Where Local Good Grows
Hendricks County
Community Foundation

Fund Acceptance Policy

Introduction

The Hendricks County Community Foundation, Inc. (HCCF) has established a development program to further its charitable mission, including opening new component funds to help donors realize their charitable goals. This policy is designed to protect HCCF and the communities it serves by defining the process for evaluating and accepting new component funds. The policy's goals are to ensure that all new funds align with HCCF's values, vision, and mission, while safeguarding the Foundation from potential risks, including reputational, legal, financial, operational, and mission-related risks.

This policy provides guidance to the Board of Directors, Executive Committee, and staff to evaluate proposed funds carefully, particularly when there is a possibility of reputational risk or controversy. All proposed funds will be assessed not only for their financial and legal implications but also for their potential impact on HCCF's integrity, public trust, and long-term sustainability.

Authority to Accept or Decline Funds

The President & CEO of the Hendricks County Community Foundation has the authority to solicit, evaluate, accept, or decline proposed component funds in accordance with this policy and any other Board-approved policies or procedures. The President & CEO is authorized to determine appropriate terms, restrictions, and conditions for each fund and to execute Fund Agreements on behalf of HCCF using Board-approved templates.

All new and retired component funds are subject to oversight by the Board of Directors as part of its fiduciary responsibility for the Foundation. The Board retains final authority to approve, modify, or decline proposed funds that fall outside established parameters or present elevated levels of risk. HCCF reserves the right to periodically review existing component funds to ensure continued alignment with its mission, policies, and legal obligations.

If a proposed fund raises questions regarding alignment with HCCF's mission, vision, values, or reputation—or involves special circumstances such as legal complexity, novel structure, extraordinary size, or heightened public visibility—the President & CEO shall refer the proposed fund to the Executive Committee or the full Board of Directors for review prior to acceptance. The Board of Directors may delegate final decision-making authority to the Executive Committee when timely action is required.

Any proposed fund that is:

- Outside the scope of HCCF's stated policies;
- Misaligned with the values, vision, or mission of HCCF;
- Extraordinary in size, complexity, novelty, or administrative burden; or
- Likely to generate significant public interest, scrutiny, or controversy,

shall be reviewed by the Executive Committee prior to acceptance. When appropriate, the President & CEO may consult legal counsel or other professionals. Final authority rests with the Board of Directors.

Fund Acceptance Procedures

HCCF staff may develop internal procedures for documenting and processing gifts and the acceptance of funds in alignment with this policy and other Board-approved policies. Specific guidelines for staff include:

1. Staff, acting under the authority and direction of the President & CEO, has authority to accept or reject funds that fall within established parameters. Regular reports will be provided to the Board regarding all accepted or declined funds at each regular meeting of the Board, or on a schedule determined by the Board. The CEO shall have authority to sign Fund Agreements, based on Board-approved templates, on behalf of HCCF. Any modifications to approved Fund Agreement templates shall be approved by the Executive Committee or Board on a case-by-case basis.
2. HCCF will not pay commissions or finder's fees to any entity for directing a fund to HCCF.
3. All gifts to establish funds must comply with HCCF's Gift Acceptance Policies.
4. Donors are strongly encouraged to consult with independent legal or tax advisors. HCCF staff shall not provide legal or tax advice to any donor or prospective donor.

Fund Review Criteria

Each proposed fund will be evaluated to determine its alignment with HCCF's mission, values, and long-term strategic goals, as well as potential risks or benefits to the organization. Key review criteria include:

1. Alignment with HCCF's Mission, Vision, and Values – Does the fund reflect the core values and charitable purpose of HCCF? Will it help advance the Foundation's vision for a stronger, healthier, and more vibrant community?
2. Reputational Risk – Could the fund create controversy or generate negative public perception for HCCF or its stakeholders, including reputational risks arising from public association with the fund, its donor(s), or its intended activities? Could the fund adversely impact HCCF's relationships with community partners, fundholders, or the public? Does the fund involve grantmaking activities or causes that might conflict with the Foundation's commitment to equity, inclusion, and community well-being?
3. Tax-Exempt Status – Could the fund jeopardize HCCF's 501(c)(3) tax-exempt status?
4. Charitable Intent and Community Benefit – Does the fund meet the charitable intent requirements of the IRS and provide measurable community benefit?
5. Discriminatory Provisions – Funds with discriminatory criteria (e.g., based on race, religion, ethnicity, gender, age, or sexual orientation, or other legally protected or impermissible classifications) will be declined unless they address specific charitable needs within legally permissible guidelines.
6. Administrative Feasibility – Does HCCF have the capacity to manage the fund in compliance with its administrative, reporting, and investment policies?
7. Costs and Fees – Are the administrative fees and anticipated activity levels sufficient to offset the cost of managing the fund and ensure its long-term viability?
8. Timeliness of Impact – How soon will the fund begin to provide charitable benefit, or is a delayed impact consistent with HCCF's long-term philanthropic objectives?
9. Investment and Management Considerations – Can the fund be managed within HCCF's existing investment guidelines and resources?

Right to Decline

HCCF reserves the right, at its sole discretion, to decline any proposed fund, with or without explanation and without obligation to reconsider. Proposed funds that are misaligned with HCCF's mission or values, pose undue financial or legal risks, or could harm the Foundation's reputation will not be accepted.

Conclusion

This policy serves to protect the integrity, reputation, and mission of HCCF while ensuring that all component funds align with the Foundation's values and legal obligations. Careful adherence to this policy will help HCCF continue to serve the community effectively and responsibly while serving our donors, building public trust and ensuring long-term organizational sustainability.