

Library Foundation of Hillsboro  
Funds Definition Resolution  
August 23, 2018 Board Meeting

This resolution supersedes and clarifies the Endowment Funds Resolution accepted by the Board on December 1, 2016.

Based on the recommendation of tax advisor, Paul Sander, CPA, at Fordham Goodfellow, the funds for the Library Foundation of Hillsboro are defined as:

**Permanently Restricted Net Assets** – Contributions to the Endowment Fund restricted by the donors to be invested to provide a permanent source of income for the Library. These funds are to be separately identified in the accounting records and are currently invested in the Columbia Trust Account.

The Foundation is a Type III Non-Functionally Integrated Supporting Organization and the amount given to the library is based on the Functionally Integrated Test. The minimum amount to be given is the greater of (1) 85% of the Adjusted Net Income or (2) 3.5% of the Aggregate Fair Market Value of the organization's non-exempt use assets which in the Foundation's case are the Permanently Restricted Net Assets.

**Unrestricted Assets** – All assets and contributions that are not restricted by the donor