

# Rotary Club of Kennett at Longwood Foundation

## Operating Guidelines – Approved 1/18/08

### Preamble:

Established in April, 2000 the Rotary Club of Kennett at Longwood Foundation (the “Foundation”) supports the Rotary Club of Kennett at Longwood’s (the “Club”) charitable purposes. The Foundation is a nonprofit corporation allowing donors and Club members to make tax-deductible donations. It also serves as the grant and charitable funding vehicle for the Club.

### Governance

The Foundation Board is governed by five Trustees appointed by the Club President with the concurrence of the Club. Trustees must be a member or honorary member of the Club. Trustees’ serve one year terms of office.

The Foundation shall conduct an Annual Meeting to adopt a budget and elect the Foundation Board whose voting members will include:

- a) **Foundation President:** This position shall be filled by Club President-Elect who will preside over Foundation meetings and appoints committees, as needed.
- b) **Foundation Vice-President:** This position shall fulfill the duties of the Foundation President in their absence and assume other duties as assigned by the Foundation President. This position will be appointed by the Club Board of Directors and confirmed by the Club membership.
- c) **Foundation Trustees (2):** The two Foundation Trustees shall be the Club President and Club Treasurer.
- d) **Foundation Secretary:** Responsible to take meeting minutes and publish to both Foundation Board and the Club Board. This position will be appointed by the Club Board of Directors and confirmed by the Club membership.

The Foundation is authorized to:

1. administer the Foundation, per an approved budget
2. disburse funds in support of established programs, to be reported annually
3. make expenditures of income and/or administer gifts to the Foundation as prescribed by the terms of the gift or bequest.

The Foundation President will serve as the gatekeeper for all Foundation requests.

### Grants

The Foundation’s annual budget is approved by the Club, usually at the Club’s annual meeting along with the Club’s annual operating budget.

Foundation grant requests must be accompanied by a written grant application (attached).

Grants shall fall into one of the following categories:

- a) **Club Programs:** Major initiatives which have been approved by the Club membership and which typically involve significant Club volunteerism. Proposals for these grants must be made via a written application which includes a clear written statement of the expected Club member’s roles and responsibilities. Membership approval is required by written ballot/proxy following presentation. The “Club Program” grant minimum shall be \$5,000 within any one program year or \$7,500 over a period of years.
- b) **Board Approved Projects:** This shall be predominantly local projects and typically involves some level of Club volunteerism. “Board Approved Project” grant limits are a minimum of \$500 to a maximum of \$5,000. Approval shall be by majority vote of the Foundation Board with subsequent approval by the Club Board of Directors. Examples: Basketball Tournament, Rotoplast, School Book Bag Project, RYLA, Bangladesh Wells, Choices, Kennett ED Foundation.
- c) **President’s Fund Grants:** These grant requests are generally directed through the Club President and/or Foundation President. They are a relatively small amount and shall come from a Foundation budget line item entitled “Presidents Fund”. The total amount allocated for the Presidents Fund shall not exceed 15% of the total annual budgeted

foundation expenditures unless approved by the Foundation and Club Boards. No amount greater than \$500 per event shall be awarded. Approval is only required by the Foundation President, the Club President and the Foundation Board.

### Grant Applications

All grant requests for any amount shall be made in writing on the Rotary Foundation Grant Application form (see attached). A received Grant Application Form will be considered and approved or rejected by the Foundation Board, either in person or by group e-mail. The Foundation has the discretion to reject a request outright or make a written recommendation for funding and/or service to the Club Board at its next regularly scheduled meeting or via e-mail. The status of all requests will be regularly reported to the Board.

All persons or organizations are eligible without prejudice to apply for a Foundation grant. The following persons are ineligible for any award or grant from the Foundation:

- a) A Rotarian, with the specific exemption of any volunteer services identified by the Foundation Board;
- b) An employee of the Club;
- c) A spouse, a lineal descendant, a spouse of a lineal descendant, or an ancestor of any person in categories a) or b).

*NOTE: This does not preclude funding from being given to an organization or even specific project that an ineligible person may be involved with.*

### The Foundation “Reserve Fund”

The Foundation will establish and maintain a “Reserve Fund” for the purposes of accruing monies for “major” projects requiring significant funding, usually above and beyond what is raised through normal fund raising efforts during any one program year.

Contributions to the Reserve Fund shall be approximately 15% of the Foundation’s budgeted gross income during each single program year. Individual donations specifically allocated for contribution to the Reserve Fund may also be accepted from any individual or organization.

The Reserve Fund shall be started in the Rotary program year of 2008-2009. The intent of the Fund shall be to accrue and not be withdrawn for a period of 5 years (the development period), until the 2013-2014 Rotary program year, except by approval of the Club Board of Directors.

The Foundation Board may retain the services of an independent third party who shall be empowered to invest the “Reserve Fund” monies under the guidance of the Foundation Board and according to the Board’s stated “Reserve Fund Investment Policy”.

Withdrawals from the Reserve Fund may include both principal and accrued interest as agreed upon by the Foundation Board of Directors, the Club Board of Directors and the Club Membership. Withdrawals are not required and may be left in the Fund until such time as the Foundation desires such withdrawal.

### Gifts or Bequests

There may be times when the Club receives special gifts or bequests. The Foundation will be charged with determining the acceptability of each gift or bequest on a case by case basis, pursuant to a Gift Acceptance Policy (to be established). Consideration to include the gift’s purpose being consistent with the Rotary mission and Club objectives, as well administrative requirements and costs. Under no circumstances should the Club accept gifts which do not provide for proper maintenance and/or reimbursement of Club expenses. Further, unless approved by a majority of Club members (effectively becoming a Club project) no gift shall require ongoing special event fundraising.

Example Budget:

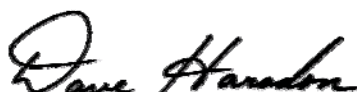
The following is an example budget

a)	<u>Club Programs:</u>		\$35,000
	a. LIFE Center	\$20,000	
	b. Operating Warm	5,000	
b)	<u>Board Approved Projects:</u>		\$14,500
	a. RYLA	\$3,000	
	b. Bangladesh Wells	3,000	
	c. School Book Bag Project	2,000	
	d. Choices	2,000	
	e. Rotoplast	1,000	
	f. Basketball Tournament	1,000	
	g. Kennett ED Foundation	1,000	
	h. American Cancer Society	1,000	
	i. Kennett YMCA (Good Kids)	500	
c)	<u>Presidential Grants*</u>		\$1,550
	a. Student Scholarship	\$500	
	b. Eagle Scout	400	
	c. Student Project	400	
	d. Wheelchair Sports	250	
	(*Note: maximum authorized = \$51,050 x 15% = \$7657)		
Total Budget:			\$51,050

APPROVAL

These Guidelines are approved by a majority vote of the Board of Directors of the Rotary Club of Kennett at Longwood, the Foundation Board and the Club Membership.

Foundation President's Signature:



Date: January 18, 2008