

# SUN CITY GEORGETOWN KIWANIS FOUNDATION

## BOARD OF TRUSTEES

MINUTES  
June 14, 2011

The Board of Trustees of the Sun City Georgetown Kiwanis Foundation met in the Sun City Legacy Oaks, Georgetown, Texas on June 14, 2011.

Kent Buikema, Chairman of the Board of Trustees, called the meeting to order at 11:05 A.M.

### **Attendance**

Trustees present: Don Ballard, Kent Buikema, Lew Richardson, Bill White and Herb Wilkins

Trustees absent: Bob Barnes and Marshall Pearlstein

**A quorum was present.**

**Guests:** Paul Golay, Kiwanis Club of Sun City President-elect

### **Agenda**

The Board adopted the published agenda.

### **Information**

For the record, on March 18, 2011 an email vote approved an amendment to the Policy and Procedures for Awarding Scholarships.

Herb Wilkins noted for the record that the City Market discontinued the Share Receipt program.

### **Approval of Minutes**

The March 8, 2011 meeting minutes were approved by an email vote on March 20, 2011

### **Treasurer's Report**

Lew Richardson presented a revised Revenue/Expense Statement for the Kiwanis Club of Sun City Georgetown (Club) Service Account. The report was as of May 31, 2011. It more closely resembles the Club's budget form.

Lew also presented the Balance Sheet and Profit & Loss reports as of May 31, 2011. He has restructured them for better understanding. There are a few corrections/modification that Lew is going to make.

### **Old Business**

No outstanding old business.

### **New Business**

1. Don Ballard made a motion to change the Trustee terms of office to match the fiscal year (October 1 to September 30) and amend the Bylaws appropriately (Article II, Sec. 2.2 and Article III, sec. 3.1). The motion was seconded and passed unanimously.

2. Kent Buikema appointed a committee to investigate “How to invade the Corpus” and develop a Policy and Procedures document. Bill White was appointed chairman, with Lew Richardson, John Bickle and Herb Wilkins as committee members. Kent will serve as ex officio member.
3. Report from the Committee on Planned Giving by Bob Barnes was postponed until the next meeting. Bill White, Don Ballard, Steve Fought, and Bob Barnes are meeting June 27 to finalize plans.
4. The Foundation will not present report to the Club in August, but Herb Wilkins volunteered to do a 3-5 minute presentation about the Foundation at a meeting in August. Herb will coordinate with Gayle Noble, Club President.

Lew Richardson made a motion to adjourn the meeting. The meeting was adjourned at 11:44 A.M.

The next meeting will be as called.

Respectfully submitted,

Donald Ballard  
Secretary

Attachments: Planned Giving & Treasurer reports

## **Appendix A**

### **A Possible Planned Giving Program for Sun City Kiwanis. By Steve Fought**

Thanks to Bill White, Kent Buikima and Gene Gregory for their inputs.

#### **Rationale for a Planned Giving Program:**

- A substantial number of our Sun City Kiwanis Club Members have a significant amount of time as Kiwanians.
  - These Kiwanians may therefore appreciate the opportunity to make a durable financial contribution.
- Sun City Kiwanians have been successful and are highly likely to have well developed estate plans.
  - It may not have occurred to these members to make Kiwanis a part of these plans.
  - We could do these members a great service by presenting them with such an opportunity.
- The Sun City Kiwanis Foundation is already structured to accept such donations.

## Sources of Contributions:

- Cash or contributions of appreciated assets as a substitute for cash.
  - These are generally tax deductible in the whole amount. (Done)
- Gifts that return income or other financial benefits to the donor in return for the contribution, such as annuities. The tax advantages of these are more complicated. Steve did not think the Foundation should accept this type of contribution at this time due to complexity.
  - The deduction can be of the whole amount and a portion of the annuity payments will be tax free. (Done)
  - If the annuity was funded with appreciated assets, the portion of the payments associated with the appreciation will be taxed at capital gains rates -- which may be less than the rates for ordinary income. (Done)
  - Finally, the remaining balance of the payments (after the first two considerations) is taxed as ordinary income. (Done)
- Gifts payable upon the donor's death. These are usually in the form of Life Insurance policies, or allocations from the estate.
  - These assets are excluded from the value of the estate for tax purposes. (Done)
- Keep in mind Gene Gregory's Advice:
  - This is a long-term project.
  - The watchwords are **Publicity, Perseverance, and Patience.**

### **An Implementation Framework:**

- Build the Fund as a long-haul project.
- Grow the principle with relatively low-risk investments.
- Spend only a portion of the earnings.

### **Discussion with Fundraising Committee and the next steps:**

- Check with Attorney and fellow Kiwanian John Bickel.
  - Make sure what I am saying is correct and complete. (Done)
  - Identify any further considerations. (Done)
- Present to Foundation Board
  - Confirm interest.
  - Add insights.
  - Garner permission to present to members.
- Present to Members.
  - Gain Support.
  - Recruit Volunteers.
  - Start somewhere, with someone.

### **Some Numbers:**

- Assume we can achieve a 5% real rate of annual return.
- Assume we would spend 80% of the Fund's annual earnings.
- Then --
  - \$50,000 annually would require a \$1.25M base.
  - \$25,000 annually would require a \$625,000 base.