



SIG TAU

FOUNDATION

Policy Manual

Sigma Tau Gamma Foundation, Inc.
Board of Trustees

Version: 2018.2
Date: February 10, 2018

Sigma Tau Gamma Foundation, Inc.
Board of Trustees Policy

Title: MODIFYING, RELEASING, AND DISSOLVING RESTRICTED FUNDS
Enacted: February 10, 2018
Number: 07.07

The following Policy directs how a restricted fund may be modified, released, or dissolved:

1. By the Donor and Foundation. Subject to approval by the Foundation, every donor to a restricted fund may agree in writing to modify or terminate the restriction. Disbursements of monies from any fund shall be restricted to those purposes permitted within the Internal Revenue Code and Internal Revenue Service Guidelines for public educational foundations described in Section 501 (c) (3) of the Code.
2. By the Foundation. The Foundation can modify or remove a restriction subject to this policy, applicable law and any written gift instrument establishing a restricted fund between the Foundation and a donor based on the following two guiding principles:
 - a. To facilitate this process, any restricted fund agreement between the Foundation and a donor should contain the following language or something substantially similar:

If at any time in the future the specific purpose, program, or use of the restricted fund no longer exists, no longer serves the objectives and purposes of the Foundation, would adversely affect the Foundation, jeopardizes the Foundation's exemption under section 501(c)(3) of the Internal Revenue Code (or comparable provisions of any federal income tax statutes that are subsequently enacted), or if the Chair determines that fulfilling the purpose of the restricted funds becomes impracticable,

inappropriate or impossible to implement, then he shall seek action by the Board of Trustees. If a majority of the Trustees determine that one of the conditions above make fulfilling the purpose of the restricted fund impracticable, inappropriate, or impossible to implement, then the Donor hereby, and now, agrees that the Foundation may remove or revise the restriction on the fund and use the fund's assets for such purposes most in keeping with the purpose of the original restricted fund, as outlined in this agreement and approved by a majority of the Trustees. If there is any doubt as to what such purpose should be, the Donor hereby agrees that the income from the fund may be used for scholarships pursuant to the policies of the Trust's scholarship program.

- b. If at any time in the future the specific purpose, program, or use of the restricted fund no longer exists, no longer serves the objectives and purposes of the Foundation, would adversely affect the Foundation, jeopardizes the Foundation's exemption under section 501(c)(3) of the Internal Revenue Code (or comparable provisions of any federal income tax statutes that are subsequently enacted), or if the Chair determines that fulfilling the purpose of the restricted funds becomes impracticable, inappropriate or impossible to implement, then he shall seek action by the Board of Trustees. If a majority of the Trustees determine that one of the conditions listed above has been met and fulfilling the purpose of the restricted fund becomes impracticable, inappropriate, or impossible to implement, then the Foundation may remove or revise the restriction on the restricted fund and use the fund's assets for such purposes most in keeping with the purpose of the original restricted fund, as approved by a majority of the Trustees. If there is any doubt as to what such purpose should be, the Trust will review any written gift instrument to determine donor intent.
3. By Law. The Foundation or a Donor may employ any available legal remedies to modify or release a restriction.