

XYZ Community Foundation

RESOLUTION

WHEREAS, The XYZ Community Foundation (the “Community Foundation”) has funds that were established for the purpose of providing scholarships and other charitable awards to individuals; and

WHEREAS, federal legislation enacted in August 2006 amends certain provisions of the Internal Revenue Code of 1986, as amended (the “Code”), prohibiting donor advised funds, as defined in Code Section 4966 (“Section 4966 Donor Advised Funds”), from making grants to individuals; and

WHEREAS, Code Section 4966(d)(2)(B)(ii) excepts certain scholarship and award funds from the definition of Section 4966 Donor Advised Funds, provided such grants are made in accordance with certain protocols (“Section 4966 Scholarship Funds”); and

WHEREAS, these protocols require, *inter alia*, that all grants to individuals be “awarded on an objective and nondiscriminatory basis pursuant to a procedure approved in advance by the board of directors of the sponsoring organization, and such procedure is designed to ensure that all such grants meet the requirements of paragraphs (1), (2), or (3) of section 4945(g)”;

BE IT HEREBY RESOLVED, that all grants made to individuals from Section 4966 Scholarship Funds of the Community Foundation shall be made only for the purposes set forth in Code Section 4945(g)(1), (2) or (3), or as otherwise authorized by law; and

FURTHER RESOLVED, that all grants to individuals from Section 4966 Scholarship Funds of the Community Foundation will be made on an objective and nondiscriminatory basis from a pool of persons chosen on the basis of criteria reasonably related to the purposes of the particular fund from which the grant is made (for this purpose, limitations based on sex, religion, or race are permitted where not contrary to public policy); and

FURTHER RESOLVED, that no employee of the Community Foundation, nor any member of a selection committee recommending grants to individuals, may derive, directly or indirectly, a private benefit in connection with a grant from a Section 4966 Scholarship Fund; and

FURTHER RESOLVED, that the Community Foundation hereby adopts the attached “Procedures of the XYZ Community Foundation for Awarding Scholarship, Fellowships and Other Grants to Individuals” (the “Procedures”), which are made a part hereof, in order to insure that grants to individuals from Section 4966 Scholarship Funds meet the requirements of Code Section 4945(g)(1), (2), and (3) and Code Section 4966; and

FURTHER RESOLVED, that the officers of the Community Foundation be, and each of them hereby is, authorized and empowered to appoint, or cause to be appointed, selection committees to enable Section 4966 Scholarship Funds to qualify for the exception to the definition of a donor advised fund under Code Section 4966 and to make non-material changes to the Procedures; and

FURTHER RESOLVED, that the officers of the Community Foundation be, and each of them hereby is, authorized and empowered to approve or cause to be approved grants hereunder, and each such officer is authorized and empowered to take such other and further action as he or she shall deem necessary or desirable in order to carry out the foregoing.

Dated: \_\_\_\_\_, 2007