



A Summary of the Relationship between ACF and its Affiliated Funds (or Affiliate Foundations)

Overview of Entities- The Alaska Community Foundation (ACF) is a nonprofit corporation recognized by the Internal Revenue Service as a tax-exempt 501(c)(3) public charity. It is organized as a statewide community foundation which consists of multiple component funds that are a part of and governed by the “umbrella” foundation, ACF.

Our mission: ACF advances philanthropy to strengthen Alaska’s communities now and forever. Together with our Affiliates, we connect people who care with causes that matter by encouraging and nurturing philanthropy through building and managing permanent endowments, convening stakeholders and working with partners to strengthen Alaskan communities, and providing donors with grant options that are strategic to their philanthropic objectives.

An affiliated fund or Affiliate foundation (Affiliate) of ACF refers to a community-based advisory group that takes on some of the functions of a community foundation for or in a specific geographic location or region within Alaska. They are a component part of ACF and, as such, operate under the by-laws and articles of incorporation of ACF and derive their charitable status from that of ACF.

Philosophy- ACF’s affiliate fund structure is a reflection of our core value of community and the belief that people who live in communities across Alaska best know their own needs. We respect the diversity of cultures and interests in local communities while balancing this with ACF’s interest in a robust statewide community. The ACF affiliate model is a central component of our overall strategy to develop an efficient, sustainable, statewide philanthropic platform that is inconsistent with an incubator model of developing independent community foundations around the State. Affiliate funds are permanent parts of ACF and will be used in perpetuity to support community goals.

National Standards- ACF has been recognized as meeting National Standards for US Based Community Foundations, as outlined by the Council on Foundations. These standards address a community foundation’s relationship with its Affiliates, in particular around the legal and governing relationship between the entities. This document addresses and complies with those standards.

Governance- The ACF Board of Directors is the governing entity with fiscal and legal responsibility for all Affiliate activities. National Standards specifically documents that the Affiliate is under the oversight and control of ACF and that the Affiliate advisory group is an advisory steering committee

and not a governing board. ACF retains responsibility for personnel and financial matters and performs due diligence on all grants.

Local Control- Affiliates often need to operate with a sufficient level of empowerment to be effective in developing local assets and recommending grants. They have the ability to make decisions related to selecting advisory committee members, setting community priorities and establishing fund development strategies. ACF may delegate authority to conduct due diligence on grants.

Partnership Model- ACF operates using a model based on pursuing shared goals with differentiated responsibilities. The Affiliate is in the best position to know the needs of their communities or organizations. Strategy, fundraising decisions, and grant making recommendations are made by each Affiliate's committee. ACF provides support, education, technical assistance, financial management and legal advice for its Affiliates.

Affiliate Fund Benefits- Affiliation with ACF provides a number of benefits that balance local control with strategic partnership and professional management services:

- **Nonprofit Status**- Affiliates gain access to ACF's tax-exempt 501(c)(3) status, allowing donors to take a tax deduction for their contributions. ACF issues charitable receipts directly to donors conforming to IRS standards. ACF has legal responsibility for all funds entrusted to it and must ensure that funds are used in a manner consistent with state and federal law and donor intent. Affiliates are encouraged to provide additional acknowledgement of gifts but the legal tax receipt must come from ACF.
- **Local Goal Setting**- ACF supports Affiliates in their efforts to develop a unique, community-specific fund development and community impact strategy. This includes specific goals around donor relations, community outreach and grant making.
- **Financial and Administrative Services**- As a component fund of ACF, Affiliates are supported by ACF's financial and administrative support. This includes recording contributions, making disbursements, cash management, preparing and filing IRS Form 990, obtaining an audit of its financial statements, and issuing fund financial reports.
- **National Standards**- ACF has been recognized for meeting National Standards for US Based Community Foundations, as outlined by the Council on Foundation. ACF strives to stay abreast of new legal and financial requirements for non-profits and foundations, and our policies and procedures aim to comply with those requirements and with industry best practice standards.

- **Peer Learning Network-** ACF uses peer learning to help build community capacity and leadership. ACF facilitates peer-learning opportunities through teleconferences, videoconferencing, in-person gatherings, and shared list-servs.
- **Training and Technical Assistance-** ACF staff and consultants have experience in community development, strategic planning, planned giving, grant making and communication that is available to Affiliates as needed. In addition, as able, ACF will host Affiliate gatherings that provide content experts on topics of general interest to all Affiliates.
- **Statewide Connectivity-** ACF will work with other funders and partners to connect them with Affiliate communities as appropriate. In addition, ACF will develop relations with outside funders interested in regional or statewide projects that support local community goals.
- **Amplify Local Goals with Other Grants-** ACF will seek input from Affiliates as grant applications and requests come into ACF or as our donor advisors recommend grants to an Affiliate region. Efforts will be made to partner with Affiliates and bring additional resources to the projects and goals established by Affiliate steering committees.
- **Gift Planning Assistance-** ACF assists attorneys, CPA's, insurance agents, financial planners, bankers and brokers, and their respective clients/donors with charitable gift planning. Materials and consultants are available to support local efforts and ACF works to promote statewide messaging and outreach.
- **Marketing, Communication, and Website-** ACF marketing materials are available to Affiliates and can be customized as appropriate. ACF staff will help ensure that Affiliates are able to communicate effectively with donors and local communities. ACF maintains an extensive website with information about Affiliate funds, targeted materials for financial planners and the ability to accept online donations to each component fund. In addition, ACF registers domain names and corporate names of our Affiliate funds for the protection of both of our identities.

Affiliate Fund Requirements- Because Affiliates are not separate legal entities, their activities will be attributed to ACF, with the ACF Board of Directors having ultimate accountability for the operations of ACF and its Affiliates. While efforts will be made to support the unique needs of each Affiliate, certain operational standards must be consistent in order to ensure ACF is in compliance with National Standards and IRS regulations and to promote operational efficiencies. These include the following:

- **Donor Intent-** Each contribution received must be accounted for in a timely manner that insures and documents donor intent. As such, separate accounts will be maintained for contributions that have been designated by donors for a specific purpose. ACF reserves the right to decline designated funds.
- **Donor Confidentiality-** Trust and confidentiality are critical elements of ACF's operations. Affiliate steering committee members must agree to maintain donor confidentiality as requested. In addition, Affiliates understand that, when asked, ACF will honor confidentiality requests from donors who may wish to remain anonymous to Affiliate steering committee members and their community.
- **Contracts-** All contracts, including fund agreements, must be entered into by ACF and may only be signed by an officer of ACF; Affiliates do not have the legal standing or authority to enter into a contract, borrow money or otherwise obligate ACF.
- **Bank Accounts-** Affiliates may not have bank accounts or deposit gifts into another account without specific permission and guidance from ACF.
- **Event Insurance-** Affiliates that plan to host special events must contact ACF in advance of the event to ensure that appropriate liability insurance is in place or that a special event rider can be purchased if necessary.
- **Grant Applications-** Before an Affiliate applies for a grant, the proposed grant application should be sent to ACF for review. ACF will need to sign the grant application, subsequent grant agreement, and reports. The Affiliate will be responsible for the narrative part of all grant reports but ACF staff is available to assist and will complete the financial section of all grant reports.
- **Identification-** All marketing materials, press releases, donor solicitations, etc. should state that "The _____ Fund is an affiliated fund of The Alaska Community Foundation" and use the ACF/Affiliate logo on all publications. Marketing materials, press releases and other communication materials should be sent to the ACF office prior to publication or printing. The affiliated fund should not represent itself to third parties as being a separate legal entity or a separate 501(c)(3) organization or imply this by default by neglecting to mention the affiliation with ACF.