

**BOARD POLICIES MANUAL**

**PETALUMA WOMAN'S CLUB**  
**FOUNDATION, INC.**

# TABLE OF CONTENTS

Glossary of Abbreviations	Page 1
Part 1: Introduction and Administration	2
1.1 Reasons for Adoption	2
1.2 Consistency	2
1.3 Transition	2
1.4 Oversight Responsibility	2
1.5 Changes	2
1.6 Specificity	3
1.7 Maintenance of Policies	3
Part 2: PWCF Board-Approved Policies	4
2.1 Petaluma Woman’s Club Foundation, Inc. Conflict of Interest Policy	4
Article One: Purpose	4
Article Two: Definitions	4
Article Three: Procedures	4
Article Four: Records of Proceedings	5
Article Five: Annual Statements	5
Article Six: Periodic Reviews	6
Article Seven: Use of Outside Experts	6
2.2 Financial Controls	6
2.3 Expense Reimbursement Policy	6
2.4 Investment Policy	7
2.5 Fundraising Policy	8
2.6 Scholarship Policy	8
2.7 Donation Acknowledgement Policy	10
2.8 Confidentiality Policy	11

Part 3 Appendices

Appendix A –PWCF 501(c)3 Donation Receipt 12

Appendix B -PWCF 501(c)3 In-Kind Donation Receipt 13

**GLOSSARY OF ABBREVIATIONS**

<b>ABBREVIATION</b>	<b>DEFINITION</b>
ACH	Automated Clearing House electronic funds transaction
Board	Petaluma Woman’s Club Foundation, Inc. Board of Directors
BPM	Board Policy Manual
CFO	Chief Financial Officer
IRS	Internal Revenue Service
Organization	Petaluma Woman’s Club Foundation, Inc. (a 501(c)3 charitable non-profit)
PWC	Petaluma Woman’s Club (a 501(c)4 social organization non-profit)
PWC Committee	Petaluma Woman’s Club Scholarship Committee
PWCF	Petaluma Woman’s Club Foundation, Inc. (a 501(c)3 charitable non-profit)

## **Part 1: Introduction and Administration**

This BPM contains all the current policies adopted by the Board of PWCF. This version of the BPM was approved by the PWCF Board on November 15, 2023. It is to be updated as new policies are added and/or existing policies are revised by the Secretary.

**1.1 Reasons for Adoption.** The reasons for adopting this BPM include:

- Efficiency of having all ongoing Board policies in one place
- Ability to quickly orient new Board members to current policies
- Elimination of redundant or conflicting policies over time
- Ease of reviewing current policy when considering new issues
- Providing clear policies to guide the Board

**1.2 Consistency.** Each policy in this document is expected to be consistent with the law, the articles of incorporation, and the bylaws, all of which have precedence over these board policies. Except for time-limited or procedural-only Board decisions (approving minutes, nomination process and membership vote, etc.), which are recorded in regular Board minutes, all standing policies shall be included or referred to in this document. The President and Board members are responsible for developing organizational and administrative policies and procedures that are consistent with this BPM.

**1.3 Transition.** Whether adopted part by part or as a complete document, as soon as some version of the BPM approved by the Board, those policies are deemed to supersede any past policy that might be found in old minutes unless a prior Board resolution or contract obligates the organization regarding a specific matter. If any actual or apparent conflict arises between the BPM and other policies or Board resolutions, the matter shall be resolved by the President or by the entire Board as may be appropriate.

**1.4 Oversight Responsibility.** The President will be given authority to interpret and make decisions within the scope of policies.

**1.5 Changes.** These policies are meant to be reviewed periodically and refined. As needed the Secretary helps the Board formulate new language in the BPM by distributing proposed changes in advance, in a format highlighted to show recommended changes. Proposed changes may be submitted by any Board member.

Whenever changes are adopted, a current document should be printed, dated, and made available to the Board. The previous version should be kept in a digital format on PWCF's Google Drive.

**1.6 Specificity.** Each new policy will be drafted to fit in the appropriate place within the BPM. Conceptually, policies should be drafted from the "outside in," i.e., the broadest policy statement should be presented first, then the next broadest, etc., down to the level of detail that the Board finds appropriate for Board action.

**1.7 Maintenance of Policies.** The Secretary shall ensure that Board members record and publish all standing policies correctly. The Secretary shall maintain the policies file on the PWCF Google Drive and provide updated copies to the Board whenever the policies change, or upon request.

## **Part 2. PWCF Board-Approved Policies**

### **2.1 The Petaluma Woman's Club Foundation, Inc. Conflict of Interest Policy**

**Article One: Purpose.** The purpose of the conflict-of-interest policy is to protect this tax-exempt organization's (Organization) interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Organization or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

#### **Article Two: Definitions.**

1. **Interested Person.** Any director, principal officer, or member of a committee with delegated powers (including but not limited to the PWC Committee), who has a direct or indirect financial interest as defined below, is an interested person.

2. **Financial Interest.** A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

- A. An ownership or investment interest in any entity with which the Organization has a transaction or arrangement,
- B. A compensation arrangement with the Organization or with any entity or individual with which the Organization has a transaction arrangement, or
- C. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Organization is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

A financial interest is not necessarily a conflict of interest. Under Article III, Section 2, a person who has a financial interest may have a conflict of interest only if the appropriate directors or committee decides that a conflict of interest exists.

#### **Article Three: Procedures.**

1. **Duty to Disclose.** In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of committees with delegated powers considering the proposed transaction or arrangement.

2. **Determining Whether a Conflict of Interest Exists.** After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the directors or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining directors or committee members shall decide if a conflict of interest exists.

### **3. Procedures for Addressing the Conflict of Interest.**

- A. An interested person may make a presentation at the directors or committee meeting, but after the presentation, she shall leave the meeting during the discussion of, and vote on, the transaction or arrangement involving the possible conflict of interest.
- B. The chairperson of the directors or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- C. After exercising due diligence, the directors or committee shall determine whether the Organization can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
- D. If a more advantageous transaction or arrangement is not reasonably possible under the circumstances that would not produce a conflict of interest, the directors or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Organization's best interest, or its own benefit, and whether it is fair and reasonable. In conformity with the above determination, it shall make its decision as to whether to enter into the transaction or arrangement.

### **4. Violations of the Conflict of Interest Policy.**

- A. If the directors or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
- B. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the directors or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

### **Article Four: Records of Proceedings.**

The minutes of the directors and all committees with delegated powers shall contain:

- A. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the directors or committee's decision as to whether a conflict of interest in fact existed.
- B. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

### **Article Five: Annual Statements.**

Each director, principal officer, and member of a committee with delegated powers shall annually sign a statement which affirms such person:

- A. Has received a copy of the Conflict of Interest policy,
- B. Has read and understands the policy,



- C. Has agreed to comply with the policy, and
- D. Understands the Organization is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

**Article Six: Periodic Reviews.**

To ensure the Organization operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- A. Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm’s length bargaining.
- B. Whether partnerships, joint ventures, and arrangements with management organizations conform to the Organizations’ written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

**Article Seven: Use Of Outside Experts.**

When conducting the periodic reviews as provided for in Article VI, the Organization may, but need not use outside advisors. If outside experts are used, their use shall not relieve the directors of their responsibility for ensuring periodic reviews are conducted.

\*\*\*\*\*

**2.2 Financial Controls.** The President, CFO and all Board members must exercise care in accounting for and protecting the financial assets of the organization. To this end, the Board is expected to support Generally Accepted Accounting Principles and a system of sound internal controls in the financial systems that are set up by the CFO and PWCF’s Bookkeeper.

The CFO shall take the necessary steps to ensure the integrity of systems and procedures to ensure that they comply with all pertinent legal, regulatory, and professional requirements; and to promptly report to the Board any material variations or violations.

\*\*\*\*\*

**2.3 Expense Reimbursement Policy.** The purpose of this policy is to provide clear and concise guidelines for reimbursement of allowable expenditures and documentation required to support expense reimbursement to ensure maintenance of PWCF’s 501(3)c non-profit status.

Whenever possible, recurring PWCF administrative expenses are to be set up to be automatically deducted from the Foundation’s operating bank account, either by ACH electronic funds transfer or debit card.

Occasionally, Board members or PWC members who organize approved fundraising activities to support the Foundation’s scholarship or charitable activities may incur out-of-pocket expenses. Fundraising expenses must be approved by the Board, in advance of the event, through review and approval of the proposed event budget.

Board members may incur occasional out-of-pocket administrative expenses to facilitate Foundation business. Any such expense over \$250 must be approved, in advance, by the Board.

All reimbursement requests must be supported by invoices or receipts. The CFO and Bookkeeper will develop written procedures to be followed when reimbursement of out-of-pocket expenses is requested.

\*\*\*\*\*

**2.4 Investment Policy.** The purpose of this policy is to define the scope of PWCF investment activities, its purpose and set forth the general objectives. The Board has ultimate fiduciary responsibility for PWCF’s investment portfolio and will ensure that appropriate policies governing the management of investments are in place and implemented. The Board establishes and approves the Investment Policy and delegates the implementation and oversight to the CFO.

PWCF currently anticipates holding funds for two specific purposes as provided in its by-laws. The first is a pool of funds representing donations received, or proceeds from approved fundraising activities, which benefit PWCF’s Scholarship Program. The second pool of funds will result from donations made to fund approved civic or community projects such as Time to Trestle.

All funds are to be held in federally insured bank accounts. Funds that are needed to cover operating costs will be held in a checking account. Funds that are not needed in the near term will be held in interest-bearing money market or certificate of deposit accounts. The CFO will make recommendations to the Board for their approval regarding the allocation of funds between the operating account and interest-bearing accounts.

At some point in the future, the Board may decide to engage the services of an outside investment advisor to manage the investment portfolio and may also diversify the approved holdings to maximize the return on investment for funds that will be held for longer terms. Any proposed change to management of the investment portfolio or approved investment types will require amendment of this policy and approval by PWCF’s Board.

\*\*\*\*\*

**2.5 Fundraising Policy.** The Board is committed to providing oversight to all fundraising activities that benefit PWCF to ensure they are in strict compliance with IRS

and State of California Attorney General requirements and PWCF policies. Fundraising activities that are not in compliance with governing regulations not only jeopardize the non-profit status of PWCF but could also result in financial penalties.

To solicit donations or sponsor fundraising activities, PWCF must be registered with the State of California Attorney General's Charitable Trust Registry. The initial application was filed in October 2023 and must be renewed annually (in connection with the filing of tax returns in September of each year). This registration does not, however, permit either PWC or PWCF to conduct raffles. If a raffle is contemplated as part of a fundraising activity, it requires advanced additional registration and fee filings with the Attorney General's office and triggers additional recordkeeping and reporting requirements to the State.

Fundraising activities to benefit any PWCF endeavors (scholarship or civic projects) require advance approval of the PWCF Board of Directors. Requests for approval must be submitted to the Board at least three months in advance of the event, in writing, with a description of the proposed event, the timing, and a proposed budget. All marketing materials to be used to promote fundraising events must be preapproved by the PWCF Board. Tickets to future PWC events or use of the clubhouse may not be offered as fundraising items. The Chair(s) of any committee organized to plan and host a fundraising activity that benefits PWCF must acknowledge receipt and understanding of this policy.

The budget must include the recommended ticket price for events, anticipated expenses, and the dollar amount portion of the ticket price that could be taken as a tax deduction by the purchaser (the amount more than the value of the event). This amount is to be disclosed on the event ticket so that the buyer has a record. Alternatively, PWC will donate to PWCF the amount of proceeds after all expenses are taken, in which case, individual ticket purchasers do not take a tax deduction.

Funds that are raised through auctions (silent or otherwise) must disclose the retail value of the auction item. The amount paid by the auction winner that is over the retail value of the item may be taken by the buyer as a tax deduction. (Refer to the Donation Acknowledgement Policy for information on receipts for auction proceeds). The Chair(s) of any committee that solicits donations from local businesses or individuals shall maintain a list of all solicitations made including the business or individual name and address, donations received, cash or description and retail value of In-Kind donations.

\*\*\*\*\*

**2.6 Scholarship Policy.** PWCF holds and administers certain funds that provide scholarships through a variety of channels, including the PEF Herold & Connie Mahoney Community Achievement Awards, the PWC Endowment Fund at Santa Rosa Junior

College, and through PWCF's proprietary Scholarship Program. The PWCF Scholarship Program provides scholarships to Petaluma graduating high school seniors to enable the recipients to further their education at an eligible educational institution. In accordance with IRS rules, to be tax-free to the recipients the scholarships must be used for tuition and fees, books, supplies, or required equipment. Funds are taxable to the recipient if they are used for other expenses such as room and board, transportation, or optional equipment.

The PWCF Board works closely with the PWC Committee to administer the Scholarship Program. The PWC Committee and the PWCF Board together shall annually determine the number and dollar amount of scholarships to be granted in the current year, including PWCF Scholarships, PEF Community Service Awards, and any contributions to the PWC Endowment Fund at SRJC, from available scholarship funds. Adequate funds must be held in reserve to offset costs associated with scholarship fund awards, a proportionate share of administrative expenses of the Foundation, and agreed upon amounts to be carried over to fund future scholarships. PWCF proprietary Scholarship Program Endowed funds and Donor designated funds, and any interest thereon, are excluded from available scholarship funds. Donor designated funds will be granted pursuant to the Donors' wishes.

Other responsibilities of each party are designated as follows:

PWC's Committee

- Propose criteria for recipient selection
- Contact local high schools to notify of availability of scholarships and application process
- Advertise scholarship program through social media and other forms
- Evaluate applications on an objective and fair basis
- Provide applications and scoring results to the PWCF Board
- Submit final scholarship recommendations to the PWC Board who in turn will submit the final recommendations to the PWCF Board
- Coordinate and work the luncheon and dinner events at which the scholarship recipients are introduced to PWC membership
- Provide oversight to approved fundraising activities that benefit the PWCF Scholarship Program in accordance with PWCF's Fundraising Policy.
- Report, in an advisory capacity, to the Boards of both PWC and PWCF twice per program year. Reports are to detail the nomination process, criteria used to select scholarship recipients, number of applicants and the number of scholarship recipients, amount of funds raised, the amount of scholarships to be awarded, and amount of funds to be carried over as determined by agreement with PWCF.

Every member of PWC’s Committee charged with the evaluation of candidates for scholarships shall adhere to the relevant policies of PWCF as they may be adopted and amended from time to time, including but not limited to PWCF’s Conflict of Interest Policy and Confidentiality Policy.

PWCF Board

- Hold and manage all Scholarship funds
- Pay all Scholarship Program administrative expenses
- Review and approve all Scholarship Program marketing and promotional materials
- Review and approve application evaluation methodology
- Review applications and evaluations of proposed recipients recommended by PWC Committee and concur with final scholarship recipients
- Issue checks to Scholarship recipients upon receipt of proof of enrollment
- Review and approve proposed fundraising events in accordance with PWCF’s Fundraising Policy

PWC Committee and PWCF Board

Every member of the PWC Committee or PWCF Board involved with the selection or approval process shall be obligated to disclose any personal knowledge or and relationship with any potential recipient under consideration and to refrain from participation in the award process in a circumstance where she would derive, directly or indirectly a private benefit if any recipient(s) are selected over another.

\*\*\*\*\*

**2.7 Donation Acknowledgement Policy.** All cash donations made to PWCF will be acknowledged, in writing, within 30 days of the receipt of the donation, utilizing the PWCF 501(c)3 Donation Receipt (Appendix A) located in the PWCF Google Drive. The form should be completed and mailed by the CFO. Donations from individuals who do not wish to not have their identity publicized or disclosed in any PWCF report or website, should be acknowledged as “anonymous.”

Donations from the sale of auction items should also be acknowledged using the 501(c)3 Donation Receipt form. The value of the donation is the amount paid over the retail value of the auction item.

In kind donations of goods and services that are given by local businesses to use as auction items at PWCF fundraisers are to be acknowledged with a Donation Receipt – In Kind Donation (Appendix B) form that describes the goods or services donated and includes the retail value.

All donation receipts issued are to be recorded in a PWCF Donation database which is maintained on the PWF Google Drive by the CFO. Copies of all donation receipts issued will also be maintained on Google Drive for a minimum of seven years.

\*\*\*\*\*

**2.8 Confidentiality Policy.** From time-to-time PWCF may come into possession of confidential personal information about a Scholarship applicant or a donor. Any such confidential information (including name, address, income, social security number and job information) must be treated confidentially and only stored in a secure, protected file on PWCF's Google Drive. Such confidential information may not be stored on personal computers or retained in hard copy. All hardcopy documentation must be scanned for storage on the Google Drive and hard copy documents shredded after use.

**Part 3: Appendices**

**APPENDIX A**

**PETALUMA WOMAN’S CLUB FOUNDATION, INC.  
501(c)(3) DONATION RECEIPT  
POST OFFICE BOX 285  
PETALUMA, CA 94953  
EIN: 93-2885312**

**DONOR INFORMATION**

Donor’s Name:

Donor’s Address:

Date of Donation:

**DONATION INFORMATION**

Thank you for your donation with a value of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_), made to the above-mentioned 501(c)(3) Non-Profit Organization.

**DONATION DESCRIPTION**

Scholarship Donation  Are there donor designated restrictions? (If so attach)

Civic Engagement Project Donation

Time to Trestle (In the event the Trestle project is not approved by the City of Petaluma, these funds shall be allocated back into the general fund for civic engagement projects.)

I, the undersigned representative, declare that there were no goods or services provided as part of this donation. Furthermore, as of the date of this receipt the above-mentioned 501(c)(3) non-profit organization is a current and valid 501(c)(3) non-profit organization in accordance with the standards and regulations of the Internal Revenue Service (IRS).

Representative’s Signature: \_\_\_\_\_

Representative’s Name:

Title:

Date:

If do not wish your name and donation to be publicly disclosed or acknowledged, please email your request to: [foundation@petalumawomansclub.com](mailto:foundation@petalumawomansclub.com)

**APPENDIX B**

**PETALUMA WOMAN'S CLUB FOUNDATION, INC.  
501(c)(3) IN-KIND DONATION RECEIPT  
POST OFFICE BOX 285  
PETALUMA, CA 94953  
EIN: 93-2885312**

**DONOR INFORMATION**

Donor's Name:

Donor's Address:

Date of Donation:

**DONATION INFORMATION**

Thank you for your donation of \_\_\_\_\_ (description) with a retail value of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_), made to the above-mentioned 501(c)(3) Non-Profit Organization.

**DONATION DESCRIPTION**

Scholarship Donation

Civic Engagement Project Donation

Time to Trestle

I, the undersigned representative, declare that there were no goods or services provided as part of this donation. Furthermore, as of the date of this receipt the above-mentioned 501(c)(3) non-profit organization is a current and valid 501(c)(3) non-profit organization in accordance with the standards and regulations of the Internal Revenue Service (IRS).

Representative's Signature: \_\_\_\_\_

Representative's Name:

Title:

Date: