TABLE OF CONTENTS

About John Randolph Foundation ............................................. 3
Types of Endowment Funds ..................................................... 4
Establishing a Fund ................................................................ 4
Investment of the Fund ........................................................... 5
Fund Minimums and Fees ....................................................... 6
Distribution of Funds .............................................................. 6
Fund Closure ........................................................................... 8
Donor Advised Fund Policies .................................................... 8

Appendixes
a. Monthly Giving Automated Debit Authorization Form
b. Gift Transmission Instructions
c. Sample Language for Bequests
d. Donor Advised Fund Grant Recommendation Form
e. Successor Advisor(s) Appointment Form

NOTE: This handbook covers non-scholarship funds. For information on scholarships, please contact the Scholarship Program Officer, Bonnie Falls, (804) 458-2239, bfalls@johnrandolphpfoundation.org.

FRONT COVER: The front cover features donors who have established funds at the Foundation. From left to right: the late Senator Frederick T. Gray and Evelyn J. Gray, the late Ursula M. Gibbs, Judy Karnes, and The Patton Family.
ABOUT US

*John Randolph Foundation partners with donors and organizations in the Tri-Cities area of Virginia to build healthy communities and bright futures.*

Our story began in Hopewell, Virginia in 1995 with the proceeds from the sale of John Randolph Hospital, a community hospital funded by local citizens nearly eight decades earlier. Over the years we have grown to become the community foundation of the Tri-Cities area. Today, we are the philanthropic home of more than 80 families, civic groups, and businesses who created their own charitable funds here. Together, with our donors, we have invested over $18 million in grants and over $1.7 million in scholarships in the Tri-Cities area.

We serve the Tri-Cities area including Hopewell, Prince George, Enon, Colonial Heights, Petersburg, Fort Lee, Charles City, Chester, Matoaca, Dinwiddie, Surry, Sussex, and Varina.

*Why start a fund with us?*

**Investment expertise:** For nearly 25 years, our assets have been managed by The Colony Group, an award-winning investment management firm, with oversight by our Investment Advisory Committee. Currently, the Foundation manages over $42 million in assets.

**Community expertise:** Our staff monitor the issues affecting the Tri-Cities area. We work with nonprofits and local governments to solve problems and explore opportunities.

**Personalized service:** We work with you to develop a giving approach that matches your philanthropic goals, addresses tax-planning needs, and engages your family as appropriate.

**Accountability:** We preserve and execute donor intent in perpetuity. Our grant application and selection processes ensure donor wishes are fulfilled.

**Convenience:** We make charitable giving easy. The Foundation performs due diligence on nonprofits, issues grant checks and award letters, and issues quarterly fund statements.

**Flexibility:** While the Foundation focuses primarily on health, quality of life, and education, we can create funds that support charitable organizations beyond these cause areas. There is also no limit on where you can make a grant within the United States of America.

**Anonymity:** Should you wish to remain anonymous, we can accept gifts or make grants in a way that protects your privacy.
TYPES OF ENDOWMENT FUNDS

An endowed fund is a permanent fund, ensuring community support in perpetuity. The principal remains invested while a portion of the investment return is distributed each year.

**Administrative Funds** provide operating support for JRF which allows staff to solve regional problems through community leadership initiatives.

**Agency Funds** are created by a nonprofit organization for their own benefit. It’s a simple and efficient way to build an endowment and create sustainability.

**Designated Funds** support one or more specific charities selected by the donor.

**Donor Advised Funds** enable the donor and their successors the privilege to recommend grants to a variety of organizations.

**Field of Interest Funds** support a general interest area, like animal welfare or youth. Our Board awards grants to programs in the area you select. Your gift stays flexible enough to meet community needs in your interest area - even as they change over time.

**Unrestricted Funds** meet ever-changing community needs including future needs that often cannot be anticipated at the time your gift is made.

*NOTE: This handbook covers non-scholarship funds. For information on scholarships, please contact the Scholarship Program Officer, Bonnie Falls, (804) 458-2239, bfalls@johnrandolphfoundation.org.*

ESTABLISHING A FUND

Endowments are created with a fund agreement between the founding donor(s) and the Foundation in accordance with our Statement of Endowment Policy.

**Initial Contribution**

John Randolph Foundation is a 501(c)(3) charitable organization (Tax ID 54-1649268) and all contributions are tax deductible to the fullest extent of the law. The Foundation does not provide tax or legal advice. We recommend consulting a professional advisor if you have questions about a gift. The Internal Revenue Code requires that all contributions to the Foundation are irrevocable and have to provide charitable benefit. *As a result, the legal ownership of a contributed asset rests with John Randolph Foundation.*

**Acorn Funds**

Donors may establish a fund below the minimum balance, referred to as an “acorn fund”. Funds below the minimum are not yet endowed and will not distribute grants until they are fully funded. Donors are encouraged to reach the minimum within five years.
Monthly gifts may be an option for donors starting an acorn fund. You can designate your monthly gift to your fund and make it in honor of / in memory of a loved one. To become a monthly donor, complete the Monthly Giving Automated Debit Authorization Form in Appendix A. Monthly donors are members of our Bright Futures Club.

Eligible Contributions

Assets like cash and securities - including stocks, bonds, and mutual fund shares - are routinely accepted. Other assets such as real estate or interests in closely held business must be reviewed by the Gift Acceptance Committee. The Gift Acceptance Policy is available upon request. For Gift Transmission Instructions (e.g. wire transfers), see Appendix B.

Additions to the Fund

Anyone may add contributions to the Fund at any time. Additional contributions to the Fund will be added to the spendable portion of the fund unless it is restricted to the principal by the donor. All gifts will be acknowledged to the donor making the gift. Funds such as those established as memorial funds often receive numerous gifts from a variety of donors, and we will notify you of these gifts as we receive them. All funds can receive credit card gifts via our website, and we can create custom donation pages upon request. Donors who would like to leave a gift to a fund in their will should see the Sample Bequest Language in Appendix C. Please let us know if you have remembered the Foundation in your estate plans so that we may recognize you as a member of The Legacy Society.

Fundraising Events

Donors wishing to hold fundraising events should notify the Foundation and review the Donor Initiated Fundraising Policy. Events that rely on significant staff assistance to process donations are assessed a 10% fee of the gross proceeds from the event. This fee includes having a Foundation staff member at your event for registrations, ticket sales, and receiving donations. We also offer custom event webpages on our website for online registrations, ticket sales, and donations.

INVESTMENT OF THE FUND

All funds are “pooled” for investment purposes so the returns earned by each fund are the same as those received by the Foundation. This an efficient method of investing and has the added advantage of a broader diversification of assets over a wide range of types, classes, and maturities of securities. Our Investment Policy is reviewed annually by the Investment Advisory Committee, and we are proud of our 6.19% average return since inception. All funds share a pro-rata portion of investment management fees, net of returns, charged by investment advisors, managers, and custodians. More details are available upon request.
**FUND MINIMUMS AND FEES**

Funds are assessed an administrative fee each year. Fees enable the Foundation to advance our charitable mission and to provide a high level of service to our donors.

<table>
<thead>
<tr>
<th></th>
<th>Minimum Balance</th>
<th>Annual Fee*</th>
<th>Annual Distribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administrative</td>
<td>$ 5,000</td>
<td>No fee</td>
<td>4.80%</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>$ 5,000</td>
<td>1.00%</td>
<td>3.80%</td>
</tr>
<tr>
<td>Agency, Designated &amp; Field of Interest</td>
<td>$10,000</td>
<td>1.00%</td>
<td>3.80%</td>
</tr>
<tr>
<td>Donor Advised Fund</td>
<td>$10,000</td>
<td>1.50%</td>
<td>3.30%</td>
</tr>
</tbody>
</table>

*Funds over $500,000 have lower fees:*

<table>
<thead>
<tr>
<th></th>
<th>Minimum Balance</th>
<th>Annual Fee*</th>
<th>Annual Distribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Donor Advised Funds</td>
<td>$500,000 - $3 million</td>
<td>1.00%</td>
<td>3.80%</td>
</tr>
<tr>
<td></td>
<td>$3 million and above</td>
<td>0.75%</td>
<td>4.05%</td>
</tr>
<tr>
<td>All Other Endowment Funds</td>
<td>$500,000 - $3 million</td>
<td>0.75%</td>
<td>4.05%</td>
</tr>
<tr>
<td></td>
<td>$3 million and above</td>
<td>0.50%</td>
<td>4.30%</td>
</tr>
</tbody>
</table>

Donor Initiated Fundraising Events 10% of gross proceeds (see page 5 for included event services)

**QUARTERLY FUND STATEMENTS**

Fund statements are mailed to donors on a quarterly basis and include information on investment results, grants from the Fund, gifts to the Fund, and fees. Donors can generally expect to receive their fund statement approximately one month after the end of the quarter. Fund statements are sent to the home mailing address unless otherwise requested.

**DISTRIBUTION OF FUNDS**

Our staff has broad expertise regarding community needs, and we can help you find quality programs and services that match your philanthropic goals. The amount available from your Fund is based on the Foundation’s spending policy, which is set by the Board each year.

**Qualified Grantees**

Grants are paid directly to an organization, not an individual. Generally, the Foundation makes grants to IRS designated 501(c)(3) public or private charities, public or private foundations operating under 501(c)(3) and 4940(d)(2), governmental instrumentalities or political subdivisions, organizations fiscally sponsored by a 501(c)(3) organization, or faith-based organizations.
Expenditure Responsibility

At the discretion of the Board, the Foundation may make grants to a non-exempt entity, such as a for-profit company provided that the funds are used for charitable purposes. Making a grant to a non-exempt entity places a burden on the Foundation to ensure that the funds are used for the intended charitable purpose. This expenditure responsibility is accomplished through an application and reporting process; additionally, the Foundation may require that the grant is held in a separate account or with separate accounting.

Due Diligence

John Randolph Foundation carefully exercises due diligence in reviewing and awarding grants. While each endowment is unique in its charitable endeavors, the Foundation uses the review process outlined below to construct guidelines, applications, letters of agreement, and grant reports that are specific to each endowment when necessary.

The Foundation will conduct a reasonable pre-grant inquiry (usually through an application) and review the organization’s Form 990. We ensure that the proposed activity is charitable and that the grantee can perform the proposed activity.

Once the grant is approved by the Foundation, the grantee is required to sign a letter of agreement that specifies the charitable purpose of the grant and requires the grantee to return any funds not used for the designated purpose. The Foundation may also request a grant report on the use of the funds and the charitable activity supported by the grant.

All grants are approved by the Board of Trustees.

Grant Size

There is no minimum grant size and no limit to the number of grants allowed each year.

Grant Awards and Notification

Generally, grants are presented to grantees at a bi-annual awards ceremony. Donors and donor advisors are invited to attend and assist in the award presentation. Fund names are provided to the grantee and listed in communications unless the donor requests anonymity.

Variance Power

All funds established with the Foundation are subject to variance power, which gives the Board of Trustees the power to modify any restriction or condition on the distribution of a fund for any specified charitable purposes or to specified organizations if, in the sole judgment of the Foundation, such restriction or condition becomes unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community.
FUND CLOSURE

A Fund shall continue so long as assets are available in the Fund and the purposes of the Fund can be served by its continuation. If the Fund is terminated, the Foundation shall devote remaining assets in the Fund exclusively for grants that:

- Are within the scope of the charitable or other exempt purposes of the Foundation’s Articles of Incorporation; and,
- Most nearly approximate the original purpose of the Fund as envisioned by the Founder.

“Acorn funds” are encouraged to reach their minimum fund balance within five years. Donors may discuss an alternative timeline during the Fund’s establishment, which may be noted in their file. Otherwise, if the Fund has not reached the minimum within five years, the Foundation will contact the founding contributor(s) to recommend the following options.

Acorn fund donors will be able to choose to:

- Create a plan to reach the minimum balance,
- Spend down the balance on the original charitable purpose(s),
- Transfer the balance to another JRF endowment, or
- Transfer the balance to the JRF unrestricted account.

If the founding contributor is deceased, cannot be located, or is unresponsive within 90 days of initial outreach, the Fund will be terminated, and the Foundation shall devote any remaining assets in the Fund as outlined above.

DONOR ADVISED FUND POLICIES

Donor Advisor Rights and Privileges

The privilege of making grant recommendations is extended to donor advisors and/or their designees. For the Donor Advised Fund Grant Recommendation Form, please see Appendix D. To appoint a successor advisor, please see the Successor Advisor(s) Appointment Form in Appendix E. Since the Fund is permanently endowed, successor advisors may continue to be appointed in perpetuity, leaving a lasting legacy with your heirs.

From time to time, the Foundation may share grantmaking opportunities with you. You and your successor advisors are not obligated to support these programs.

Grant Restrictions

Current tax laws prohibit donor advised funds from making grants for the following:

- To pay for tickets, or any portion of tickets, to fundraisers or benefits that include
material benefit such as a meal, a seat at an event, or other goods and services for the fund advisor or any related party (grant recommendations can be made to support a fundraiser or benefit, but the donor cannot receive any material benefits),

- To purchase or fulfill memberships having any tangible economic benefit,
- To fulfill personal pledges in the donor’s name (see Pledges below),
- To support political campaigns or lobbying, or
- To support an individual (ex. a scholarship).

Pledges
The U.S. Treasury Department has ruled that when an individual makes an irrevocable commitment in their own name to a charity, the commitment cannot be satisfied with a grant from a foundation. Alternatively, John Randolph Foundation may make pledges in its name at the suggestion of a donor advisor. The pledge would be made in the name of the Foundation while the grant would be paid from the donor’s fund. Please contact us for more information.

Fund Activity Policy
The Foundation wants to ensure that donor advised funds are making a difference in the community and that donors and/or their designees are actively engaged in the grantmaking process. In doing so, the Foundation classifies funds as “active” or “inactive”.

A fund is considered active when there is regular communication between a donor (or named successors) and John Randolph Foundation regarding the existence and purpose of that fund.

Examples of activities that would deem a fund active include (but are not limited to):

- **Regular Grant Recommendations.** Donor advisor recommends grants at least annually to qualified charitable organizations. The amount can vary from year to year.
- **Developing a Philanthropic Program.** A donor advisor makes a substantial contribution to donor advised fund and refrains from recommending grants for a given initial period while the donor consults with a charity or does his/her own research to determine what types of grants will best meet community needs.
- **Long-term Giving Plan.** Donor advisor deliberately reduces the frequency or size of grant recommendations from fund, for example, during his or her working years with the intention of increasing the donor advised fund balance to support grantmaking during his or her retirement, when the advisor expects his or her income to change.
- **Acorn Fund:** Donor advised funds may need time to build the fund balance to make substantial grants to the community. Therefore, there may be no distributions made until the fund balance reaches an amount stated in the donor advised fund file.
• **Specific Occasion Grant.** Donor advisor refrain from recommending grants for a number of years with the specific charitable goal of recommending a grant upon a specific occasion. Examples may include:

1. Donor is incapacitated with no successor advisor so the foundation waits until the donor’s death to distribute the fund according to the donor’s original intent;
2. Fund has transitioned to named successor advisors but they are minors and no adult representative is named to represent them (so grants resume when successor advisors are adults);
3. Founders of fund who are also the donor advisors are divorcing so that grants are suspended until both spouses agree on grants, which may include splitting the fund into two separate funds, one for each spouse to advise or eventually dissolving the fund by the making of charitable grants;
4. Grants are suspended during litigation involving a fund (e.g., the donor has left his/her estate to a fund, but the donor’s children are disputing the bequest so the foundation does not allow grants until the litigation is resolved).

**Activating Grantmaking**

Should grant activity stop for more than a five-year period, steps will be taken to reactivate that Fund. These steps may include such activities as:

• Notifying the advisor(s) regularly and periodically (for example, three times in one year) to encourage them to activate the Fund.
• Distributing grants from the Fund to qualified grant recipients that align with donor intent. However, if the Foundation determines such intent is obsolete, incapable of being fulfilled, impractical, or inconsistent with the community’s charitable needs, then John Randolph Foundation may exercise overriding variance power to enable the Foundation to continue to use its resources to meet the needs of the community and address the charitable purposes for which the funds were committed.
• Closing an “acorn fund” if the fund balance does not reach the Foundation’s required minimum amount within a stated period of time (see Fund Closure on page 8).

If this policy ever conflicts with federal law or state law (including UPMIFA), the relevant law prevails.

Portions of the donor handbook were adapted from sample documents provided by the National Standards for U.S. Community Foundations (www.cfstandards.org).

Approved by the John Randolph Foundation Board of Trustees October 2018
APPENDIX A

MONTHLY GIVING AUTOMATED DEBIT AUTHORIZATION FORM

Authorization of Automated Monthly Donations via Electronic Debit

I (we) authorize John Randolph Foundation to electronically debit my (our) account (and, if necessary, to electronically credit my (our) account to correct erroneous debits) as follows:

Select One: ☐ Checking Account ☐ Savings Account

Bank Name: ____________________________________________

Bank Routing Number: __________________________________

Account Number: _______________________________________

Amount: $ ______________  Please note that your account will be debited on the 5th of each month.

Please print your name(s) the way you wish your donation to be recorded:

Name(s): _____________________________________________

Address: _____________________________________________

Phone: __________________________ Email: __________________

☐ In honor of  ☐ In memory of __________________________________

Please send notification to: Name: ____________________________

Address: _____________________________________________

To designate your monthly gift to a specific fund(s), please list the amount to be applied to the fund(s) as a percentage or an amount each month. If left blank, your gift will be unrestricted.

Gift designations: ______________________________________

Gift receipts: You will receive a gift receipt after your first gift. After that, you may receive an annual gift receipt. If you prefer to receive monthly receipts, please let us know.

I (we) understand that this authorization will remain in full force and effect until I (we) notify John Randolph Foundation in writing either by email to kfoster@johnrandolphfoundation.org or by mail to John Randolph Foundation, PO Box 1606, Hopewell, VA 23860, that I (we) wish to revoke this authorization. I (we) understand that John Randolph Foundation requires at least 5 business days prior notice in order to cancel this authorization. I (we) understand that the account will be debited on the 5th of each month. If the 5th falls on a weekend or a holiday, the transaction will post on the next business day.

Printed Name(s): ______________________________________

Signature: ___________________________________________  Date: ______________

Signature: ___________________________________________  Date: ______________

Please return this form to John Randolph Foundation, Attention: Endowment Program

112 N Main Street  P.O. Box 1606  Hopewell, VA 23860  P: (804) 458-2239
APPENDIX B

JOHN RANDOLPH FOUNDATION
GIFT TRANSMISSION INSTRUCTIONS

Mailing Address for Gifts by Check

John Randolph Foundation
P.O. Box 1606
Hopewell, VA 23860
**Please include the name of the fund in the check memo.

DTC Eligible Securities

Participant #2039
SunTrust Bank a/c 11188
FFC: 7013718 John Rand Fdn Supp Fd Mutual Fd
Donor Name: __________

Physical Securities

Suntrust Banks, Inc.
Free Movement, Mail Coded 3132
15th Floor, Suite 1520
303 Peachtree Street, N.E.
Atlanta, GA 30308
**Reference Account Number & Account Name on the documentation accompanying the stock certificate(s).

Wire Instructions (Cash)

Suntrust Banks, Inc.
ABA 061000104
A/C 9088000415
Attn: Gift Clearing
For further Credit to: Reference Account Number & Account Name
Donor Name: __________
**Please include donor's name/fund name in the reference section of the transfer.

If you need further assistance, please contact:
Kevin S. Foster
Director of Programs
John Randolph Foundation
(804) 458-2239  |  Kfoster@johnrandolphpoundation.org

John Randolph Foundation is a tax-exempt 501(c)(3) nonprofit organization. Gifts are tax-deductible to the fullest extent according to the Internal Revenue Service. Federal Tax ID Number: 54-1649268.
APPENDIX C

JOHN RANDOLPH FOUNDATION
SAMPLE LANGUAGE FOR BEQUESTS

The following examples illustrate how a gift in your will or through a living trust can be accomplished. We encourage you to share this information with your legal counsel so they can adapt the statement to fit your situation. **We recommend that anyone undertaking estate planning do so with the consultation of an attorney and financial advisor.** If you have remembered John Randolph Foundation in your will, please let us know. This will allow us to clarify your intentions, if necessary, and recognize your generosity during your lifetime.

Specific Bequest to John Randolph Foundation
*A specific bequest gives a specific item or piece of property to John Randolph Foundation. Specific bequests are fulfilled first, before cash and residuary bequests.*

"I give ____________ (describe asset) to John Randolph Foundation, a Virginia not-for-profit corporation, located at 112 N Main St, Hopewell, VA 23860, FEIN 54-1649268, to further the mission of John Randolph Foundation (or specify a fund at the Foundation, field of interest, or organization)."

Cash Bequest to John Randolph Foundation
*A cash bequest is fulfilled second, after specific and before residuary bequests.*

"I give ____________ dollars ($____) to John Randolph Foundation, a Virginia not-for-profit corporation, located at 112 N Main St, Hopewell, VA 23860, FEIN 54-1649268, to further the mission of John Randolph Foundation (or specify a fund at the Foundation, field of interest, or organization)."

Residuary Bequest to John Randolph Foundation
*A residuary bequest is made from the residue, or what remains in a donor's estate after specific and cash bequests, taxes, settlement costs and debts are satisfied.*

"I give the residue (or ____ percent of the residue) of my estate to John Randolph Foundation, a Virginia not-for-profit corporation, located at 112 N Main St, Hopewell, VA 23860, FEIN 54-1649268, to further the mission of John Randolph Foundation (or specify a fund at the Foundation, field of interest, or organization)."

*This document does not constitute legal advice. We recommend that anyone undertaking estate planning do so with the consultation of an attorney and financial advisor.*

Healthy Communities. Bright Futures.

112 North Main Street  P.O. Box 1606  Hopewell, VA 23860  P: (804) 458-2239  F: (804) 458-3754  johnrandolphfoundation.org
APPENDIX D

DONOR ADVISED FUND GRANT RECOMMENDATION FORM

I recommend to the Board of Trustees of John Randolph Foundation that the following named organizations receive grants from the ________________ Fund in the amounts indicated. Grants will be unrestricted for general support, unless otherwise noted.

Organization Name: ____________________________  Amount: __________
Mailing Address: ____________________________________________
Contact Person & Phone/Email: ________________________________
Special Instructions: ____________________________  □ Anonymous gift

Organization Name: ____________________________  Amount: __________
Mailing Address: ____________________________________________
Contact Person & Phone/Email: ________________________________
Special Instructions: ____________________________  □ Anonymous gift

Organization Name: ____________________________  Amount: __________
Mailing Address: ____________________________________________
Contact Person & Phone/Email: ________________________________
Special Instructions: ____________________________  □ Anonymous gift

Donor Advised Fund Representative: The recommendation(s) above are advisory only and do not represent the fulfillment of a pledge or other financial obligation, such as membership dues. I do not expect to receive any personal benefit in exchange for this gift.

Donor Name: ____________________________  Date: __________
Donor Signature: ____________________________
Donor Mailing Address: ____________________________________________
Donor Email: ____________________________  Phone: __________

Please return this form to John Randolph Foundation, Attention: Endowment Program

112 N Main Street  P.O. Box 1606  Hopewell, VA 23860  P: (804) 458-2239
APPENDIX E
SUCCESSOR ADVISOR(S) APPOINTMENT FORM

Fund Name: ________________________________

1st Successor Advisor: ________________________________
Mailing Address: ________________________________
Phone Number: __________________ Email: __________________

2nd Successor Advisor: ________________________________
Mailing Address: ________________________________
Phone Number: __________________ Email: __________________

Present Donor Advised Fund Representative:
I request that the Successor Advisor(s) named be given the opportunity to make grant suggestions to the Foundation, and that the Successor Advisor(s) named assume this responsibility on:

☐ the following date: ________________
☐ the death of the Present Advisor

Printed Name: ________________________________ Date: ________________
Signature: ________________________________
Mailing Address: ________________________________
Email Address: ________________________________ Phone: __________________
112 North Main Street
P.O. Box 1606
Hopewell, VA 23860

Office: (804) 458-2239
Fax: (804) 458-3754

www.johnrandolphfoundation.org
Facebook.com/johnrandolphfoundation
Instagram @johnrandolphfoundation