

**Rotary Club of Pleasanton
Foundation Policies & Procedures
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Policies & Procedures**

Approved Date: April 21, 2022, effective July 1, 2021

Objectives

The mission of Rotary Club of Pleasanton Foundation is to support local students, charitable community organizations and other Rotary-related projects, as determined by its Board annually, through scholarships/grants from fundraising campaigns of the Rotary Club of Pleasanton which may be combined with donations/contributions received from individuals, corporations and/or other benefactors.

Financial Goal

The overall financial goal of the Foundation is to maintain an investment portfolio with a minimum Corpus balance of \$1,000,000. The Foundation Board of Trustees (hereinafter referred to as "Trustees") will review the minimum balance amount on an annual basis and make adjustments as necessary to meet the Foundation goals and objectives.

Funding the Foundation

It is anticipated that the Foundation will achieve the financial goal by a combination of the following:

1. The Club's membership and friends will make voluntary cash contributions to the Foundation. Inclusion of funds received in any calendar year will be allocated/distributed as intended by the donor or as reasonably determined by Foundation Trustees.
2. The Club will oversee or delegate fund raising events with proceeds benefiting the Foundation.
3. Securities and other assets (stocks, bonds, mutual funds, and other assets) may be gifted to the Foundation by club members or friends of the club. Other assets offered as gifts will be approved by the Foundation Trustees. Upon receipt and legal transfer of such securities and other assets, they may be converted to cash and the proceeds will be invested according to the permissible investments listed later in this document.
4. A club member or friend of the club may name the Foundation, as a benefactor in their will, trust, charitable remainder trust, or life insurance policy and the Foundation will receive the gift upon the death of the benefactor or perpetually.
5. Unless otherwise specified for Club operating or new specified Rotary-related purposes, net proceeds from already established Club Fund Raising Events that are held in any calendar year: will be combined and determined by Foundation for allocations to Scholarships, Community Grants, Wheelchairs and/or other Rotary-related projects no later than December of the same year.

Amounts allocated for distribution will be awarded in the following calendar year with anticipated timeline of actual distribution as follows:

- Community Grants in March-April of the then-fiscal year;
- Scholarships (announced in May-June) for the following fiscal year(s). Scholarships may split distribution award(s) over multiple years and,
- Wheelchairs and/or other Rotary-related causes as needed and determined by the Trustees.

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Investment Asset Allocation

Based on the Foundation's objective of income and appreciation, the Foundation investments will include a balance between stocks, bonds and cash. The following are the asset class target allocations:

- Cash and cash equivalents should equal all spending and scholarship awards planned within the next 12 months plus \$10,000.

Approved Cash Equivalents

1. Checking Account
2. Savings Account
3. Money Market
4. Short Term Certificate of Deposit maturing before the matched expected spending goal date.

- The assets that are not matched to a specific goal in cash equivalents and expected to be invested for the "Endowment" portion of the portfolio with an expected time horizon of 4 years or more, should be invested within the following Broad Asset Allocation Targets:

<u>Assets Classes</u>	<u>Target Allocations</u>
Equity Total	50% - 70%
Fixed Income	50% - 30%
	Total = 100%

Approved Asset Types

1. Mutual Funds
2. Exchange Traded Funds
3. Certificates of Deposit

Investment Objective

The current stated investment objective of the Foundation is to grow the principal annually each Fiscal Year (ending on 6/30) from a start value of \$502,958 as of 6/30/2013, increasing by a "Target Value" or "Watermark" of 4%, cumulative annually and increased every Fiscal Year until the Portfolio value reaches \$1,000,000. At that time this Investment Objective should be reevaluated.

Gifting Formula of the Foundation

The Investment Objectives stated above are designed to support the Gifting Formula of the Foundation. The formula consists of the following:

- 1) 100% of Net Proceeds raised from the Spirit Run* plus
- 2) 100% of Net Proceeds raised from the Poker Event* plus
- 3) Additionally, other identified and approved fundraising projects plus
- 4) Up to 100% of the amount of investment balance above the watermark amount**

The charitable funding goal has been to allot at least 50% of the Gifting Formula for Scholarships, with the remainder to be determined for Community Grants and Rotary-related causes. It is at the Foundation's discretion and the Trustees may choose not to distribute the full amount for various reasons. However, distributions can be considered and allowed by the foundation if the watermark has been reached prior to grants being voted on by the Trustees as long as 60% of the entire Foundation Board of Trustees votes to approve the distribution.

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This stated Investment Objective is to be attained with a diversified Portfolio of “Approved Assets” allocated within the Broad Asset Allocation parameters stated earlier in this document. Mutual Funds and ETF’s may be “Passive” or “Actively” Managed.

*Established Club Fundraising Events

**Example: if the investment balance on 6/30/xx is \$832,000 and the watermark amount on 6/30/xx is \$800,000, the board may allocate up to \$32,000 toward its charitable funding goals. Additionally, the Corpus was initially built from past Spirit Run events; any funds taken from it for philanthropy should be derived from income/dividends and/or realized gains made on investments, with the Investment Objective still to be reached.

Investment Guidelines

The assets of the portfolio shall be generally well diversified as to avoid undue exposure to any single economic or industry sector. The equity and bond investments will be in mutual funds or Exchange Traded Funds to increase diversification. Cash equivalents will be liquid or short-term investments maturing in less than one year. Individual Stocks and Bonds shall not be used in the Portfolio to minimize Company or Issuer specific risks.

Monitoring of Foundation Portfolio

Routine cash flows (contributions and spending) should be used to maintain the target allocations as closely as possible. If the Portfolio Asset Allocation strays from the desired Asset Allocation Target and contributions or spending are not planned, then a Portfolio Rebalance shall be performed bring the Portfolio back to the desired Target Allocation.

A report will be generated within 45 days following the end of each fiscal quarter by the Trustees to show the portfolio change in value. This Report will be available on the Commonwealth Financial Network Investor360* Website to any Trustee(s) who request access.

In addition, an annual report will be generated within 45 days following the end of each calendar year. The annual report will include the name, year-end value, performance for each individual investment in the portfolio, and comparison of each investment to an appropriate Peer Group or Benchmark. At least on an annual basis the Foundation Financial Advisor will analyze the equities and fixed income and report to the Board.

Changes to the Investment Policy

This investment policy can be amended at any time with a majority (51% or greater) approval from the current Foundation Board of Trustees. Any changes will be finalized in written form and included on an amended Policies and Procedures Document.

Operating Goal

The operating goal of the Foundation is to manage Foundation assets and activities to ensure continued growth; to structure investments and fund raising activities to maximize and enhance scholarship payouts; to

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adequately fund other approved projects/programs; and to identify new investment opportunities while maintaining a balanced portfolio in accordance with the Foundation's investment policy.

Operating Plan

The following defines committee roles/responsibilities required to achieve Foundation goals and objectives.

Spirit Run and Poker Event Committee

1. Organize and manage Spirit Run and Poker Event events
 - Spirit Run and Poker Event fundraising events should be organized and run by the Club's Board (hereinafter referred to as "Board"). The Spirit Run and Poker Event Chairperson(s) are responsible for directing the Spirit Run and Poker Event Committee's activities including the discretion within any Foundation directives to determine specific goals and objectives for fund raising. Event management and volunteers will be generated by the Club members.
 - Develop and implement actions that maximize Spirit Run and Poker Event participation, operating efficiencies, and cost containment and that promote and enhance the image and reputation of the Club.
2. Fund raising for Spirit Run and Poker Event
 - Identify, recruit, and obtain sponsors for annual Spirit Run and Poker Event events.
 - Develop and implement actions to maximize sponsorship donations and runner participation.
 - Prepare and make presentations to prospective sponsors.
 - Insure timely attainment of sponsors in accordance with annual Foundation directives.
3. Any material change to the operation of the Spirit Run and Poker Event events requires prior review and approval by the Board.

Scholarship Committee

Organize and manage annual scholarship program

- Scholarship Committee Chairman is responsible for directing Scholarship Committee activities including the discretion within any Foundation directives to determine specific goals and objectives for scholarship allocation within the amount allocated by the Foundation to be given for scholarships and recipient selection.

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ROTARY CLUB OF PLEASANTON – SCHOLARSHIP POLICY – Updated 11/12/18

I. **GOAL:** To provide scholarships to graduating seniors at Pleasanton’s three high schools—Amador, Foothill and Village, or from a home-schooled Pleasanton residence--*based on financial need* as well as student character, school and community service, career and educational aspirations, work experience and academic record. To continue to financially support these recipients, and other deserving students, when they reach their college Juniors, Seniors and or Graduate School.

II. FUNDS:

- A. Funding for high school scholarships is primarily derived from the Rotary of Pleasanton’s Spirit Run held annually. The total amount of funds allocated each year for Scholarships is dependent upon the success of the prior year’s Spirit Run and is determined by the Club’s Foundation. Scholarships receive the largest portion of the dollars raised from each Spirit Run.
- B. The Scholarship Committee determines the number of scholarships to be awarded as well as the size of each scholarship. Typically, some awards are given over two years.
- C. Requests for disbursement of scholarship funds are made to the Treasurer of the Rotary Club of Pleasanton Foundation. The scholarship recipient is responsible for making the request. The Treasurer makes the check directly to the recipient after the recipient has shown proof of full time enrollment at their post-secondary school.
- D. The scholarship money awarded expires on April 1st of the following year unless there are *special circumstances. If the allocated funds are not requested or picked up by a scholarship recipient, those funds will be available for the following years scholarships. (The Foundation Treasurer will contact any current years recipients who have not picked up their check by the third week in October to help insure that the scholarship recipient has the opportunity to utilize the scholarship, if desired.)

* Special circumstances would require the Scholarship Chairperson to request the Scholarship Committee’s approval of the extension of the scholarship. The Chairperson would be responsible for notifying the Foundation Treasurer of the extension.

- E. When recipients of Rotary Scholarships do not meet the requirements as set out in the policy, the Scholarship Committee (or designee/s), will determine if the student had an emergency circumstance or some other reason for not requesting disbursement of scholarship funds and is still committed to continuing their education. If the student’s efforts in continuing his/her education is found to be sincere, then 50% of the scholarship will be awarded for the first semester. The remainder will be awarded in the second semester, upon showing proof of enrollment.

III. **SCHOLARSHIPS:** There are four named scholarships named after distinguished former Rotary Club of Pleasanton members, as well as other scholarships.

- A. Warren Annis Memorial Scholarship “Service Above Self”
- B. Harry Plett Memorial Scholarship (Amador)
- C. Roger Dabney Memorial Scholarship (Foothill)
- D. Senor Bob Athenour Global Humanitarian Memorial Scholarship

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IV. APPLICATION PROCESS: Any graduating Pleasanton high school senior with financial need and who will attend a post-secondary institution or vocational school, on a full-time basis are eligible to apply for Rotary Club of Pleasanton Scholarships. The recipients of the high school scholarships are eligible to apply for College Jr./Sr. Scholarships. (All students must carry a minimum of 12 units.)

A. Applying students must submit a completed application for the Rotary Club of Pleasanton Scholarships. That application process includes:

1. Application (All questions **must be** completed.)
2. Any supplemental information as stated on the application.
3. Recent (high) school transcripts
4. Copy of the Federal Student Aid Report (SAR) (high school only)
5. Optional: Letters of recommendation
6. 15 minute interview with Scholarship Committee
7. Recipients of Rotary Club of Pleasanton Scholarships are expected to write a thank you to the Club before they receive the scholarship funds.

B. Students at Foothill and Village are responsible for turning in their completed applications by the last day of March to the school scholarship counselor or mail directly to:

Rotary Club of Pleasanton Scholarships
C/O Nancy Harrington, Scholarship Chairperson
444 Cabonia Ct.
Pleasanton, CA 94566

At Amador High School, students submit applications to counseling secretaries.

Community Grant Program

Purpose: Rotary International is an organization of business and community leaders who provide humanitarian service, encourage high ethical standards in all vocations and help build goodwill and peace in the world. To achieve that end, Pleasanton Rotary seeks to support the human service needs of our community.

Grant applications will be reviewed with the following considerations:

1. What is the lasting impact of the project?
2. Is one of our club members a affiliate of the project? What is the level of involvement of our club?
3. How will our Rotary Club and its mission gain visibility?
4. Is there another organization to partner with, for funding this project?
5. Are there other funding sources to extend the impact of our grant?

The Foundation Board may also consider grants that do not meet these principles on an exception basis, at the discretion of the Board of Trustees.

Program Limitations: Pleasanton Rotary Foundation does not make grants directly to individuals or for political or sectarian purposes, endowments, expenses related to fundraising activities, travel expenses, organizations intending to pass-through grants. deficit liquidation proposals. Partial funding of grant requests may be considered.

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Application Procedures: Grant applications that meet the donation priorities for the fiscal year will be accepted by email only, until 5:00 pm on January 31st of each year. Please email documents in PDF format. Incomplete or illegible applications, or applications not complying with these guidelines will not be forwarded to the Board of Trustees for review. Award Decisions Are Final. There is no appeal process. Applications will not be returned. **Application Deadline:** Must be received by 5:00 PM January 31st of each year.

Follow-up Report: Organizations and agencies receiving grants from Pleasanton Rotary Foundation will be required to provide written report back to the Board of Trustees by June 30th, on or before the end of the fiscal year regarding the use of the funds granted. The report should indicate the use of the funds and include any supporting documentation to allow Pleasanton Rotary to review the use made of its donation. Grantees will be informed of the reporting requirements at the time the grant is awarded. Grantees who fail to provide a follow-up report will be disqualified for future grant requests.

Special Projects Committees

Organize and manage special projects as assigned by and in accordance with directives from the Club Board of Directors and/or or the Foundation Trustees.

Wheelchair Committee Program – Effective July 1, 2021

Goal/Purpose:

To provide wheelchairs to people needing a wheelchair but unable to afford one. To promote Rotary's Four Way Test by building global friendships and by recognizing the needs and abilities of people with physical disabilities.

Funds:

Funding for the Wheelchair Program is derived from the following:

- Allocations from the Rotary Club Foundation in accordance with the Foundations Policy and Procedures
- Restricted Funds contributed to the Foundation directed to the Wheelchair Program
- Funds received from Wheelchair specific fundraisers

Funds will be maintained in a separate "Wheelchair Checking Account (WCA)" and managed by the Wheelchair Committee Chair or designee and the Foundation Treasurer.

Each Contributor to the Wheelchair Program will be sent an "thank you" letter from the Rotary Foundation Wheelchair Program Committee acknowledging the donated amount and IRS code section 501(c)3 information.

Wheelchair Committee Chair/designee will provide a WCA status report at each meeting of the Wheelchair Committee but not less than once a quarter. Report will be forwarded to the Foundation Treasurer. The Foundation Treasurer will furnish monthly reconciled reports to the Foundation Trustees.

Operating Procedure:

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The Wheelchair Committee is responsible for determining when and where wheelchairs will be distributed. They will work with the Wheelchair Foundation (Walnut Creek) to identify locations and timing and to evaluate partnership opportunities.

The Wheelchair Committee will meet "as needed" but no less than once a quarter to discuss Wheelchair Program activities including the status of current or proposed distributions and/or fundraising.

Minutes will be kept for each Wheelchair Committee Meeting and forwarded to the Club President and the Foundation President for informing each of their Boards of Directors.

A presentation to the Club updating Wheelchair Program activities will be made "as needed" but not less than twice a year.

The Wheelchair Committee will promote participation in distribution trips for Club members and friends and will help coordinate travel plans. Participants in distribution trips pay all their own expenses.

Operating Directives

The Foundation will advise the Scholarship, International Project(s) and Community Grants Committee(s) on the amount of money allocated to their projects as soon as the Allocation Determination is calculated and a timeline for the use of funds is determined. Online Application Requests will be posted on the Rotary Club website as well as requirements and distribution information according to the timeline established at the beginning of the fiscal year.

The Foundation may choose to have outside bookkeeping services to update the books on a consistent monthly basis. The Foundation will keep copies of all records and documents each year in a safe location available to all trustees. All documents and their safekeeping will be passed on to the new trustees on an annual basis. Private Restrictive Donations received for charitable projects are accounted for separated from donations from fundraisers and will be accounted for separately than the Allocation Determination Formula.

The Club Board of Directors will furnish the Foundation Board of Trustees with a budget at the beginning of the year for Community Donations sponsored by the Club and approved by the Foundation at the beginning of the fiscal year.

The Trustees will review, establish and/or modify, operating directives as appropriate for the Spirit Run Committee, Poker Event Committee or other approved project Committees and communicate those directives to the committees each year.

The amount of money available for charitable distributions each year will be established by the Trustees and communicated to the Foundation Charitable and Cultural Project Committee(s).

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Policies and Procedures Responsibility

The Trustees have responsibility for maintaining these Policies and Procedures and any deviation or change requires approval by the Foundation.

Approval

The Rotary Club of Pleasanton Foundation Policies and Procedures contained herein are hereby approved by the Rotary Club of Pleasanton Foundation Board of Trustees and are effective immediately.

Signed and dated: 5/12/2022

Trustees:

Steve Van Dorn,
President



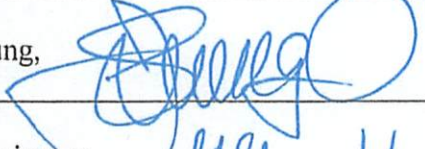
Kathleen Alameda,
Secretary



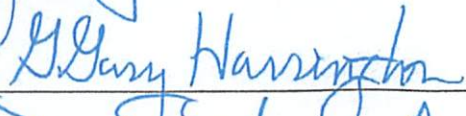
Marjorie Wong-Gillmore,
Treasurer



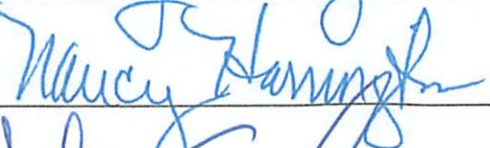
Julio Leung,
Trustee



Gary Harrington,
Trustee



Nancy Harrington,
Trustee



John Lewman,
Trustee

