

**RESOLUTION TO CREATE THE FAYETTE COUNTY PUBLIC
EDUCATION FOUNDATION AS A COMPONENT OF BLUE GRASS
COMMUNITY FOUNDATION**

WHEREAS, the Fayette County Board of Education (the “Board”) desires, in compliance with the Kentucky State Auditor’s recommendations, to implement policies and procedures to ensure oversight of its charitable trusts and funds, including accounting controls, funds disbursement and compliance with donor intent;

WHEREAS, the Board desires to create a structure to organize, integrate, support and grow the charitable funds and grant making activity of the Fayette County Public Schools (FCPS) in compliance with national best practice standards;

WHEREAS, Blue Grass Community Foundation (the “Community Foundation”), founded in 1967 as Kentucky’s oldest community foundation, currently has \$72 million in charitable assets under management, comprised of 428 charitable funds and foundations, and in 2014, had contributions to funds at the Community Foundation totaling \$15.5 million and grants from Community Foundation funds of \$16.9 million;

WHEREAS, the Community Foundation currently holds three charitable funds for the benefit of FCPS, including the following:

- Innovation in Public Education Fund, which promotes world class achievement for all public school students in Fayette County through the funding of innovative projects, partnerships and ideas. All grants from this fund are currently awarded through the competitive teacher mini-grant program. This is an endowed charitable fund with current assets of \$185,866.61.
- William Ezzell PTA Scholarship Fund, which awards scholarships annually to graduating seniors from high schools in Fayette County. This is an endowed scholarship fund with current assets of \$50,052.50 and a spendable balance of \$3,843.70.
- David C. Humphreys Memorial Fund, which was originally a trust established in 1911 at Security Trust Company for the benefit of the West End Model School. This trust, formerly held at JP Morgan Chase, was recently terminated by court order and the assets transferred to a newly established charitable fund at the Community Foundation to carry out the donor’s charitable intent to benefit FCPS students. This is an endowed charitable fund with assets of \$142,000.

WHEREAS, the Community Foundation has experienced staff, including three attorneys, two accountants and specialists in grant making, scholarship administration and nonprofits;

WHEREAS, funds of the Community Foundation, including the proposed FCPS Education Foundation, are independently audited annually;

WHEREAS, all fund activity, including contributions and grants, is reported annually on the Community Foundation's IRS Form 990;

WHEREAS, the Board would have 24 hour online access to all fund activity of its FCPS Education Foundation, including contributions, investment earnings and grants, with separate accounting and statements for each individual charitable fund that comprises the Fayette County Public Education Foundation;

WHEREAS, the Board has determined that the most effective and efficient solution is to establish the Fayette County Public Education Foundation as a component fund of Blue Grass Community Foundation, and consolidate all school district-related trusts, charitable funds and grant making activity into the new Foundation;

WHEREAS, this structure utilizes the expertise, oversight, staff support and legal status of Blue Grass Community Foundation, which is a nationally certified community foundation with 501(c)(3) charitable status;

NOW THEREFORE BE IT RESOLVED THAT the Fayette County Board of Education enter in to a fund agreement with Blue Grass Community Foundation to create the Fayette County Public Education Foundation, as a permanent endowed component fund at Blue Grass Community Foundation;

BE IT FURTHER RESOLVED THAT any charitable assets (including payouts from charitable trusts) currently held in FCPS accounts, be immediately transferred to the Fayette County Public Education Foundation;

BE IT FURTHER RESOLVED THAT a Fayette County Public Education Foundation Advisory Committee ("Advisory Committee") to the Fayette County Public Education Foundation be promptly established in accordance with the Community Foundation bylaws, policies and procedures. The Advisory Committee, recommended by the administration and appointed by the Board, shall consist of, at a minimum, the Fayette County Board of Education Chair or his/her designee; one (1) Fayette County Public School Principal; and (3) community volunteers. The Advisory Committee shall be staffed by the Community Foundation.

ADOPTED on THIS Fifteenth day of December, 2014

STAFF CONTACT: Mary Wright, 381-4165

POLICY REFERENCE: 01.11 – General Powers and Duties of the Board

RECOMMENDATION: A motion is in order to:

“adopt the Resolution regarding the creation of a Fayette County Education Foundation as a component of the Blue Grass Community Foundation.”