

WEST VIRGINIA FIRST FOUNDATION, INC.

Notice of Questions and Responses Regarding Requests for Proposals

Dated: January 19, 2024

This notice provides the responses of the West Virginia First Foundation, Inc. (the “Foundation”), to questions submitted by respondents related to its requests for proposals for Banking Services, Accounting and Tax Services, and Investment and Advisory Service. The foregoing requests for proposals were issued on December 15, 2023. The responses from the Foundation are intended to provide clarity and general guidance to respondents in the preparation of their proposals. The Foundation’s responses are general in nature and for informational purposes only. The Foundation’s responses shall not be construed in any way as a directive or modification of the related RFP. The Foundation’s responses are not expressly intended for the respondent presenting the question and therefore the responses shall be used for informational purposes only.

This notice cites questions from respondents. Certain similar questions have been combined into one question. Questions are organized based on the request for proposals for which they were submitted. References to other responses (e.g., “See response to Question No. 14”) refer to other responses in that section. The names of the submitting respondents have been removed.

Definitions:

“MOU” means the West Virginia First Memorandum of Understanding entered into by and among the State of West Virginia, counties, cities, villages, and towns located within the geographic boundaries of the State of West Virginia.

“Governing Documents” means the Articles of Incorporation for the Foundation, the Bylaws of the Foundation, and rules and policies promulgated by the Foundation. For clarity, the MOU provides many of the provision that are included in the Governing Documents.

I. BANKING

1. Requesting notice of any modification to the RFP.

RESPONSE: As of January 19, 2024, the only modification to the RFPs relates to the schedule of deadlines. All modifications to the RFPs will be posted to the website.

2. What is the anticipated account balance in the operating account?

RESPONSE: The initial account balance as of January 1, 2024, is approximately \$218,000,000. The balance of the operating account will depend on the day-to-day needs of the Foundation and will fluctuate from time to time.

3. Will deposits be made on a regular schedule? If so, how often and by what method, ACH, Wire, Check, or Cash?

RESPONSE: Deposits will be made pursuant to the MOU and the Governing Documents of the Foundation. Otherwise, the Foundation does not anticipate regular deposits except for transfers to a payroll account or an operating account for day-to-day operating expenses, expenditures, and a grant distribution account.

4. Will the Foundation be processing payroll?

RESPONSE: Yes, once employees of the Foundation are identified and hired.

5. How many disbursement accounts are anticipated?

RESPONSE: At this time, the Foundation anticipates three disbursement accounts: (1) general operating account; (2) payroll account; and (3) an account to issue grants and similar disbursements.

6. What Online banking functionality do you anticipate needing and how will funds be disbursed?
- a. ACH
 - b. Wire
 - c. Positive Pay

RESPONSE: The Foundation anticipates needing a complete online bill paying and credentialing system. Funds will be disbursed using ACH, wires, and checks.

7. Will you require any SFTP connections for data exchanges? If so please describe.

RESPONSE: Yes, the Foundation anticipates developing SFTP in conjunction with the selected firm(s).

8. Do you anticipate using Remote Deposit Capture?

RESPONSE: Not at this time.

9. Can you provide 2-3 months of current bank statements?

RESPONSE: Financial reports have been published on the Foundation's website.

10. This sounds like services provided by a bank's Cash Management/Treasury Solutions unit, would you agree and not an Agency & Trust/Corporate Trust or Custody division within the bank?

RESPONSE: The Foundation has issued two separate RFPs, one for banking services and one for investment services. The Foundation anticipates and will accept contingencies related to providing either or both of the services, but the Foundation initially requests that the responses be in accordance with the RFPs. If, for example, certain banking services are contingent upon obtaining investment services, then that contingency should be clearly identified in the response to both RFPs.

11. If so, would you envision the investment portfolio of holdings being part or rolling up into these Banking related accounts or could they be separate in an escrow, trust or custodial account?

RESPONSE: The Foundation anticipates holding as much of the portfolio for as long as it reasonably can in the investment account(s) to maximize the return on the portfolio to the Foundation. The payroll account will maintain a minimum balance and be used for processing payroll activities, including paper payroll checks, tax deposits, direct deposit payroll, benefit withdraws, etc. Funds will be transferred to the payroll account as needed, either from the investment account or the operating account. The operating account will maintain a cash balance of 90 days of operation, and will be used for the payment of day-to-day operating expenses and expenditures. Funds will be transferred to the operating account as needed to maintain the operating reserve amount. The grant account will be maintained with a minimum balance and will essentially be used as a clearing account for the disbursement of grants and requests from the Foundation. Funds for the grant account will be transferred as needed from the investment account. At this time, the Foundation cannot estimate the volume of transactions that will be processed through the Foundation accounts each year.

12. How do the operating, payroll, and grant accounts relate to the portfolio of assets, are they zero balance accounts, what is the payroll account, operating account, and grant accounted needed for, if for disbursements how are they coming out of these accounts, and what are the anticipated volumes and average balances?

RESPONSE: See response to Question No. 11.

13. Provide some additional details of what they are defining as a nontraditional gift under “value, manage and, if necessary, dispose of nontraditional gifts.”

RESPONSE: The Foundation may receive nontraditional gifts such as marketable securities, artwork, or ownership in closely held companies. These nontraditional gifts will have to be handled and, at some point, liquidated to maximize the benefit to the Foundation. The Foundation may receive grants and funds from third parties above and beyond the disbursements from the qualified settlement fund. The Foundation also anticipates receiving funds from other foundations, testamentary bequests, grants, and other various sources of funding.

14. Anticipated average balance(s) in the General checking account(s).

RESPONSE: The operating account should maintain 90 days of general operating expenses. The payroll account should be a de minimis amount for maintenance of the account. The grant account should be a de minimis amount until grant funds are transferred from the investment accounts for disbursement.

15. Anticipated # of Credits (deposit tickets, ACH/electronic Credits, In-coming wire transfers) per month.

RESPONSE: At this time, the Foundation cannot estimate the number of credits per month. The Foundation does not anticipate receiving monthly credits in its first year of operation.

16. Anticipated # of Debits (checks written, ACH/electronic Debits, Out-going wire transfers) per month.

RESPONSE: This depends on a number of unknown items at this time including, but not limited to, the number of employees, the timing of processing grants, and expenses of the Foundation. The Foundation anticipates that initially most disbursements will be ordinary operating expenses, such as rent, utilities, supplies, etc., until such time as the grant application, vetting, and approval processes are implemented.

17. Anticipated # of Deposited items (checks deposited) per month.

RESPONSE: At this time, the Foundation cannot estimate the number of deposited items per month. The Foundation does not anticipate many deposits in its first year of operation.

18. Section C.6. of the RFP asks the question: “Describe your capabilities regarding the ability to value, manage, and, if necessary, dispose of nontraditional gifts.” Can the board provide more context for this question? Is it the expectation of the board that the foundation will be accepting additional funds from other parties above and beyond the disbursements from the qualified settlement fund?

RESPONSE: See response to Question No. 13.

19. Are the funds of the Foundation considered to be public funds under the state code of West Virginia, and therefore require the collateralization customary for public funds?

RESPONSE: The Foundation does not consider its funds to be public funds as defined under the State Code of West Virginia. However, due to the duties of the Foundation under the MOU and its Governing Documents, the Foundation will require collateralization of funds. Additionally, the Directors of the Foundation are held to a fiduciary standard for investment, and that standard is a reasonably prudent director investment standard. The Directors of the Foundation will be relying upon the selected Investment Advisor to assist in the development of the investment policy to ensure compliance with this standard.

20. Both the investment management RFP and the banking services RFP list a deadline of January 26, 2024 to submit responses. Is there a specific time that date to have responses submitted?

RESPONSE: Responses must be submitted at or before 11:59 pm on January 26, 2024.

II. INVESTMENT

1. Please provide the estimated number of annual or monthly transactions/distributions the Firm selected will be required to process. (Checks and ACH).

RESPONSE: At this time, the Foundation cannot estimate the number of annual or monthly transactions/distributions the firm selected will be required to process.

2. Will the Foundation account be a long-term perpetual fund, or will it be paid down at the end of year 10 or some point in the future? If paid down what would be the approximate timeline?

RESPONSE: The Foundation intends to be perpetual. The Foundation anticipates distributing a yet to be determined amount every year. The Foundation is anticipating and expecting to grow the principal through capital appreciation, additional grants, and other sources.

3. The RFP states that the firm selected will be asked to help develop an Investment Policy Statement. Does the Finance Committee have a particular asset allocation that they would like to see implemented (% in Equities, Fixed income, Money Market etc....) and are there any investment or administrative restrictions as to liquidity or asset classes that would apply to this account?

RESPONSE: The Directors of the Foundation are held to a fiduciary standard for investment, and that standard is a reasonably prudent director investment standard. The Directors of the Foundation will be relying upon the selected Investment Advisor to assist in the development of the investment policy to ensure compliance with this standard. The goal of the Foundation will be to grow the corpus of the Foundation prudently. Therefore, an allocation that creates the best possible return on a total return basis (both income generated and capital appreciation) while at the same time, limiting the risk to the Foundation's corpus.

4. What does the timing of distributions from the Foundation to the regions look like? For example, what percent of money in the Foundation would you expect to distribute in years 1, 2, 3, etc.?

RESPONSE: Under the MOU, the Foundation has certain mandatory distributions to the regions for the first seven years. The Foundation anticipates that there will be additional distributions and expenditures from the Foundation to the regions based upon the various grant applications, evaluations, and approvals. These distributions will be in addition to the day-to-day operating expenditures of the Foundation.

5. What is the anticipated timing of additional settlement funds to the Foundation? Will they be awarded to the investment advisor(s) on a pro rata basis, and do you still anticipate the total awards to eventually approximate \$1 billion?

RESPONSE: The Foundation anticipates receiving the following disbursement of settlement funds: (i) \$30,000,000 in 2024; (ii) \$30,000,000 in 2025; (iii) \$45,000,000 in

2026; (iv) \$45,000,000 in 2027; and (v) additional annual payments through 2036. The Foundation anticipates placing these additional funds with the Investment Advisor(s) consistent with the previously discussed utilization of funds.

6. Do you envision a grant application process in order to award funds to the regions from the Foundation?

RESPONSE: In addition to the mandatory disbursements to the regions required under the MOU, the Foundation envisions a grant application process in order to award funds to the regions from the Foundation. The Foundation is currently developing its grant application process, granting procedures, and other procedures for the disbursement of funds.

7. Would you expect the Foundation to have one or two pools of assets, one short duration pool/highly liquid to fund distributions in the near term and a second long-term pool invested in a diversified portfolio of equity, fixed income and even alternative investments with the objective of long-term growth?

RESPONSE. The Foundation anticipates having the assets and investments of the Foundation structured in such a manner by the Investment Advisor to maximize the Foundation's return on those funds on a total return basis and to meet the requirements and expectations of the MOU and Governing Documents of the Foundation.

8. Would additional information on services such as custody, fund accounting and grants administration be helpful?

RESPONSE: Yes, you may expound on all of the services that your organization can provide to buttress the investment, banking, or combined services you are offering.

9. Does the organization have any insight into what the draw (spend rate) will be, short- and long-term?

RESPONSE: The Foundation intends to be perpetual. The Foundation anticipates distributing a yet to be determined amount every year. The Foundation is anticipating and expecting to grow the principal through capital appreciation, additional grants, and other sources. The Directors of the Foundation are held to a fiduciary standard for investment, and that standard is a reasonably prudent director investment standard. The Directors of the Foundation will be relying upon the selected Investment Advisor to assist in the development of the investment policy to ensure compliance with this standard, the MOU, and the Governing Documents of the Foundation. The goal of the Foundation will be to grow the corpus of the Foundation prudently while meeting the goals and requirements of the MOU and its Governing Documents. Therefore, an allocation that creates the best possible return on a total return basis (both income generated and capital appreciation) while at the same time, limiting the risk to the Foundation's corpus is anticipated.

10. Any visibility into the receipt of additional abatement funds?

RESPONSE: The Foundation anticipates holding as much of the portfolio for as long as it reasonably can in the investment account(s) to maximize the return on the portfolio to the

Foundation. The payroll account will maintain a minimum balance and will be used for processing payroll activities, including paper payroll checks, tax deposits, direct deposit payroll, benefit withdrawals, etc. Funds will be transferred to the payroll account as needed either from the investment account or the operating account. The operating account will maintain a cash balance of 90 days of operation. The operating account will be used for the payment of day-to-day operating expenses and expenditures. Funds will be transferred to the operating account as needed to maintain the operating reserve amount. The grant account will be maintained with a minimum balance and will essentially be used as a clearing account for the disbursement of grants and requests from the Foundation. Funds for the grant account will be transferred as needed from the investment account. At this time, the Foundation cannot estimate the volume of transactions that will be processed through the Foundation accounts each year.

11. Do you have an idea of how many firms have expressed interest in submitting an investment management and advisory services proposal?

RESPONSE: The deadline for the submission of proposals has not yet passed.

12. Is there a scoring methodology that is being used to cull down the list? If so, are you willing to share it?

RESPONSE: The Foundation has established a review process for reviewing and analyzing the responses consistent with the MOU and its Governing Documents.

13. Regarding your need of IPS development and defining Audit/Committee roles. Has any progress been made on either front?

RESPONSE: See response to Question No. 9. The Audit and Finance Committee roles are described in the MOU and Governing Documents of the Foundation.

14. Can you please confirm if the Foundation is seeking advisory or discretionary services?

RESPONSE: The Foundation Directors will entertain proposals for either advisory or discretionary services; however, the Directors of the Foundation are bound by a fiduciary duty to preserve and grow the assets without putting them in unnecessary jeopardy.

15. Is there an existing Investment Policy Statement in place and, if so, can you share that IPS?

RESPONSE: See response to Question No. 9.

16. Is it possible to see the current portfolio as structured today?

RESPONSE: The Foundation does not currently have a portfolio structure, except as provided by the custodial institution holding the Foundation's assets and funds in anticipation of awarding the contract(s) for Investment and Advisory Services.

17. What is the AUM available for direct management by the submitting manager ?

RESPONSE: It is anticipated that the AUM available for direct management by the submitting manager will be approximately \$218,000,000 upon transfer to the Investment Advisor, less operating expenses and reserves. The AUM will increase through appreciation, investments, grants, other sources, and subsequent tranches of settlement funds to be distributed to the Foundation and will decrease through operating expenses and expenditures, the issuance of grants, and compliance with the MOU.

18. Is the sole role of an investment manager being considered for this mandate?

RESPONSE: The Foundation has issued two separate RFPs, one for banking services and one for investment services. The Foundation anticipates and will accept contingencies related to either of the services, but the Foundation initially requests that the responses be in accordance with the RFPs. If, for example, certain banking services are contingent upon obtaining investment services, then that contingency should be identified in the response.

19. Asset Allocation - Can you provide any additional clarity as to how the funds are currently invested?

RESPONSE: See response to Question No. 16.

20. Do you currently have an IPS that you could share for us to study or is the intent that the winning firm will collaborate with you to create this document? If you do not have an IPS, we have significant experience and expertise in collaborating with our clients to develop highly effective and highly efficient investment policy statements. Once an IPS is drafted, we often find the document evolves, via an iterative process, over time to optimize returns for our various clients important missions.

RESPONSE: See response to Question No. 9.

21. Has the Board/Committee decided if they would like consulting or discretionary (OCIO) services from their investment partner?

RESPONSE: See response to Question No. 14.

22. Can you provide a schedule of payments expected to be received by the Foundation from the settlement monies?

RESPONSE: See response to Question No. 5.

23. Where are the Foundation offices going to be located?

RESPONSE: The Foundation has not yet determined this location.

24. Does the Board/Committee prefer virtual or in-person meetings?

RESPONSE: The Foundation anticipates both virtual and in-person meetings, depending on the scope and subject matter of the meeting.

25. Will there be any restrictions related to how the money is invested (i.e. excluding specific industries such as tobacco, alcohol, etc.?)

RESPONSE: See response to Question No. 9.

26. Can you share a word copy or PDF of the RFP? The site does not allow for downloading in a savable format.

RESPONSE: Yes, the Foundation can make this available upon request to the Foundation Contact.

27. Has the Foundation developed an initial investment policy statement that can be shared?

RESPONSE: See response to Question No. 9.

28. What is the Foundation's desired governance structure? Are you looking for non-discretionary investment consulting services or discretionary, commonly referred to as an outsourced chief investment officer (OCIO)?

RESPONSE: The Foundation is governed by its Board of Directors. The day-to-day operations of the Foundation will be managed by its Executive Director. The Board of Directors may allocate duties and responsibilities as it deems necessary consistent with the Governing Documents. Additionally, see responses to Question No. 9 and Question No. 14.

29. I wanted to inquire about whether there is a long-term investment return goal for the assets that the Foundation is seeking to achieve. This information will help to inform some of our responses. If this goal has yet to be determined, knowing this will be helpful too.

RESPONSE: See response to Question No. 9.

30. Are you looking for a true third-party Asset Manager or will investments be more simple as in money market funds etc.?

RESPONSE: The Foundation will entertain any investment approach that considers the fiduciary responsibilities of the Board members, the Foundation's goal of asset appreciation, and meeting its obligations under the MOU and its Governing Documents.

31. Can you define passive versus active in your view?

RESPONSE: The Foundation board is seeking investment advisory services to allow them to perform their fiduciary obligations under the MOU and the Governing Documents. Additionally, see response to Question No. 9.

32. Can you confirm these details, size of the portfolio, 218 million? Or other?

RESPONSE: Financial information for the Foundation is posted on its website.

33. We would need size and disbursement schedules to analyze and propose investment strategy, mix, allocation, need for liquidity?

RESPONSE: See response to Question No. 5 and Question No. 9.

34. What will be the permitted investments?

RESPONSE: See response to Question No. 9.

35. How will liquidity be created in the portfolio for disbursements?

RESPONSE: See response to Question No. 5 and Question No. 9.

36. Is this investment portfolio being held in a trust, escrow, or custodial account?

RESPONSE: See response to Question No. 16.

37. Has the Foundation identified short-term and long-term goals that we should consider when addressing the specific question regarding drafting the Investment Policy?

RESPONSE: See response to Question No. 9.

38. Are there any known restrictions for the portfolio(s) – e.g., liquidity, geographic constraints, or mission-specific guidelines (e.g., avoiding pharmaceutical companies)?

RESPONSE: See response to Question No. 9 and Question No. 10.

39. Does the Foundation yet have any spending goals/limitations?

RESPONSE: See response to Question No. 4 and Question No. 9.

40. Do you expect the Foundation to have multiple pools of assets?

RESPONSE: Yes.

41. Regarding the legal settlement funding source, are there any outstanding legal considerations that may impact this investment pool?

RESPONSE: To the knowledge of the Foundation, there are no outstanding legal considerations that may impact this investment pool.

42. Are any additional settlement funds expected?

RESPONSE: See response to Question No. 5.

43. What level of investment discretion is the advisor anticipated to be delegated (i.e., will the advisor have investment discretion (“OCIO”) within the board adopted Investment Policy or will the Board or its Audit and Finance Committee make asset allocation and manager decisions (“Non-Discretionary Consulting”)?

RESPONSE: See response to Question No. 9 and Question No. 14.

44. Who will participate in the selection process? Will it be a subset of the eleven board members, such as the Audit and Finance Committee? Will any outside advisory members participate?

RESPONSE: See response to Question No. 12.

45. Do you anticipate that the Executive Director and Chief Financial Officer will be selected prior to the selection of an investment advisor?

RESPONSE: The Foundation is diligently pursuing filling the position of executive director. The executive director will be responsible for hiring staff and employees for the Foundation.

46. Will you please discuss anticipated cash flows given that the settlements are to be received over the next 2-, 5-, 10- and 15-year periods? Does the Board intend to make the minimum 5% charitable spending rate for private foundations, or pay out a higher amount to fund time sensitive priorities in achieving its mission?

RESPONSE: See response to Question No. 5, Question No. 9, and Question No. 10.

47. Has the Board, State Treasurer's office, or other stakeholders voiced preferences with respect to the endowment's liquidity expectations, private versus public investments, active versus passive investments, ESG, DEI, Impact Investments in West Virginia, or any other investment preferences or biases?

RESPONSE: See response to Question No. 7 and Question No. 9.

48. The RFP references the funds of the Foundation, as of the date of the RFP, as approximately \$218,000,000. Is it the intent of the board to have the entire \$218,000,000 transferred to an investment account to be invested in the first year? If not, is there an initial estimate on how much will be invested in the first year?

RESPONSE: See response to Question No. 7 and Question No. 9.

49. Has the board developed a plan for the disbursement of funds? How often will there be disbursements and what percentage of funds does the board intend to disburse each period?

RESPONSE: See response to Question No. 7 and Question No. 9.

50. Is the foundation governed by the State of West Virginia's investment policies?

RESPONSE: No, however, the Directors of the Foundation are held to a fiduciary standard for investment, and that standard is a reasonably prudent director investment standard. Additionally, see response to Question No. 9.

51. Is the Foundation seeking a discretionary investment advisor (OCIO) to act as a fiduciary to implement the investment policy agreed upon by the Board / Finance Committee or a non-discretionary investment advisor to make recommendations to the Board?

RESPONSE: See response to Question No. 14.

52. What is the current asset allocation of the Foundation's \$218M?

RESPONSE: See response to Question No. 16.

53. Have the three members of the Finance Committee, as described in the WVFF bylaws, been appointed, and if so, are you able to share their names?

RESPONSE: Yes, the members of the Audit and Finance Committee are Alys Smith, Gregory Duckworth, and Jeff Sandy.

54. Will respondents be permitted to identify proprietary information to be redacted prior to the response becoming part of the public record (e.g. investment manager names)?

RESPONSE: Yes.

55. What is the Operational Time Horizon for the Foundation (Perpetual? Or are there anticipated Sunset Provisions?)

RESPONSE: See response to Question No. 9.

56. What are your anticipated Grant Cycles and Associated Liquidity Needs?

RESPONSE: The anticipated grant cycles and associated liquidity needs are not yet certain. Additionally, see response to Question No. 9.

57. Current and Anticipated Committee Structures? Do you plan to establish a Finance and/or Investment Committee? What frequency would you conduct meetings for Investment Reviews?

RESPONSE: The Governing Documents require an Audit and Finance Committee. The members of the Audit and Finance Committee are Alys Smith, Gregory Duckworth, and Jeff Sandy. The Audit and Finance Committee will meet as frequently as may be necessary to fulfill its duties.

58. Do you anticipate Fund Accounting needs as you seek to track each of the six Regions and efficacy of grant making activities by region?

RESPONSE: The Governing Documents require local governments and regions to file reports with the Foundation.

59. Do you anticipate establishing an 'online' portal to facilitate grant seekers a streamlined mechanism to apply for funding, and your board to review in accordance with foundation

guidelines? Would you consider those services as a supplemental service to your investment management provider?

RESPONSE: The Foundation anticipates creating an online portal. At this time, the Foundation does not consider those services as a supplemental service to the investment advisor.

60. How much do you anticipate the average collected balance in the depository account to be at all times?"

RESPONSE: See response to Question No. 10

61. Is the expectation that this fund will go on into perpetuity?

RESPONSE: See response to Question No. 9.

62. How much notice will be given before disbursements are to be made?

RESPONSE: See response to Question No. 9.

63. Are there any limits as to how much of the fund can be disbursed at one time?

RESPONSE: See response to Question No. 9.

64. Will there be regular contributions to this fund? If so, are these contributions known at this time?

RESPONSE: See response to Question No. 7 and Question No. 9.

65. What are the internal staff resources dedicated to the support of the Foundation's assets?

RESPONSE: At this time, the Foundation has no internal staff; *however*, the Foundation anticipates bringing on internal staff in the near future.

66. Is there an investment committee? If so, who are the members of this committee?

RESPONSE: See response to Question No. 57.

67. Does the investment committee desire to retain discretion/approval of investment decisions? Are you considering an outsourced CIO (OCIO) approach where the investment committee delegates authority over manager implementation (hiring and firing) to the advisor?

RESPONSE: See response to Question No. 9 and Question No. 14.

68. Are there any particular philosophical preferences among the investment committee (e.g., regarding asset allocation; use of alternatives; direct vs. fund-of-funds; active vs. passive management, etc.)?

RESPONSE: See response to Question No. 9.

69. Where are meetings with the new advisor expected to be held? Quarterly?

RESPONSE: The Foundation anticipates meeting regularly, and at least quarterly, with the investment advisor. Meetings may be held virtually or at the Foundation's offices (which have yet to be identified).

70. Are funds currently invested or held in cash? Are the assets with a custodian?

RESPONSE: See response to Question No. 16.

71. What are the expected demands on the portfolio? Short-term? Long-term?

RESPONSE: See response to Question No. 9.

72. Is there an expectation for the fund to exist in perpetuity or will a portion or all of the funds be spent down over a specified period?

RESPONSE: See response to Question No. 9.

73. Are there any considerations or restrictions we should be aware of as they pertain to the development of an investment policy? E.g., 5% spend rate?

RESPONSE: See response to Question No. 9.

74. What is the committee's (or Board's) current thinking regarding the use of alternatives in the portfolio?

RESPONSE: See response to Question No. 9.

75. Does the Foundation seek to implement any specific mission-aligned or socially-responsible investment objectives (environmental, social, governance)?

RESPONSE: See response to Question No. 9.

76. What are the key decision criteria? What is most important in selecting a new advisor?

RESPONSE: See response to Question No. 7 and Question No. 9.

III. ACCOUNTING

1. Are you looking for true third party services?

RESPONSE: The Foundation is looking to outsource all of its general accounting services for the day-to-day operations of the Foundation.

2. Can you describe what you mean by vendor files?

RESPONSE: The Foundation will have various vendors for operation items such as rent, supplies, etc. The Foundation anticipates having these accounts monitored for discounts, procurement procedure compliance, and balance confirmation.

3. Can you elaborate on what is needed for the monthly reconciliation of bank accounts as well as reconciliation of all balance sheet accounts?

RESPONSE: The Foundation anticipates holding as much of the portfolio for as long as it reasonably can in the investment account(s) to maximize the return on the portfolio to the Foundation. The payroll account will maintain a minimum balance and be used for processing payroll activities, including paper payroll checks, tax deposits, direct deposit payroll, benefit withdrawals, etc. Funds will be transferred to the payroll account as needed, either from the investment account or the operating account. The operating account will maintain a cash balance of approximately 90 days of operating cash. The operating account will be used for the payment of day-to-day operating expenses and expenditures. Funds will be transferred to the operating account as needed to maintain the operating reserve amount from the investment account. The grant account will be maintained with a minimum balance and will essentially be used as a clearing account for the disbursement of grants and requests from the Foundation. Funds for the grant account will be transferred as needed from the investment account. All three accounts will need to be reconciled to the bank balances on a monthly basis. Additionally, the investment account that will be managed by an investment advisor will need to be reconciled monthly to the financial statements to provide an accurate monthly reflection of the total funds in the foundation.

4. Please elaborate on who would be entering transactions into the accounting system.

RESPONSE: It is anticipated that Foundation staff will be entering daily transactions for activities into the accounting system.

5. What has to be done for the bank statements reconciliation?

RESPONSE: Reconciliation of the monthly bank balance to book balances. Also, see response to Question No. 3.

6. Can you confirm the need for Audit, Budget and Tax filing would ideally be done by a third party account firm in partnership with the prevailing firm?

RESPONSE: The Foundation anticipates having a third-party accounting firm perform the annual audit. The preparation of annual tax filings will be done either by the third-party auditing firm or the general accounting services firm retained through this RFP. The Foundation Board has not, as of yet, made a final determination on that matter.

7. Is the Foundation looking to completely outsource the accounting and tax functions for the organization? If not, what is the experience and skillset of the current accounting and tax staff members?

RESPONSE: Yes, the Foundation is looking to outsource all of its general accounting services for the day-to-day operations of the Foundation.

8. Approximately how many employees will the Foundation have, if any?

RESPONSE: The Foundation Board of Directors is diligently seeking to hire an Executive Director and various staff and officers for the Foundation. The total number of employees is not known at this time.

9. What accounting software has been used to account for the activity of the Foundation to date?

RESPONSE: At this time, the Foundation has had little in the way of activity. Currently, the assets of the Foundation are being held by a custodial institution who will provide an accounting of the investment activity to the date of transfer. The Foundation has had little to no day-to-day expenditures, and therefore, has not installed or implemented a formal accounting system.

10. Please provide a copy of the current policies, procedures and controls over the approval for expenses and grants from the Foundation. Will formal documentation be available from Foundation staff supporting such approval?

RESPONSE: The Foundation anticipates developing those policies and procedures in conjunction with the Executive Director and the professional service providers selected for banking, investment advisor, and accounting services once those selections have been made.

11. Is there a schedule that outlines the timing and amount of disbursements for 2024 per section 12.3 of the bylaws that can be made available?

RESPONSE: There is not at this time. However, disbursements will be made in accordance with the MOU and the Governing Documents. It is anticipated once the committees and the executive director are in place and the policies and procedures are developed and adopted, that the disbursements schedule will become clearer. The Foundation anticipates developing those policies and procedures in conjunction with the selected advisors for banking, investments, and accounting.

12. Approximately how many grants does the Foundation anticipate making on an annual basis?

RESPONSE: Each of the Regions will be receiving funds and will provide accounting back to the Foundation of the use of those funds. The Board of Directors has not made a determination yet as to how many and how often those grant disbursements will be made other than they will be in compliance with the MOU, the Governing Documents, and the policies adopted by the Foundation Board of Directors.

13. Is there any current litigation or alleged fraud or irregularities related to the Foundation?

RESPONSE: To the knowledge of the Foundation, no.

14. Please provide a copy of the latest available 2023 internal financial statements reflecting the Foundation activity for 2023.

RESPONSE: The financial statements for the Foundation are available on the Foundation website.

15. Given the newness of the Foundation and requested scope of services, it is difficult to estimate the time and effort involved for providing accounting outsourcing services. Accordingly, is it acceptable to respond to the proposal with a proposed rate card with hourly rates by level of professional? If not, please provide a defined budgeted number of hours of anticipated accounting assistance to use as a basis for providing a fee estimate for accounting outsourcing.

RESPONSE: It is acceptable to provide proposed rate cards with hourly rates by level of professional.

16. Does the Foundation anticipate operating any programs or will the focus be on granting funds to carry out the mission of the Foundation?

RESPONSE: At this time, the Foundation does not anticipate operating any programs.

17. Section 6.2 of the bylaws mentions an annual audit requirement. Do you anticipate having an independent external audit of the Foundation's 2023 financial statements since inception?

RESPONSE: The Foundation will obtain annual audits of its financial statements. The determination of an audit firm to perform the audit for 2023 has not yet been made.

18. Will the Foundation make grants to non-501(c)(3) public charities that will require expenditure responsibility?

RESPONSE: This policy has not been finalized as of yet by the Board of Directors. It is anticipated that grants may potentially be made to non-501 (c) (3) organizations.

19. Does the Foundation anticipate that it will need any payroll tax services?

RESPONSE: Yes.

20. Does the Foundation anticipate investing in any alternative investments that might result in unrelated business income?

RESPONSE: It is anticipated that the Foundation may receive nonconventional gifts such as appreciated stock, business interest, real estate, works of art, etc. As such, those nontraditional contributions may result in UBI.

21. Will the Foundation engage in any fundraising or receive any contributions?

RESPONSE: The Foundation anticipates seeking grants and other forms of contributions. It is not anticipated at this time that the Foundation may participate in any other traditional fundraising activities.

22. Do you expect the services under the contract to be provided remotely or on-site, or do you prefer a hybrid model with some work being done remotely, while other work is performed on-site?

RESPONSE: The Foundation anticipates that initially the hybrid model will be used. The Foundation reserves the right to require any and all work of any kind to be performed on-site or remotely as the Foundation from time to time determines what is in its best interest.

23. Has the Foundation decided on an accounting system? If so, what system do they expect to use?

RESPONSE: The Foundation has not decided on an accounting system.

24. Will the Foundation have employee(s) to do initial data entry and classification of Foundation activity into the accounting system?

RESPONSE: The Foundation currently does not have staff but anticipates coordinating that work with the accounting firm selected.

25. If the Foundation intends to have employees, will the related payroll services be provided by the eventual awardee of this process?

RESPONSE: Yes.

26. Does the Foundation have a preference if the duties performed under this RFP are performed remotely, when possible?

RESPONSE: See response to Question No. 22.

[This is the end of the Notice]