

SUN CITY GEORGETOWN KIWANIS FOUNDATION

BOARD OF TRUSTEES

MINUTES

October 4, 2011

The Board of Trustees of the Sun City Georgetown Kiwanis Foundation met in the Sun City Ballroom, Georgetown, Texas on October 4, 2011.

Kent Buikema, Acting Chairman of the Board of Trustees, called the meeting to order at 9:01 A.M.

Attendance

Trustees present: Don Ballard, Kent Buikema, Bill White, Linda McDaniel, Mert Darling and Marshall Pearlstein

Trustees absent: Bob Barnes

A quorum was present.

Guests: Lew Richardson (acting treasurer until new treasurer is elected)

Agenda

The Board adopted an amended agenda. (Attachment 1)

Approval of Minutes

In an e-mail vote on August 30, 2011, Lew Richardson made a motion that the Board grant Nancy Juarez the scholarship money for her second semester in view of the fact that the paper work is appropriate although late and there is need. The motion was seconded and approved unanimously on September 1, 2011.

Bill White made a motion to approve the September 13, 2011 Board of Trustees meeting minutes. The motion was seconded and passed unanimously.

Information

Don Ballard, acting secretary, passed out copies of the Conflict of Interest Policy and Conflict of Interest form. Each Trustee must sign and return the form to either Don Ballard or Kent Buikema.

Treasurer's Report

There was no treasurer's report.

Linda McDaniel made a motion to have Lew Richardson continue acting as HHT and Fall Garage Sale treasurer until the newly elected treasurer is up to speed. Lew will transition the other duties of the treasurer as soon as possible. The motion was seconded and passed unanimously.

Old Business

No outstanding old business.

New Business

1. Officer Elections –

Mert Darling nominated Kent Buikema for Chairman, Don Ballard for Secretary and Mert Darling for Treasurer. Marshall Pearlstein seconded the nominations. There were no other nominations. Kent, Don and Mert were elected by a unanimous vote to Chairman, Secretary and Treasurer respectively.

2. Corpus Policy Recommendations –

Bill White presented his updated recommendations for creating a Corpus Policy and making appropriate changes to the Bylaws to facilitate the management of the Foundations corpus. (Attachment 2)

The Board of Trustees agreed that Annual Contribution Goals need to be set in order to grow the corpus.

The Board of Trustees would like to have the fourth bullet under Disbursement of Funds reworded.

The Board of Trustees asked Marshall Pearlstein to request the Kiwanis Club of Sun City Georgetown to place the Foundation Treasurer on their financial committee as an ex officio member.

The Board of Trustees recommended that a Bylaws Committee be established. Members of this committee will be Bill White, Don Ballard and Kent Buikema. They are specifically charged to make recommendations to amend the Bylaws pertaining to the following issues:

- Adding an office of Vice-Treasurer
- Changing the office of Secretary to Secretary/Vice-Chairman
- Adding specifications for an Administrative Account and Management of the Kiwanis Club of Sun City Georgetown's Service Account.
- Add or modify sections under Article VI for the management and support of the Foundation Corpus

3. Don Ballard made a motion to approve the Memorandum of Understanding between the Sun City Georgetown Kiwanis Foundation and the Kiwanis Club of Sun City Georgetown. The motion was seconded and passed unanimously.

Kent Buikema made a motion to adjourn the meeting. The meeting was adjourned at 9:50 A.M.

The next meeting will on November 22 at 9:00 A. M.

Respectfully submitted,

Donald Ballard
Secretary

Amended September 1, 2011

Attachments: 1 – Amended Agenda

2 – Kiwanis Foundation Corpus Policy Recommendations

Attachment 1

**SUN CITY GEORGETOWN KIWANIS FOUNDATION
BOARD OF TRUSTEES
MEETING
October 4, 2011, 9:00 A.M.
Sun City Social Center**

AGENDA (Amended)

Establish Quorum:

Agenda ads, adopt agenda

Approve minutes of the September 13, 2011 meeting, minutes were approved by an electronic vote, minutes of this meeting should reflect that action.

Information: Conflict of Interest

Treasurer report:

Old Business:

New Business:

1. Election of officers
2. Discussion relative to “Invading the Corpus” and language for inclusion in the bylaws (Kiwaniis Foundation Corpus Policy)
3. Approve the Memorandum of Understanding

Next Meeting: As needed

Attachment 2

October 11, 2011

To: **Sun City Georgetown KIWANIS FOUNDATION Board of Trustees**
From: **Bill White, Trustee**
Subject: **Kiwanis Foundation Corpus Policy Recommendations**

BACKGROUND

The mission of the **Kiwanis Club of Sun City Georgetown (Club)** is to provide altruistic service to the children in Williamson County through its service projects. The Club generates revenue to fund its service projects through a number of activities such as the Holiday Home Tour and garage sales. In addition, the Club generates revenues from dues and dispenses the funds including annual Kiwanis International and Texas-Oklahoma District dues and the Club's administrative costs.

Funds raised to support the Club's service projects are managed and disbursed by the **Sun City Georgetown Kiwanis Club (Foundation), a 501 (c) (3) organization.**

The Foundation

The purpose of the Foundation is to provide a non-profit, tax-exempt organization in accordance with Internal Revenue Service regulations to financially support the altruistic service projects of the Club.

- The Foundation is responsible for receiving, managing, investing, and safekeeping the charitable contributions raised by the Club from its fund raising activities. The Foundation pays expenses related to the Club's fund raising activities, funding the Service projects, as specified in the Club's annual *Service project Budget* by the Club's Board of Directors.
- The Foundation is responsible for forming, growing and managing the Foundation Corpus.

The Foundation is governed by a **Board of Trustees (Trustees)**. The Trustees are charged with fulfilling the responsibilities of the Foundation as specified in its Bylaws.

Disbursement policy and actual disbursements related to Service projects and funds raised therefore are requested by the Club Board of Directors and completed by the Foundation, while disbursement policy and actual disbursements related to the Foundation Corpus may be determined only by the Foundation Board of Trustees.

Note, as a public charity, there is no legal/IRS requirement for disbursement of any monies from the Foundation funds.

Foundation Corpus

The Foundation Corpus is a fund or trust established to provide funds to support future service projects. The Corpus, in financial usage, means a collection of bonds, stocks, other holdings, which form the principal of a trust fund. Monies can be continually added to the corpus, but

must come from *unrestricted funds*. All monies in the corpus, including any interest and growth, are retained therein until the Corpus reaches the specified *Corpus Established Goal*.

The Foundation plans and raises monies to build the Corpus to the **Corpus Established Goal** at which time decisions may be made as to how to support service projects.

RECOMMENDATIONS FOR FOUNDATION CORPUS POLICY.

Corpus Goals

- The Foundation Corpus will be built or grown to a specified *Corpus Established Goal* prior to which any funds may be provided to support future service projects.
 - The Corpus Established Goal of the Foundation is **\$500,000**.
- 1) The Trustees establish specific ***Annual Contribution Goals***.
- 2) The Foundation will develop an **Annual Plan** and conduct activities to reach the *Annual Contribution toward the Corpus Established Goal*.
- 3) The *Trustees Plan, Corpus Established Goal and Annual Goals* are confirmed and approved by the Foundation Board of Trustees.

Source(s) of Revenue

- 4) The *Club's Annual Service Projects Budget* supports all Club service projects and the Club's fund raising events are designed and conducted so as to meet or exceed the *Service Projects Budget*.
- 5) At the end of the administrative year the *Club's Board of Directors* need determine whether any funds, remaining from annual fund raising but not disbursed for service projects, are to be carried over to the following year to support service projects *or be placed in the Foundation Corpus*.
 - a. The Foundation recommends the Club Board of Directors *budget an annual contribution to the Corpus*.
- 6) All monies donated to the Foundation, outside the Club's annual fund raising activities in support to its service projects, that year are to be placed in the Foundation Corpus *unless the donor specifies it should be used or designated for a stated purpose*, e.g. to support Key Clubs or support scholarships.
- 7) The Trustees annually *establish a goal, develop a plan, and raise monies* specifically designed to build the Corpus,.
- 8) Revenue of the Foundation shall be from *voluntary contributions* and from monies derived from *fund-raising activities carried on by the Foundation* for the benefit of the Foundation, e.g. the planned giving project.

Disbursement of Funds

- 9) The Foundation recommends the Corpus *not be spent for any purpose*.
- 10) Exception to the *corpus non-disbursement policy* of any funds from the Foundation Corpus prior to its reaching the *Corpus Established Goal* requires *unanimous approval* of the Foundation Board of Trustees.
- 11) All grant monies are to be spent within the *State of Texas*.

- 12) *Income from the corpus funds* of the Foundation in excess of the Corpus Established Goal, from the previous year, may be expended by the Trustees in accordance with the *Foundation By-Laws*.
- 13) All Foundation *administrative expenses (should there be any)* must be paid first. *Grants* would be paid next. If any monies are left from that year's allocation plan, it would be carried over to the next year.
 - a. It is recommended that an *administrative budget* be considered as a component of the *Foundation Annual Plan*.

Corpus Management, Investment and Financial Reports

- The Foundation officers will include an elected ***Treasurer*** and ***Vice Treasurer***. These officers will be responsible for placement of investments, disbursement of funds, financial record-keeping and development of financial reports.
- The Foundation Trustees shall appoint a permanent three (3) member ***Investment Committee***.
 - The Committee shall include the *Treasurer, Vice Treasurer, and one other trustee*.
 - The Investment Committee may add ad hoc members to add expertise as desired.
- *Disbursement of Foundation funds* in the amount of *Two Thousand (\$2,000)* or less may be approved by the Foundation Chairman and Vice-Chairman.
 - b. Disbursement of Foundation funds in excess of Two Thousand (\$2,000) shall be made upon vote of a majority of the Board of Trustees.
 - c. Disbursement of Foundation funds in excess of *Five Thousand (\$5,000)* shall be made with approval of five (5) members of the Board of Trustees.
 - d. All checks in the amount of *Five Thousand (\$5,000) or more* require a co-signature of a designated Trustee.
 - e. The funds of the Foundation shall be *placed in a depository* designated by the Board of Trustees and be subject to checks as made in the Foundation name and signed by Trustees designated by the Board of Trustees.

Annual Financial Examination

- An *Annual Examination of the Foundation finances* shall be made by a *qualified person* as determined and appointed by the Trustees. Said examination shall be made as of September 30th each year, or at the discretion of the Board, at more frequent intervals.
- The *Annual Examination* is planned to be completed within 90 days of the end of the fiscal year.
- A copy of the *Annual Examination* shall be provided to each Trustee within (15) days of its completion and reviewed at the next regular Foundation meeting.

Foundation Reporting

- 14) The Trustees will provide the Club Board with a *copy of the Foundation Annual Plan, Annual and Established Corpus Goals*.
- 15) The Trustees provide the Club Board with ***Semi-annual Reports***, which include status of the Foundation and the Foundation Corpus.
- 16) The Trustees provide the Club Board and Club members with an ***Annual Report***, which includes the status of the *Foundation and the Foundation Corpus*, its overall financial condition, the status of achieving *its annual goals*, the *Annual Summary Audit*, and the *Club members and others who contributed to the Foundation Corpus*.

Promotion of the Corpus

- The Foundation Chair shall appoint three (3) trustees annually to serve as a committee *to promote giving to the Foundation Corpus*. The Committee shall develop ways and opportunities for corpus contributions.
- The Committee shall develop a preliminary Annual Plan to be reviewed and approved by the Board of Trustees.

Dissolution of the Corpus

- 17) A *unanimous vote of the Foundation Board of Trustees* is required to dissolve the Foundation corpus.
- 18) In the event the Foundation should elect to *dissolve the corpus*, all funds therein be transferred to *local non-profit service project(s) involved in serving the children of Williamson County* chosen by the Kiwanis Foundation Board of Trustees.