



Policies and Guidelines Applicable to Donor-Advised Funds

Preamble

The Board of Directors (Board) of Innovia Foundation (Innovia) has adopted the following policies and guidelines with respect to the acceptance of donor-advised funds. It is the expectation of the Board that, without the express approval of the Board received in advance, no donor-advised funds will be accepted which do not conform to these policies and guidelines. These policies are intended to ensure that donors have a significant opportunity to make their wishes and preferences known to Innovia.

POLICIES

1. Minimum amount. The initial deposit or pledge to the fund must be not less than \$10,000. A seed funding option is available with a \$10,000 commitment to establish an endowed fund, an initial gift of at least \$1,000 and a specific written contribution requirement.
2. Advisory function. It will be clear to the donor and the advisor(s) that their function is advisory only, and that ultimate authority to direct distributions from the fund is vested solely in the Board. The Board may exercise Variance Power as described in the fund agreement to modify any restriction or condition on the distribution of assets, if circumstances warrant.
3. Disposition on termination. If a donor-advised fund is endowed, that fund is considered a permanent gift to Innovia, and upon the death, resignation or incapacity of the last advisor(s) to the fund, the assets of the fund will become a part of Innovia's unrestricted permanent endowment. If the principal balance of the fund exceeds \$10,000, the fund will continue to be maintained as a separate named endowed fund for discretionary purposes or as an area of interest fund if the donor or advisor(s) have specified in writing one or more broad areas of interest for the fund. The donor can make provisions in the fund agreement to transfer any remaining assets into another type of endowed fund at Innovia upon the death, resignation or incapacity of the last advisor to the fund.
4. Donor Advisor(s).
 - a. Individual funds. The donor may designate, in writing, one or more living adults as the advisor(s) or successor advisor(s) of the fund. One will be identified as the primary contact. Advisor(s) must be age 18 or older at the time of such succession and the fund balance at that time be \$10,000 or more.
 - b. Corporate funds. The Board of Directors of a corporate donor may designate one or more advisors to the fund for so long as the corporation retains its separate legal identity and actively conducts business in the area served by Innovia.

5. Grant guidelines. Innovia staff will communicate to the fund founder the following guidelines concerning distributions:
 - a. Grants recommended by advisor(s) must be to publicly supported organizations exempt from income tax under §501(c)(3) of the Internal Revenue Code (IRC), or for other public charitable purposes approved by Innovia, including publicly supported organizations exempt from federal income tax under IRC Section 170(c).
 - b. Due to the expense of processing each grant, grants must be at least \$250.
 - c. Grant recommendations may not be made to benefit any specific named individual.
 - d. Recommended grant recipient organizations can be located anywhere in the United States and may include qualified charitable organizations located in the United States that perform charitable work globally.
 - e. No grant recommendations may be made to fulfill any legally binding pledge or other agreement to make a gift by the donor, their advisor(s) or any other person, nor will it pay organizational membership dues of any individual or corporation.
 - f. Grant recommendations may not be made to secure benefits from the grant recipient.
 - g. Donors, advisor(s) and related parties may not receive grants, loans, compensation or similar payments from the fund.
 - h. Anti-hate Policy. Innovia will not make grants to organizations that Innovia knows or has reason to believe support or engage in hateful activities. Innovia will implement this policy through due diligence to ensure that hateful activities are identified, and steps are taken to avoid any Innovia support for them. Hateful activities is defined to mean activities that incite or engage in violence, intimidation, harassment, threats or defamation targeting an individual or group based on their actual or perceived race, color, religion, national origin, ethnicity, immigration status, gender, gender identity, sexual orientation or disability. These activities are contrary to Innovia's mission and its charitable purpose. Innovia relies on data crosschecked from various sources to determine if a nonprofit fits in one of these categories. Decisions regarding grant distributions from a donor-advised fund, and the investment of assets, are made at the sole discretion of Innovia in furtherance of its charitable mission.
6. Annual distributions from endowed funds. It is expected that the annual distributable income (as determined by Innovia's Endowment Distribution Policy and the terms of the specific fund agreement) will be distributed in annual grant/s advised by the donor, per Innovia's Fund Activity Policy referenced in Section 7. At the advice of the donor, a portion of the distributable amount may be reinvested upon approval of Innovia's CEO.
7. Fund Activity. The fund will be considered active in status when the fund file includes documentation of annual grantmaking or annual communication between Innovia and the donor, advisor(s) or successor advisor(s) of one or more acceptable types of grant activities as described in Innovia's Fund Activity Policy (available upon request).

8. Inactive funds. If advice about charitable distributions is not provided, Innovia will make a reasonable effort to obtain it from the advisor(s). If, after a year from when this effort was begun, Innovia is still not able to obtain this advice, the fund will be considered an inactive fund and a \$250 grant will be made to the Innovia Partnership Fund. If after three (3) years Innovia is still not able to obtain this advice, the advisory function will terminate. When the advisory function terminates, the fund will revert to an endowed fund as described in Section 3 of these policies.
8. Death, Incapacity of Resignation of the Advisor(s). Upon the death, incapacity or resignation of the advisor(s), the advisory function will terminate. At such time, the fund will revert to an endowed fund as described in Section 3 of these policies. At any time, the fund founder can make provisions in writing, including when the fund agreement is established, to transfer any remaining assets into an area of interest fund or a designated fund at Innovia, in the event the fund becomes inactive or upon the death, resignation or incapacity of the last advisor(s) to the fund.
9. Community engagement of advisor. The staff of Innovia will establish procedures from time to time for advisor(s) and Innovia staff or volunteers to discuss strategic community priorities and grantmaking opportunities and share ideas on projects and beneficiaries of particular interest.
10. Compensation to Innovia. Funds will be charged reasonable and fair fees for management, as established from time to time by the Board.
11. Amendment of guidelines. The Board reserves the right to amend these policies from time to time.
12. Variance. Gifts to a fund shall be subject to the governing instruments and policies of Innovia including the power to modify gift restrictions that become unlawful, impracticable, impossible to achieve or wasteful. The Board may modify distributions of the whole or any part of the principal or income of the fund if, in its reasonable judgment, one or more of these conditions exist. To the extent practicable, any modification must be made in accordance with the fund founder's probable intent.
13. Copy of policies to fund founders. Since all gifts of every nature to Innovia are subject to the general policies of Innovia, each fund founder of a fund will be requested to acknowledge receipt of a copy of Innovia's **Policies and Guidelines Applicable to Donor-Advised Funds**.