

Report of the LCF Governance Committee

This year marked a time of progress towards a more in-depth understanding of what the founders of the LCF were intending. The following represents a synopsis of the bylaws written in simplified language and categorized topics. We hope this document helps to educate fellow board members in the spirit of the principals of governance.

2015 GOVERNANCE COMMITTEE

Linda Maxwell
Gina Morse
Lori Cochrane

Role of the Board

“The organization’s governing board should oversee the operations of the organization in such manner as will assure effective and ethical management.” – Guide to Nonprofit Corporate Governance

EFFECTIVE IN OUR PURPOSE AND MISSION:

- The Bylaws state our purpose is to “enhance the quality of life for the Lincoln community through funding of community-based organizations.”
- Our mission states we aim “to cultivate Lincoln philanthropy and stewardship for today and tomorrow.”

ETHICAL IN OUR MANAGEMENT:

- The role of the Board is to act as a public guardian and watchdog to the solicitation, management and distribution of funds.
- Specifically, the collective Board and each Director’s duty includes but is not limited to:
 - Acquire grants
 - Develop granting rules, criteria, process and procedures for grant request and awarding
 - Invest donated funds appropriately and grant up to only 90% of interest
 - Act as an advocate on behalf of the Foundation by representing the organization at public meetings, speaking engagements, and with prospective donors.

Board of Directors Power & Duties

The specific duties of the Board include, but are not limited to:

FUNDS ADMINISTRATION:

- Leverage funds through acquiring grants from other organizations.
- Use grant money to cover reasonable operating expenses, except if anything states otherwise (such as specific conditions of donation).
- Invest money appropriately in fiscally sound ways (prudent investments).
- All funds donated shall be invested unless otherwise specified.
- "Special fundraising accounts can be set up to process specific donations and expenses and the event will be encouraged to make a contribution/in-kind to LCF."

GRANT ADMINISTRATION:

- Provide grants only from the accumulated interest of investment of funds, and use only up to 90% of that interest as grants - 10% remains as investment.
- Development of grant rules, criteria, and an application process.
- Procedures manual for use by Board.
- Training and orientation to applicants.
- Review and make recommendations for funding grants.
- Review grantees use of funds.

ACCOUNTABILITY:

- Review detailed financial statements indicating: Donations, Grants, Revenues received, and Expenditures.
- Make an annual summary report to the City Council, including:
 - Recommendations for funding
 - Report on the use of granted funds

Importance of Independent Directors

“The independent and non-management board members are an organizational resource that should be used to assure the exercise of independent judgment in key committees and general board decision making.

– Guide to Nonprofit Corporate Governance

INDEPENDENT AND INFORMED:

Each director should exercise her or his independent and informed judgment on all decisions, which may be informed by individual experience and knowledge. No director should vote solely on the basis of what another director thinks, even if that director has special expertise. Each director must use independent judgment to evaluate any position taken by another director, by staff, or an outside expert.

COMMITTEES AS INFORMERS:

Committees are small groups of members gathering for a specific purpose. They meet to investigate issues, consider or take action, or monitor and report on specific topics. The work of committees is presented to the Board as a report. The report contains only the views and recommendations that passed a majority vote of the committee members. After discussion, the Board must take action on the report, whether it is a statement of fact or moving to adopt the recommendations.

Board of Directors Composition

Minimum of nine (9) total

Maximum of thirteen (13) total

Seven (7) of total shall be representing community-at-large

Five (5) of total shall live within City of Lincoln limits

Two (2) City designees, Secretary and Treasurer, are non-voting on grants [see below]

A quorum is a simple majority of elected directors

ADMINISTRATIVE OFFICERS:

President

Vice-President -- one or more

Secretary -- filled by City of Lincoln’s City Clerk or their designee, shall serve as non-voting on all grant selections but retains all other voting rights and privileges.

Treasurer -- filled by City of Lincoln’s Administrative Services Director or their designee, shall serve as non-voting on all grant selections but retains all other voting rights and privileges. [note: This City position title has been changed to “Director of Support Services”]

MANNER OF SELECTION:

- Officers shall be elected annually at the first July meeting
- Vacancies are filled by majority vote and appointed by the Board
- Appointees fill vacancies for the un-expired term of the predecessor
- All members serve consecutively year over year until resignation or cause

RESIGNATIONS:

- Four (4) absences in any 12 month period, a resignation shall be requested
- Three (3) absences in succession, termination shall be automatic, unless excused by advance notice
- Resignation upon giving written notice to President or Secretary
- If the vision, mission or ethics of the Foundation is violated, a letter of resignation shall be requested
- If in the circumstances of a request to resign and no resignation is received, the board may terminate the member
- Any director may be removed by majority vote