

## IX. RELATION BETWEEN FMMC AND THE FMMC FOUNDATION

The FMMC Foundation is a subsidiary corporation of the Friday Morning Music Club and operates under the Club's oversight as outlined below.

### A. Trustees

1. The Friday Morning Music Club (FMMC) Nominating Committee shall review eligibility requirements of the nominees for the Friday Morning Music Club Foundation.
2. The Nominating Committee shall submit to the FMMC Board of Governors the slate of nominees to the Foundation's Board of Trustees, as well as the nominees for the Foundation's Director, the Competition Chairman, and the Treasurer of the Foundation, at the same time it submits the slate of nominees for the FMMC Board of Governors, i.e., not later than two months prior to the annual business meeting of the FMMC membership. The slate should be accompanied by a written report verifying the committee's certification of eligibility for all nominees, as stated in the FMMC Bylaws, Article XI and the FMMC Foundation Bylaws, Articles IV, V, VI and VII.

### B. Fundraising

Prior to implementation of any fundraising effort or event, the Foundation shall submit to the FMMC Board of Governors a written plan describing the event or effort and include a detailed budget of revenues and associated costs.

The FMMC Board of Governors shall submit a written response to the Foundation within three weeks from the date of plan submission.

### C. Gifts, Bequests, Legacies, and Devises

Prior to acceptance of any gift, bequest, legacy, and devise, except for cash given without stipulation, the Foundation shall submit copies of written communications and trust or fund instruments associated with such gifts, bequests, legacies, and devises, to the Finance Committee of the FMMC Board of Governors, or other committee that is established by the FMMC Board of Governors for oversight of Foundation financial operations.

The FMMC Board of Governors shall submit a written response to the Foundation within a time period stipulated by the parties involved.

### D. Financial Oversight and Reporting:

1. The FMMC Foundation shall submit full written reports of all Foundation financial transactions. At a minimum, these reports shall include a Statement of Financial Position (Balance Sheet), a Statement of Financial Activities (Income Statement), a listing of property acquisitions, a copy of Federal Form 990, a listing of investment transactions, and a summary of acceptance of gifts, bequests,

legacies, and devises. The Statement of Financial Activities shall show both quarterly and year-to-date results of operations for both unrestricted and restricted funds.

2. Copies of these reports shall be submitted to the Finance Committee of the FMMC Board of Governors or other committee that is established by the FMMC Board of Governors for oversight of Foundation operations. The reporting periods and respective due dates are as follows:

<u>Quarter Ending</u>	<u>Reporting Due Date</u>
September 30	October 21
December 31	January 21
March 31	April 21
June 30	August 1

3. The Foundation shall submit interim financial reports as requested by the FMMC auditors and for joint or special meetings of both Boards. Such requests shall be submitted to the Foundation no later than three weeks prior to the date of such meetings.

4. In cases in which bequests to the Foundation involve an outside Trustee, a member of the Friday Morning Music Club Finance Committee should be present at all meetings with such Trustees. Copies of reports from outside Trustees made to the Foundation shall be included in reports to the Finance Committee of the FMMC Board of Governors or other committee that is established by the FMMC Board of Governors for oversight of Foundation operations.

E. Annual Audit of Foundation's Annual Financial Statements

The FMMC Board of Governors shall appoint an Audit Committee composed of five members. These members should include the FMMC Director of Finance, the FMMC Treasurer, the Director of the Foundation and two other members of the Foundation Board of Trustees, excluding the Foundation Treasurer. This Committee shall select an outside auditing firm or team of auditors for the audit or review of the Foundation's annual financial reports. The costs of such audit shall be borne by the Foundation. The Audit Committee shall consider the financial constraints of the Foundation when selecting the auditor(s).

The FMMC Board of Governors shall approve the auditor(s) at the annual spring joint meeting. The Foundation's annual audited financial statements shall be presented to the FMMC at a fall meeting and printed in a fall Newsletter issue.

F. General Oversight Provisions

1. The FMMC Treasurer and Finance Director shall be available for technical or procedural consultation in all financial matters. Questions and/or requests directed to the Foundation to clarify financial reporting matters shall be honored and/or resolved in a timely matter.
2. The Foundation shall acquire Directors and Officers Liability Insurance. This coverage may be obtained as a separate policy or the FMMC policy shall be amended to cover the Foundation as a separately incorporated subsidiary. With either option, the cost of such coverage shall be borne by the Foundation. This coverage may not be cancelled without the express approval of the FMMC Board of Governors.