



**Valley Public Radio
Endowment Policy**

As of 2/11/2020

Mission:

"Expanding your world through voices and sounds that inform and inspire."

Vision:

"We are bridging artistic expression and diverse perspectives of our community."

INTRODUCTION

Valley Public Radio is a leading provider of news, music and entertainment content for California's San Joaquin Valley. The station serves residents of Fresno, Kern, Kings, Madera, Merced, Mariposa and Tulare counties over KVPR 89.3 (Fresno) and KPRX 89.1 (Bakersfield). The station's programming includes local and NPR News, classical music and entertainment programming. The station was founded in 1975, is a community licensee, and is operated by White Ash Broadcasting, Incorporated. Valley Public Radio is a NPR member station. The station celebrated the opening of its new broadcast center in Clovis, CA in May 2016.

The White Ash Broadcasting Board of Directors has adopted the following policy governing the management of endowment funds, the operation of the station's Investment Committee, and the acceptance of endowment gifts. This policy works in concert with the organization's Investment Policy Statement (IPS), which reduces the Committee's fiduciary risk and liability by memorializing prudent investor rules, investment objectives, constraints, and the ability to retain the services of professional advisors. The IPS provides a defined process to all parties.

VALLEY PUBLIC RADIO ENDOWMENT FUND POLICY

Endowments established by Valley Public Radio with gifts received from donors shall be subject to and managed according to the guidelines set forth herein by the Board of Directors, the Finance Committee and the Investment Committee. Any change in the provisions of this policy may be made only upon a resolution by a majority vote of all the incumbent Directors of the Board of Valley Public Radio.

Endowment Fund Defined

Under California law, "endowment fund means an institutional fund or part thereof that, under terms of a gift instrument, is not wholly expendable by the institution on a current basis. The term does not include assets that an institution designates as an endowment fund for its own purpose" (Probate Code Section 18502 [b]).

Gift Instrument

A "gift instrument" that establishes an endowment sets the terms and conditions of the gift and is a "record" that contains information inscribed on a tangible medium or stored electronically, including an institutional solicitation under which property is given, or governing documents, such as bylaws. Such a record of each endowment should be retained permanently.

To facilitate the management of endowments, a donor wishing to make an endowment contribution to Valley Public Radio will be asked to sign and date a brief document that sets forth clearly the amount of the contribution and any and all restrictions and terms that the donor intends with respect to the principal of the endowment. Valley Public Radio will provide upon request a form for the convenience of the donor and offer any assistance requested in completing such a document. The Finance Committee shall review the instrument and, if it approves, indicate its acceptance of the gift on behalf of Valley Public Radio by the chairperson's signing and dating the document. The gift instrument shall be retained by Valley Public Radio permanently in physical or electronic form.

Gift Acceptance Policy

Gifts to Valley Public Radio are encouraged from our donors during lifetime or at death by will, trust, or deferred gift. The amount of a gift that can be claimed as a tax deductible charitable contribution shall be determined by the donor and his or her tax advisors according to current applicable laws and regulations. Valley Public Radio shall provide appropriate letters of receipt acknowledging such gifts. However, you may be required to obtain a qualified appraisal concurrent with your gift in support of your contribution for tax purposes. Valley Public Radio does not provide legal or tax advice to prospective donors. Valley Public Radio reserves the right to reject gifts that would violate this or other station policies, state or federal laws, or would not be in the interest of the station.

Valley Public Radio encourages, welcomes and will accept a broad range of gifts, subject to the following conditions:

a) Cash

Gifts in the form of cash or checks are encouraged. All checks should be made payable to White Ash Broadcasting, Inc., or Valley Public Radio.

b) Publicly Traded Securities and Mutual Funds Shares, ETF Shares, MLP Shares

Securities that are traded on the New York Stock Exchange, American Stock Exchange, NASDAQ, and other principal exchanges, or other readily marketable securities, may be accepted by Valley Public Radio, including mutual fund shares. The donor should realize that such securities might be sold immediately by Valley Public Radio. In some cases conditions may need to be satisfied prior to Valley Public Radio's acceptance of any such gift.

c) Closely Held Securities

Non-publicly traded or closely held securities may be accepted. In some cases certain conditions may need to be satisfied before Valley Public Radio's acceptance of the securities.

d) Real Property

Valley Public Radio is interested in receiving gifts of real property, but due to restrictions and contingent and potential liabilities, any donation shall be subject to review and approval of the Finance Committee. In some cases, conditions may need to be satisfied prior to Valley Public Radio's acceptance of any such gifts.

e) Other Property

Other property of any description, including secured notes, copyrights, royalties, easements, whether real or personal, shall be subject to review and approval by the Finance Committee. In some cases, conditions may need to be satisfied prior to Valley Public Radio's acceptance of any such gifts.

f) Gifts by Will, Trusts, or Foundations

Such gifts are encouraged and such bequests to Valley Public Radio should be made to White Ash Broadcasting, Inc., d.b.a. Valley Public Radio in order to qualify for the charitable deduction and to insure that gift is received as directed. Your professional advisors are urged to coordinate with Valley Public Radio regarding the nature and structure of the intended bequest. Because of concerns about restrictions and contingent liabilities, bequests of property other

than cash from the estates of deceased donors shall be subject to review and approval of the Finance Committee.

g) Charitable Remainder Trusts

Valley Public Radio encourages the use of Charitable Remainder Trusts, but at this time, is not able to serve as trustee of any such trust. However, the donor should be advised that there are independent trust administrator firms, such as the Central Valley Community Foundation, available to manage the trust for you, and Valley Public Radio will make every effort to coordinate and cooperate with such trustee as the donor selects.

h) Deferred Gifts

Valley Public Radio is interested in receiving other deferred gifts, such as pooled income funds, life estate gifts, retirement benefits and life insurance policies, but all such gifts are subject to the review and approval of the Finance Committee.

Payment of Fees Related to Gifts

Valley Public Radio does not receive and/or pay any fee or commission to any professional advisor, accountant, lawyer, or broker on account of gifts and bequests to Valley Public Radio.

Management of Principal and Use of Endowment Funds

Gifts received by Valley Public Radio from donors who wish to establish an endowment by a gift instrument shall be preserved, managed and used as provided by this policy. The Board of Directors shall be responsible for the implementation of this policy and shall fully comply with the California Uniform Prudent Management of Institutional Funds Act of Jan 1, 2009 (Probate Code Sections 18501-18510), the California Uniform Principal and Income Act (Probate Code Sections 16320-16375), and the California Prudent Investment Act (Probate Code Sections 16002 [a], 16003, and 16045-16054).

“Principal” shall be defined for this policy as set forth in the Uniform Prudent Management of Institutional Funds Act and the guidelines provided therein. The principal of each endowment fund shall be permanently restricted and any income or interest may be temporarily restricted, reserved, or used for the operations or other uses of Valley Public Radio as approved by the Board of Directors by a majority vote.

“Income” for the purpose of this policy shall include all earnings from interest, ordinary dividends, capital gains distribution, net rental, or other passive income. The Board of Directors shall comply with state and federal laws requiring minimum distributions applicable to non-profit organizations as well as the laws relating to maximum distributions that are presumptively excessive. Under this policy the Board of Directors retains full discretion with respect to principal and income of the endowments that are consistent with the laws governing such funds.

Legacy Society

The Legacy Society Endowment Fund will be established by contributions from donors wishing to join the Legacy Society. Initial contributions of \$1000 will constitute the principal of the Legacy Society Endowment Fund and shall go to the endowment fund of the donor’s choice. Thereafter annual gifts of \$250 or more are made and 50% goes to the endowment fund of the donor’s choice and 50% to the operations of Valley Public Radio.

Investment Committee

The Board of Directors of Valley Public Radio shall govern investment of all endowment funds with recommendations from the Investment Committee. At such time as the total of all endowment funds is equal to or greater than \$50,000, the Board of Directors shall appoint the Investment Committee to manage the endowment funds and report periodically to the Board. The Investment Committee shall be guided by the prudent investor standard of fiduciary responsibility in carrying out its duties and obligations in accordance with the California laws noted above and this policy.

Nothing herein shall subject the Board of Directors, its officers, employees, members of the Finance Committee or members of the Investment Committee to personal liability unless such liability is the result of gross negligence or intentional wrongdoing.

Any financial advisor retained or used by the Investment Committee shall be a registered SEC Investment Advisor.

The Investment Committee shall consist of three (3) but not more than seven (7) members, and shall be appointed by the Nominations Committee. At least one Investment Committee member shall have expertise in financial matters, including investments, financial services and products. The General Manager of Valley Public Radio, and the finance director/business manager shall act as members of the Investment Committee.

RESPONSIBILITIES OF THE BOARD

- The Board has primary responsibility for the Fund.
- The Board is responsible for the development, adherence, and any future modification to the IPS.
- The Board is responsible to set an appropriate asset allocation and investment objective.
- The Board is responsible for hiring an outside Advisor and other vendors to provide professional expertise. The Committee will monitor the performance of the Advisor and other vendors. The Board has the sole authority to terminate the services of the Advisor, or other vendors, for violating the IPS, or for any other pertinent reason.
- The Board is authorized to retain the services of a consultant to assist in the duties and responsibilities described above.

Investment Policy

An investment policy will be followed that is based on the recognition that in any economy or over any appreciable time period there will probably be an inflationary loss of purchasing power of a dollar of an endowment donation. However, Valley Public Radio will seek to invest the principal of endowment funds in such a way that they may grow by an amount equivalent to or in excess of the rate of inflation. Because over time diversified equity investments have grown through appreciation and dividends somewhat faster than inflation, they provide the best hedge against inflation and deterioration of the base. Therefore, endowments will be managed on a total return basis with an allocation between equities and fixed-income investments. Accordingly, the Investment Committee shall be governed by the following policy that may be revised by the Board of Directors from time to time by a majority vote of all incumbent directors:

Spending Policy

No less than once during the fiscal year of Valley Public Radio's planning and budgeting, the Board of Directors shall review permanently restricted funds and approve the transfer of annual income to temporarily restricted fund status. Temporarily restricted funds will be reviewed and approved by the Board of Directors for their use in operations or other purposes limited by any and all restrictions and terms that the original donor intended.

The above policy and guidelines were adopted as amended by the Board of Directors on February 11, 2020, after adoption on April 20, 1999 and being amended on December 15, 2009 and October 14, 2013.