Policies and Procedures

General Statement

All funds, assets, and transactions of the Foundation shall be reflected and accounted for in the appropriate accounting and other records of the Foundation in sufficient detail to comply with generally accepted accounting principles and federal and state requirements. In the course of compliance with audits or investigations, Directors, volunteers, and staff are required to make full disclosure of all relevant information to, and otherwise cooperate with, internal and external auditors/investigators, the Manager, General Counsel, and Audit Committee.

Duties of the Foundation Board in Connection with Annual Independent Audit

In connection with the annual independent audit of the Foundation as further described in the Bylaws shall have the following duties:

Cooperation with Independent Auditor.

Provide up-to-date financial statements as required and requested. Attend the Entrance and Exit Audit conference.

Independent Auditor Reports to College.

The Foundation Board shall require the independent auditor to report the following:

- a. All critical accounting policies, practices and estimates used by the Foundation that have been discussed with the Foundation Directors, volunteers and staff;
- b. All alternative accounting treatments of financial information, the ramifications of such alternative treatments and the treatment preferred by the independent auditor;
- c. Significant deficiencies in internal control and/or material weaknesses identified during the audit (if any); and
- d. Material written communications between the independent auditor and Foundation Directors, volunteers, and staff (such as the management letter or schedule of unadjusted differences or similar communication).
- e. Other required information, if identified during the audit, including:
 1. Audit adjustments;
 2. Difficulties encountered in dealing with Foundation management;
 3. Disagreements with Foundation management;
 4. Consultation with other independent accountants by Foundation management;
 5. Significant issues discussed with Foundation management in connection with the appointment or retention of the auditor, including significant discussions regarding the application of accounting principles and auditing standards;
 6. Difficulties encountered in performing the audit; and
 7. Any relationships with the Foundation that would impair independence.

Non-Audit Services by Independent Auditor.

The independent auditor shall provide only those non-audit services to the Foundation that have been approved in advance by the Executive Committee. Unless extenuating circumstances exist and the Executive Committee approves the work in advance, the independent auditor shall not perform the following non-audit services for the Foundation:

- a. Bookkeeping or other services related to the accounting records or financial statements;
- b. Financial system design and implementation;
- c. Appraisal or valuation services, fairness opinions, or contribution-in-kind reports;
- d. Actuarial services;
- e. Internal auditing outsourcing services;
- f. Management or human resource functions;
- g. Broker or dealer, investment advisor, or investment banking services; or
- h. Legal expert services unrelated to any audit.

Revised / Modified Date: April 12, 2022

It is understood that the Board will review the contents of, and compliance with, this policy regularly. This “Luna Community College Foundation Policy Manual” adopted by the Board of Directors on _____, 202__.

Board Chair

Date