

ROTARY BURSARY ENDOWMENT FUND

POLICIES AND PROCEDURES



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1) Rotary Bursary Endowment Fund - Purpose

It is the purpose of the Fund to assist needy persons residing in or attending school in the Town of Gravenhurst to provide opportunity for further development and improvement of their educational skills:

This may be done by:

1) Post secondary education at a University or College leading to a Diploma or Degree

or:

2) Upgrade or develop new skills in a program leading to a certificate.

The Board of Directors, under very unusual circumstances, may provide a benefit for a student (Provided it is related to their education) even though the benefit falls outside of the parameters indicated above.

2) Role of the Chairman

The Chairman serves at the pleasure of the Board of Directors and is elected every three years.

The Role of the Chairman includes but is not limited to:

- Reporting to the Board of Directors of the Rotary Club of Gravenhurst semi-annually.
- Providing an annual report to the Board of Directors of the Rotary Club of Gravenhurst.
- Setting meeting dates for the Board of Directors and the Investment Committee.
- Encouraging the development of the fund within the Board, the Rotary Club, and the Community.
- Overseeing the fulfillment of duties by members of the Board.

3) **Role of the Directors**

- Provide guidance and participate in the determination of the general conduct and business of Fund
- Regularly attend Board Meetings and Committee meeting as required.
- Receive the Treasurer's report.
- Receive Investment Committee Report
- Encourage the proliferation of the Fund among the public
- Assist all Board members in the tasks required to fulfill the purposes of the Fund.
- Treat the Fund in a manner consistent with an 'Internal Division' of the Rotary Club of Gravenhurst.
- To ensure the Fund is managed in accordance with the requirements of Revenue Canada as 'Enduring Property'.
- Maintain confidentiality of the Board's business.

4) Role of the Secretary

- Review the Policies and Procedures and make recommendations as required.
- Keep minutes of Meetings of the Board of Directors and the Investment Advisory Committee.
- Notify members of the Board of meetings
- Prepare Documentation for Donations and any Stand-Alone Bursary as directed by the Chairman and/or Board.
- Prepare and send out thank you letters to contributors.
- Provide donation letters for contributions of over \$1,000.00 to the Treasurer for signature.
- Annually, place a notice in the newspaper or other generally accepted media and notify the high school of the availability of funds for Bursaries and the method of applying.
- Keep a List of Donors with contact information.

5) Role of the Treasurer

- Provide quarterly summaries of the Trusts in sufficient detail to serve the works of the Investment Advisory Committee.
- Invest and cash funds as directed by Rotary Bursary Endowment Fund after the approval of the recommendations of the Investment Advisory Committee.
- Report to the Board of Directors the status of the investments semi-annually, or as the Treasurer may determine to be prudent due to unusual events.
- Letters of thanks for donations for sums of \$1,000.00 or more must be signed by the Treasurer.
- Prepare and file tax returns
- Reconciliation of accounts to be prepared as required.
- To maintain financial records in accordance with generally accepted accounting principles.
- To bring to the attention of the Board of Directors any donation with conditions attached. For example, conditions as to the type of investment to be made or the distribution of the funds resulting from the donation.
- The Treasurer will have the authority and responsibility to disburse funds for the general operation of the Rotary Bursary Endowment Fund.
- The Treasurer will have the authority to distribute Bursaries as approved by the Bursary Selection Committee.

Note:

- A report or audit of the Rotary Bursary Endowment Fund will be the responsibility of the Board of Directors of the 'Rotary Club of Gravenhurst, Ontario, Canada, Inc.'.
- In anticipation of the changes to the 'Not-For-Profit Corporations Act,2010,(ANCA)
 - 1) Auditors Report on Trusts: In accordance with the proposed 'Not-for-Profit Corporations Act' there will be no review or audit required unless annual revenue exceed \$500,000.
 - 2) If the Board of Directors of the Rotary Club of Gravenhurst complete an audit or review of their financial statements, as required by the 'Not-for-Profit Corporations Act' or other regulatory Acts requiring such a review or audit, that review and/or audit will include the financial statements and a list of investments of the Rotary Bursary Endowment Fund. Said audit or review will be paid from the general funds of the Rotary Club of Gravenhurst.

6) Investment Advisory Committee - Role

- The responsibility of the Investment Advisory Committee will be to recommend types and classes of investment and their weight in the portfolios as well as the specific investments to be made with funds as they become available.
- Members of this committee may not derive any personal monetary gain from the investments made.
- Member's conflicts of Interest in the selection of investments should be disclosed.
- The Chairman may be a member of: i) the Board of Directors, ii) the Investment Advisory Committee, or a Rotarian. However, the Chair of this Sub-Committee could be completely independent and chosen on his/her expertise in the area of investing or his reputation within the community.

7) Investment Advisory Committee:

Meetings:

- 1) The Investment Advisory Committee will be appointed by the Board of Directors of the Fund (the Board) and will be comprised of at least 5 members. The Chairman of the Fund will automatically be a member of this committee
 - 2) The committee will meet at least once a month to review such items as:
 - a) Donations received
 - b) Disbursements from the portfolio
 - c) Investment activities since previous meeting
 - d) Investment plans of present month.
 - 3) A meeting may be called at the pleasure of the Chairman to address an important issue.
 - 4) Any investment decision or disbursement decision must be supported by a majority of the members of the committee in attendance. Three members will comprise a quorum.
 - 5) The purchase of the investment is completed by the Treasurer or his assign.
 - The responsibility of the Investment Advisory Committee will be to recommend types and classes of investment and their weight in the portfolios as well as the specific investments to be made with funds as they become available.
 - Members of this committee may not derive any personal monetary gain from the investments made.
 - Members 'conflicts of interest' in the selection of investments should be disclosed.
 - The Chairman may be a member of: i) the Board of Directors, ii) the Investment Advisory Committee, or iii) a Rotarian. However, the Chair of this Sub-Committee could be completely independent and chosen on his/her expertise in the area of investing or his reputation within the community.
- 1) The committee will advise the Board of Directors on:
 - a) The investment status of the Fund
 - b) On the availability of the earned proceeds to fulfill all commitments,
 - c) On all payments for various incurred responsibilities and obligations, and
 - d) On all programs to raise money for the Fund related to investments

8) Investment Policy

New: General Investment Policy

Investments will be made, as prudent investors, with an emphasis on the yield provided by equities, bonds or debentures. This is not to exclude investments that may have other strong investment factors, such as growth stocks, but rather it is to be the most important factor, because the purpose of the endowment fund is to distribute the returns on investments in the form of bursaries. It is the policy and the intent to focus on our ability to distribute bursaries each year rather than grow the fund.

This policy should be revisited at least every other year.

It is the purpose of the Fund to provide Bursaries, on an on-going basis. Thus, it is critical that the Investment Policy of the Fund, not only preserve the Capital of the Fund, but also obtain a reasonable annual return on its investments. To do this, a variety of investments (Bonds, Stocks, Debentures, Money Market, and Asset Backed Instruments) may be made based on the following criteria in order of importance:

- Safety of principal
- Annual income (Yield)
- For Stocks, historical record
- For Bonds, DBRS Rating (e.g. no less than BBB)
- Money Market Instruments (Rating/History)
- Asset Backed Instruments (Investment to Market Value)

It is further recognized that in some cases and circumstances that a good investment may not meet the above criteria. In this case, the investment still may be made, but in any case this investment should not exceed 5% of the Market Value of the Fund.

Further,

Where required, investments and earnings are to be in accord with The Ontario Trustee Act amended by the Red Tape Reduction Act in 1998 and in force on July 1st 1999. A Trustee will be permitted to invest in any form of property in which a prudent investor might invest. The standard of care prescribed is summarized as the “care, skill, diligence and judgment that a prudent investor would exercise in making investments”. The Trustee must consider eight specific criteria as outlined in the amended act.

These criteria are as follows:

- a) general economic conditions;
- b) the possible effect of inflation or deflation;
- c) the expected tax consequences of investment decisions or strategies;
- d) the role that each investment or course of action plays within the overall trust portfolio;
- e) the expected total return from income and the appreciation of capital;
- f) needs for liquidity, regularity of income and preservation or appreciation of capital; and
- g) an asset’s special relationship or special value, if any, to the purposes of the trust or to one or more of the beneficiaries;

The legislation also requires that trustees diversify the investments of a trust as appropriate, having regard for the requirements of the trust and to general economic and investment market conditions.

In other jurisdictions, which have adopted the prudent investor rule, the criteria for consideration are permissive rather than mandatory. Consequently, in Ontario, a trustee must carefully document the investment plan or strategy and the development of a comprehensive planning process that includes consideration of the mandatory criteria.

Return on Investments

The Endowment funds objective is to generate a total investment return that allows for the distribution of bursaries, recovers costs of investment analysis, protects the purchasing power of the capital component and establishes a reserve for future market declines. The minimum return objective is 5%, of its Capital Base, however the Endowment fund would like to achieve a return of 6 - 6.25% , which includes inflation protection of an estimated 1.5% and a distribution rate of 5%. It is understood this rate of return is a challenge for the Investment Committee given the nature of investments, being dividend income driven, but the goal is set.

9) Asset Mix

The asset mix will be based upon the general intent of the fund which is to provide investment income for the purpose of disbursing bursaries each year.

‘In general, the greater a portfolio’s allocation to equities relative to fixed income securities, the greater it’s potential for capital appreciation and the higher its potential risk (as measured by the standard deviation of the portfolio’s rate of return). Conversely, the greater its allocation to fixed income instruments relative to equities, the greater it’s potential for generating a consistent income stream and the lower its potential risk. Control of the Portfolio’s asset mix is, therefore, the principal means of controlling its risk and return characteristics.’**

** (Borrowed from the Toronto Community Foundation Investment Policy)

The asset mix will be the responsibility of the Investment Committee to adapt.

Given the Portfolio’s expected return on investment and consideration for its risk tolerance, legal, investment time horizon, liquidity and income requirements the following long-term strategic asset allocation and permissible asset class holding ranges are shown in Table 1:

Asset Class	Benchmark Allocation	Permissible Range
Cash and Cash Equivalents	0%	0-25%
Fixed Income	25%	15% - 35%
Equities	75%	65% - 85%

The investment committee had chosen to invest exclusively in Canadian traded stock and bond instruments and equities prior to 2013. This decision was made during very difficult global economic times and the decision of the investment committee to invest in global equities will add diversification to the portfolio. This decision was made following an improvement in the global economic conditions perceived by many analysts.

10) Criteria for Selecting and Disposing of Mutual Funds

A. Selection of Mutual Funds

- Must be an equity, bond or exchange traded fund.
- Average or Below Average volatility.
- Lower management expense ratio.
- Preferably Funds that can be purchased and sold at no cost

B) Disposing of Mutual Funds

- If the fund does not meet the original criteria of the investment committee it may be sold.
- If performance is not satisfactory to the investment committee it may be sold.

Maturity of Investments

Investments are to be made to mature in the year monies would be required to meet all financial commitments including the annual bursary awards.

11) Calculation of Annual Earnings of Mutual Funds, Stocks and Bonds

To calculate the annual earnings of Mutual Funds and other Equities, dividends received in that year are to be used.

If these Equities and/or Mutual Funds are sold, the difference between the cost and the net selling price plus any dividends paid that year are to be included in the earnings, calculation.

Interest received on Guaranteed Investment Certificates, Bonds, other money investments, including Bank deposits are to be included in the annual earnings, if they may be taken out in the year of distribution.

12) **Distribution of Earning**

- The Adjusted Capital Base will be noted as of June 30th of each year. The amount available for distribution will be the funds over and above the 'Adjusted Capital Base' or 'Book Value' of the Fund.
- It is a requirement of Revenue Canada that 3.5% of the Adjusted Capital Base of the Fund be distributed each year. (This was reduced from 4.5%)
- The Distribution of the Net Earnings of all Trusts, Funds, Investments, are to meet the requirements of the 'Ontario Trustee Act'

13) Determining the Value of a 'Stand Alone Bursary' Distribution

When a 'Stand Alone Bursary' (SAB) donation is received the value of the fund should be noted as of the date of the donation. The value of the donation will represent a percentage of the fund when added to the existing funds. When the annual investment income of the fund is determined a percentage of the investment income will be assigned to each 'SAB' depending on the percentage that the value of the SAB represents within the endowment fund.

For example: The value of the distribution given out for a new 'SAB' contribution will be determined as follows. Since the distribution of funds is only the interest and dividends from the investments, the increase in value of the fund equities is not considered.

Therefore, if the endowment fund is worth \$1,000,000.00 December 31 2015, and if a SAB is received for \$25,000.00, this new SAB will represent 1/40 of the total. If the interest and dividends for 2012 are \$40,000.00 then the amount assigned to the SAB representing the \$25,000.00 will be 1/40th, of the total of \$1,025,000.00, or about \$1,000.00. If the new SAB is received in the 4th month of the year the amount to be paid out will be 8/12ths of the \$1,000.00 investment return.

14) Assignment of Interest and Dividend Income

The risks and investment income will be shared equally by all 'Stand Alone Investments' which are part of the general pool of investments. Further, the distribution of these funds will also be equally distributed as determined by the value of each SAB within the fund.

Exception: A 'Stand-Alone Bursary' may provide specific investment instructions for the distribution of the bursary. This is defined in the Policies and Procedures as an 'Encumbered Fund' and these funds will be excluded from the investment pool and will be addressed in accordance with the instructions received and the yield on the investments will be distributed as per the instruction.

15) Encumbered and Unencumbered: Definition

Encumbered - disposition of Funds directed by specific Agreement

Example: A 'Stand Alone' Bursary may provide specific instruction for the distribution of the bursary.

Unencumbered - disposition of Funds directed by the Foundation Directors.

Example: Interest generated by the general fund will be distributed as bursaries at the discretion of the Board of Directors

16) **Guidelines for Operation - Trust Funds**

(As of March 31st 2016 there were none)

The amount of the annual Awards and Expenses (including adjustment for inflation) for distribution as of June 30th are the annual earnings of all the investments in the year under consideration.

The Awards and Expenses are to be distributed in the year following the one under consideration. (Example: 2014 to be distributed in 2015.)

Monies for distribution are provided from the Security maturing in the year under consideration.

The balance of the monies will be reinvested to yield the maximum returns.

Commitments to Awards Recipients should be made on an annual basis only, since investment earnings may not necessarily be the same in each year.

Value of the Trust is calculated as follows:

- Secured Investments - Principal plus accrued interest.
- Equities - valued at Fair Market value

No encroachment is to be made on the initial adjusted for inflation value of the Trust.

The Awards are to be paid directly to the institution the student plans to attend, unless unusual circumstances prevent such payment.

Auditors Report on Trusts

- Annually, the Auditors will prepare a report or review no later than July 31st on the status of the Trusts and/or Stand Alone Bursary Funds. The requirement will be similar to those required by the Rotary Club of Gravenhurst.
- This report is to cover the fiscal year and is to be submitted and required in conjunction with the requirements of the Rotary Club of Gravenhurst and to be completed by the same auditor.
- The reports should include adjustment to the principal for inflation, earnings, and amounts for disposition as well as a list of investments and their projected future annual earnings.

Report of Annual Net Earnings of Trusts to Board of Directors

After receipt of the Auditor's Annual Report of the individual earnings of the Funds, but no later than July 31st. The Investment Advisory Committee is to submit to the Board of Directors the amount of available funds after, expenses and inflation adjustments to the capital base, for distribution from each of the trusts.

17) **Donation Form**

Endowment Donations and Gifts:

Donations to the endowment fund in excess of \$1,000.00 should be accompanied by a signed document. This document should include the following:

- The document must be signed by the donor.
- The document must direct the funds to be invested for a minimum of 10 years and a maximum of in perpetuity.
- The document must identify the Rotary Bursary Endowment Fund and the Rotary Club of Gravenhurst as the recipient charity. The registration number of the charity must be shown.
- The document must set out the date the gift is made.
- The document must note the name and address of the donor.
- The document must give the serial number of the official receipt issued to the donor for the gift. (It is not specified if this is completed after the document is signed on giving the donation.)

If the donation is not accompanied by such a document, Revenue Canada requires up to 80% of the donation to be dispersed the following year. Revenue Canada has noted to our former treasurer, Richard Augustine, that small donations are not a concern in terms of the 80% rule or a letter of direction.

18) 'Stand Alone' Bursary Commitments

It is the intent of the Rotary Bursary Endowment Fund that the minimum bursary to be given out is \$1,000.00. Based on this intention a minimum donation was established for a 'Stand-Alone' Bursary of \$25,000.00.

This figure was established with consideration to the potential earnings of about 4% per year for the investment of this donation in the fund. This would allow for a distribution of \$1,000.00 in the donor's name each and every year.

For SAB's that have a commitment over time (Example: the donor to make contributions to be paid over a five year period), the interest will accrue to the benefit of that specific Bursary until it makes its first award. The 'Stand-Alone' Bursaries first award will not be paid until the full commitment is received or the Investment Advisory Committee determines that the Bursary commitment will not be completed for any reason.

In the event that it is determined that a SAB commitment will not be completed, the Board of Directors may chose to either:

- 1) provide for a Bursary with the interest from the existing funds in the Bursary, or,
- 2) direct the funds into the general fund. This may not be done for 5 years following the last contribution made by a donor on behalf of the 'Stand-Alone Bursary'.

The Treasurer will make a record of any 'Stand-Alone Bursary' absorbed by the general fund and the amount of the Bursary with interest accrued. In the event that another family member or other organization, in the future, decides to contribute to this 'Stand-Alone Bursary' the bursary can be revived and the original amount absorbed by the general fund will be replaced. Interest gained on the funds from the date of the transfer to the general fund will have been distributed and will not be part of the funds deemed to be part of the revived 'Stand-Alone Bursary'.

19) Official Name of Trusts and ‘Stand-Alone Bursaries’.

The Treasurer will maintain an up to date list of all ‘Stand-Alone Bursaries’.

All individual Trusts, Donations and Bursaries that will provide for specific Bursaries attributed to an Individual, Family, Company, Organization, Government, Profession, or Other Specified Group will be listed hereunder.

A record of each will be kept and include the following:

- The name of the award.
- The date the award was established.
- The initial value of the Fund, and/or further commitments.
- The conditions under which the award will be given.
- Whether an application for the award is required.
- The date of the first award.
- The frequency of the award.
- An approval by the Board of Directors.

20) Maintenance of Bursary Record

The Secretary will keep and maintain a record of each 'Stand-Alone Bursary'

The record of each will include the following:

- The name of the award
- The date the award was established.
- The initial value of the Fund, and/or further commitments
- The conditions under which the award will be given
- Whether an application for the award is required.
- The date of the first award
- The frequency of the award
- An approval by the Board of Directors

21) Bursary Selection Committee

The first Bursary Selection Committee was established in June of 2011.

Purpose:

- a) This committee will choose the recipients of the annual bursaries from the applications received.
- b) The committee will review the application form and make recommendations to the Board of Directors of the Rotary Bursary Endowment Fund.

Members of Committee:

Ideally, the Selection Committee will be made up 2 or 3 Rotarians, a local educator, and members of the community who are not affiliated with the Rotary Club and not involved with the local Board of Education.

Criteria for Bursary Eligibility:

To qualify for a bursary the applicant must be:

- a) a resident of Gravenhurst or attending school in Gravenhurst.
- b) planning a post secondary education at a University or College leading to a *degree* or *diploma*, or upgrading or developing new skills in a program leading to a *certificate*.
- c) show a financial need.

Note: Prior academic performance is not a criterion for selection

Bursaries to be Awarded:

The bursaries to be awarded will be generated by the interest and dividends received on the investments of the Rotary Bursary Endowment Fund. Each bursary will be for a minimum of \$1,000.00. The number of bursaries to be awarded will vary from year to year. The award of a bursary one year does not guarantee an award in subsequent years.

Privacy: Consideration must be given to the privacy of each applicant and their family in regard to the disclosure of the award and no requirement or obligation will be placed on the applicants to appear publicly or have their names disclosed

Those members of the Bursary Selection Committee for 2015-2016 are:

- 1) John Vellanga, Rotarian
- 2) Ross Seimms, Rotarian
- 3) Steve Hayhurst,
- 4) Jennifer Schandlen, Guidance Counsellor,
- 5) Richard Sellon, former Principal of Gravenhurst High School and Rotarian.

22) Anonymous Donations Policy

When a Donor wishes to remain anonymous, the only people that need know of the donation are:

- a) the recipient of the donation, and
- b) The Treasurer issuing a tax receipt, and
- c) Any person named by the Donor, and
- d) Any other person who may have a bonafide and specific reason to know.

(Provided they sign a 'Confidentiality Statement')

The name of the donor may not to be published. If an anonymous donors name is disclosed it is grounds for the donor to have the donation refunded.

This policy has been developed due to concerns that may arise over the legal or financial intention of the individual, the reputation of the individual etc. For example: laundering money or the fund accepting drug money. This concern was taken by a member of the Investment Committee to Bonnie Beach of the Muskoka Hospital Foundation and to Jim Cruickshank, a member of our Rotary Club and a Municipal Lawyer. The Hospital did not disclose these donations to all the Directors but only the Recipient of the donation and the Treasure. They have a 'Confidentiality Form' should the need arise. This policy follows on the advice of Jim Cruickshank and is based on the law as we have been informed.

23) Provision for Capital Base Inflation Adjustment

Implementation Date: *It is recommended that this policy be adopted when the Adjusted Capital Base of the endowment funds has reached \$2,000,000.00. Until then, it is the position of the Executive of the Rotary Bursary Endowment Fund that it is more important to distribute a larger portion of the interest earned.*

The purpose of this amendment is to allow the Treasurer to disperse less than the full amount of interest and dividends received as bursaries. He will be allowed to consider the rate of inflation and general growth of the fund and make a determination of annual disbursements. For Example, many endowment funds, although they generate 6-8% return, they only disperse 3.5 to 5.5% annually so the funds 'value' stays in line with the rate of inflation.)

The purpose of this policy is to ensure that the rate of growth of the 'Adjusted Capital Base', matches or exceeds the rate of inflation over time. Such increases in the 'Market Value' will allow for increases in distribution of expendable income which match or exceed the rate of inflation. Maintenance of the inflation-adjusted value of endowment capital will ensure that funds for expenditure are not adversely affected by inflation.

This objective will be achieved by ensuring that the distribution of expendable income does not exceed the real rate of return over a period of years. Because annual fluctuations in the 'Market Value' of the fund could make forward budget planning difficult, it is necessary to provide for some sort of smoothing process. Accordingly, the annual distribution of income shall be determined by the Treasurer of the Endowment Fund subject to the following criteria:

1. The need to maintain an inflation-adjusted value of the Adjusted Capital Base, and
2. The need to provide a stable flow of expendable income for the purposes of each individual fund for which we may become responsible.
3. Encumbered Funds Certain funds may be specifically invested in order to comply with legal restrictions externally imposed or contracted. The application of this policy to such funds must take into account these legal restrictions.

Special situations may arise which warrant a temporary exemption from the application of this policy. In such cases, the Treasury will determine if such exemption is to be allowed. Exemptions will normally only be granted where there is a plan to restore the inflation-adjusted value of a fund over time.

Glossary:

Real Rate of Return: Total rate of return less the rate of inflation

Rate of Inflation: For the purpose of this policy, the increase in the 'Consumer Price Index for Canada' expressed as a percentage.

Book Value or Capital Base: These are the same and represent donations value before cost

Adjusted Capital Base: Initial endowed funds plus the cost of purchasing the assets -

Example: Commissions, legal costs, banking fees or surveys

Market Value: The fluctuating value of the fund = Adjusted Capital Base + equities value + dividend and interest income. It refers to a specific time.

24) Long Term Capital Appreciation Pool

Overview:

The Long Term Capital Appreciation Pool (LTCAP) consists of the endowed funds and any other funds that are of a permanent or long-term nature. This may include other entities such as funds directed to the care of the Rotary Bursary Endowment Fund (funds held by the Board of Education would be a prime example). The fair value of the LTCAP unit is set each month a 'Stand-Alone Bursary' contribution is received. The endowment fund has an assigned book value (nominal amount of dollars contributed to the endowment fund) and an allocation of the LTCAP units based on the number of dollars contributed and the unit value on the dates of the contribution.

25) Banking and Investment Account

A bank account was set up at RBC Dominion Securites as an investment account in 2013.

A separate general bank account at Canada Trust TD Bank was set up for the Rotary Bursary Endowment Fund in 2009 with the approval of the Rotary Club of Gravenhurst and interest and dividends earned from the investment account accrue to the investment account for the purpose of distributing bursaries.

All monies donated to the Rotary Bursary Endowment Fund go into this account.

Any monies transferred out of these accounts must be authorized by two signing officers.

Withdrawals from the investment account at TD Waterhouse must be signed by two officers of the Rotary Bursary Endowment Fund, namely the Chairman, Treasurer or Secretary.

Bursaries are paid from the general bank account.

26) **Insurance**

- Insurance for all Rotary projects is provided by the Insurance policy for Rotary District 7010.
- This insurance includes coverage for theft and embezzlement.
- G.I.C. deposits are covered by the Canada Deposit Insurance Corporation to a maximum of \$100,000.00 and cash deposits to any one institution may not exceed this amount.

27) Fund Raising

The Rotary Bursary Endowment Fund will conduct various forms of fundraising and at all times be cognizant of the following:

- All fund raising will be in accordance with the requirements of the Canada Revenue Agency as specified in their ‘Guidance for Fund Raising by Registered Charities’ dated April 20 2012, as Reference Number CG-013.
- All fund raising will be in accordance with the values expected of the Rotary Club of Gravenhurst.
- New fund raising initiatives must be approved by the Board of Directors of the Rotary Bursary Endowment Fund.
- The hiring of professional fundraisers is not a policy of the Rotary Bursary Endowment Fund.
- Fund raising initiatives of an ongoing nature include the following:
 - Letters to the public, associations and other service clubs
 - Letters to all government levels regarding support and funding
 - Letters to other charitable organizations regarding funding.
 - Applications for funding.
 - Printing and distribution of flyers, brochures and pamphlets for promotional purposes.
 - Website development, email and social media promotion.
 - Newspaper articles and advertisements.
 - Donor Recognition Programs
 - Donation Counter Top Boxes.
- A previous successful Fund raising activity was ‘The Mayor’s Charity Ball’ and such an activity may be repeated.

(Other fundraisers acceptable to the Canada Revenue Agency include events such as, sports tournaments, runs, walks, auctions, dinners, galas, concerts, travel or trekking adventures. The sale of goods or services. Fund raisers of donor stewardship, and membership or corporate sponsorship programs)

28) Dissolution of the ‘Rotary Bursary Endowment Fund’

Respecting the distribution of Assets of the Rotary Club of Gravenhurst Bursary Fund upon the dissolution or winding up thereof:

BE IT ENACTED AS A BY-LAW of the ‘Rotary Club of Gravenhurst, Ontario, Canada, Inc.’ as follows:

In the event of the winding up or dissolution of ‘Rotary Bursary Endowment Fund’, any assets of the Fund shall be distributed to one or more recognized charitable Foundations in Canada. Preference must be given to foundations as follows: Firstly, in Gravenhurst; Secondly, in Muskoka; and Thirdly, to a post secondary educational foundation.

Consideration must be given to charitable foundations that will recognize and maintain the trusts and ‘Stand-Alone’ Funds within this Foundation.

All funds donated by the Rotary Club of Gravenhurst to this Fund must be offered to be returned to the Rotary Club of Gravenhurst if the fund is to be dissolved.

Funds directed by the Town of Gravenhurst from the estate of Terrance Haight to this fund must also be offered to be returned to the Town of Gravenhurst, if the fund is to be dissolved.

Historical Note: Original Motion for the Formation of the Rotary Bursary Endowment Fund.

29) Approval for the Formation of the Fund

The members of the Rotary Club of Gravenhurst approved a motion made on June 15th 2009 as follows:

“The General Membership of the The Rotary Club of Gravenhurst approve the formation of ‘Rotary Bursary Endowment Fund’. Further the Board of Directors will undertake the formation of a ‘Foundation’ for the administration of the Funds held by the Rotary Bursary Endowment Fund and agree to transfer the funds to the Foundation at a time and date chosen by the Board of Directors of the Rotary Club of Gravenhurst with consideration given to the size of the Fund and the management of that fund as a ‘Foundation’. Further, the ‘Policies and Procedures’ prepared on June 15th 2009 will be the basis of the operation of the Fund and these ‘Policies and Procedures’ may be reviewed and amended by the Board of Directors of The Rotary Club of Gravenhurst as required.”

The motion was made by Kenneth Little,
The motion is seconded by Richard Augustine,

Unanimously Approved June 15th 2009

30) Approval of Revised 'Policies and Procedures'

These 'Policies and Procedures' have been approved by the Board of Directors of the Rotary Bursary Endowment Fund on the ____April ____2016.

Signed: _____ Dated: _____
Chairman, Rotary Bursary Endowment Fund
Kenneth Little

Signed: _____ Dated: _____
Treasurer, Rotary Bursary Endowment Fund
Richard Augustine

The 'Policies and Procedures' were submitted for approval by the Board of Directors of the Rotary Bursary Endowment Fund, to the Rotary Club of Gravenhurst on this the ____day of _____ 2016.

The 'Policies and Procedures' have been reviewed by the Board of Directors of the Rotary Club of Gravenhurst and the 'Policies and Procedures' attached approved.

Signed: _____ Dated: _____
President, Rotary Club of Gravenhurst
Bruce Dart

Signed: _____ Dated: _____
Treasurer, Rotary Club of Gravenhurst
Teresa Morley

