

## ***COLLEGE OF MARIN FOUNDATION***

P.O. Box 325  
Kentfield, CA 94914

February 17, 2015

Dear Donors and Friends:

We are writing to invite you to a special reception and meeting with donors and interested community members to update you on our progress in restoring all donor funds for the College of Marin Foundation (COMF) and to hear your comments and ideas about our proposed future direction. We feel that it is essential to consider your opinions in order to better serve our donors in the future.

The meeting will be on March 7, 2015, from 11 a.m. to 1 p.m. at the Performing Arts Lobby on the Kentfield Campus located at 835 College Avenue, Kentfield, California.

As you may recall, the audit conducted in April 2013, showed that \$464,464 of restricted donor funds were misspent by the former COMF Board of Directors for unrestricted purposes, primarily legal fees and consultants, leaving no funds available for operations, and completely depleting all program funds. All endowed funds remained intact.

We are confident that with your help, we can turn these very unfortunate events into something quite positive for the future of College of Marin students. We sincerely hope you will gain the same confidence we have for a brighter future.

**We are happy to inform you that all donor funds have now been fully restored. This was accomplished by suspending all operations and using the interest earned on investments to repay all of the depleted program funds.**

**In the meantime, approximately \$200,000 in scholarships have been awarded to COM students since 2012.**

The College of Marin (COM) loaned COMF the funds needed to cover essential costs for auditing, accounting, and legal fees, totaling approximately \$140,000. As a public institution, COM is not legally allowed to spend its funds for operations of a separate nonprofit. The loan has been fully repaid without interest.

### **Dissolution and Future Direction**

As you may also know, it was determined that it was not possible to continue to operate COMF. There were no funds for operations and it was not possible to obtain Director and Officer Liability insurance because of COMF's past history.

COMF is no longer viable because it has no funds for operations and cannot be adequately insured, and COM cannot use its own funds to operate a separate nonprofit.

Several options have been explored that were deemed not viable. Discussions with the Marin Community Foundation clarified that its structure would not enable it to assume any administrative functions for the funds other than managing the investments. After discussions with the State Attorney General's Office, it was determined that if COMF were to be dissolved, its assets would need to be transferred to another 501(c)(3) organization. As a result, COMF would not be able to either require or enforce that donor intent be followed by an organization that received the funds.

The sole remaining COMF Board members, COM Superintendent/President Dr. David Wain Coon and Trustee Diana Conti, recommended to the COM Board of Trustees that COM apply for 501(c)(3) status so it could be eligible to receive the funds when the Foundation dissolved and therefore guarantee that donor intent be honored. COMF exists solely to benefit COM students. By gaining 501(c)(3) status, COM could direct its own resources to administer donor funds and guarantee they are used solely to meet donor intent for fund expenditures.

**In addition, COM's new Advancement Office has raised approximately \$1 million since its inception in 2012. COM will be able to provide staffing through that office to raise additional funds for scholarships and COM programs without any cost to COMF donors.**

On April 14, 2014, the COM Board authorized the Superintendent/President to apply for 501(c)(3) status. **An IRS Determination Letter, dated December 31, 2014, provided the College of Marin with 501(c)(3) status retroactive to April 1, 1926.**

Pending approval by the State Attorney General's Office, COMF will be dissolved in the near future and funds will be transferred to COM.

### **Future Structure**

A new structure to guarantee oversight of funds donated to COMF is being developed.

Our proposal is to establish two advisory committees comprised of individuals appointed by the COM Board of Trustees. COM would provide needed staff resources for the committees.

### ***Financial Advisory Committee***

The Financial Advisory Committee would initially meet quarterly to review all financial statements and investment strategies. It would prepare a quarterly financial and investment status report, including recommendations if any, that would be distributed to COM Trustees and made available to the press, donors, and the general public.

The committee would be comprised of five to seven members including three to four members with financial and investment expertise and two to three members who are donors.

### ***Program Advisory Committee***

The Program Advisory Committee would initially meet quarterly to review distribution of funds to scholarships and programs to assure accountability and consistency with donor intent. It would prepare and distribute a quarterly report including recommendations, if any, and the report would be distributed to COM Trustees, and made available to the press, donors, and the general public.

The committee would consist of five members. Two would be donors and three would be individuals who have expertise in philanthropic giving and are knowledgeable about COM educational programs.

Please join us on March 7, 2015, to provide your input. If you are not available to attend, you can write, call or email your comments and suggestions to me as follows:

Dr. David Wain Coon  
Superintendent/President  
835 College Avenue  
Kentfield, CA 94904

415-485-9400  
[dcoon@marin.edu](mailto:dcoon@marin.edu)

We appreciate your patience and look forward to talking with you soon. RSVP for the reception by calling 415-485-9502 so we can plan for refreshments.

Best Regards,



Diana M. Conti  
COMF Board President



Dr. David Wain Coon  
COMF Secretary/Treasurer