



**Ames Morning Rotary Club
Club Meeting
February 17, 2010**

A quorum of the club membership was present

The special club meeting was called to order at 7:25 am

Dave Miller and Scott Sanders presented a proposal to the club to create a club endowment account within the Story County Foundation. Discussion and questions followed. Motion Vegge, second Gohman to approve the proposal as attached to these minutes. Approved unanimously by voice vote.

Daryle Vegge asked the club members for their thoughts on future club programs. Discussion followed. Any additional ideas should be forwarded to Daryle.

Meeting was adjourned at 8:00 am

Respectfully submitted,
David J. Miller, Secretary

February 17, 2010

Proposal: To create an Ames Morning Rotary Club endowment account within the financial structure of the Story County Foundation.

Criteria : Minimum balance is \$10,000. Quarterly fees are 0.175%. Funds are held and invested by the greater Des Moines Community Foundation. This permanent endowment is federal tax deductible, and is also eligible for a 25% Iowa tax deduction (Endow Iowa Tax Credit). Funds may be withdrawn from the permanent endowment at 5 % per year.

The Board proposes to create this endowment account with \$10,000 that is currently invested in certificates of deposit with local banks. The club will provide an additional \$10,000 in 1:1 matching funds for club members that contribute to the fund in the first operating year of the fund.

Management of the account : Management will be the responsibility of the Board of Directors of the Club, upon recommendation of the Chair of the Administration committee. The Administration committee shall be comprised of the Board of Director appointed chairperson and two other club members at-large as selected by the Administration chairperson.

Use of Funds : Funds will be used for either local philanthropy projects or for international projects as designated by the Board of Directors, consistent with Club operating guidelines. Current club financing guidelines include the following:

Requests will be evaluated on the basis of the following considerations:

- Top priority will be given to requests which relate to the Club's commitment to literacy and early childhood education.
- The next priority is requests to fund projects which raise awareness in our local communities of our Club's commitment to service and good citizenship.
- Consideration should next be given to requests from organizations with which Ames Morning Rotarians are actively involved.
- The fourth level of priority would include projects which permit the Club to join with other Rotary clubs in our area to further the goals of Rotary International.
- Preference will be given to requests for donations to organizations, rather than individual recipients.

This is a permanent endowment and the Board of Directors must designate a beneficiary in the event that the club should be dissolved for any reason.

Use of funds shall not commence until the fund balance reaches \$35,000 (projected to be 5 years). At that balance, a five percent annual withdrawal would provide \$1,750 for projects. If we assume that an additional \$1,000 were to be donated by members annually, that annual project fund could grow to be almost \$8,000 annually in 25 years, without additional revenue support from the club budget. (See attached example).

Scenario for an Ames Morning Rotary Endowment

7% Earnings

\$1,000 New Money
Annually

	Balance	Earnings	New Money	Project \$ (5%)
Year 1	\$20,000	\$1,400	\$1,000	\$0
Year 2	\$22,400	\$1,568	\$1,000	\$0
Year 3	\$24,968	\$1,748	\$1,000	\$0
Year 4	\$27,716	\$1,940	\$1,000	\$0
Year 5	\$30,656	\$2,146	\$1,000	\$0
Year 6	\$33,802	\$2,366	\$1,000	\$1,690
Year 7	\$37,168	\$2,602	\$1,000	\$1,858
Year 8	\$40,770	\$2,854	\$1,000	\$2,038
Year 9	\$44,624	\$3,124	\$1,000	\$2,231
Year 10	\$48,747	\$3,412	\$1,000	\$2,437
Year 11	\$53,159	\$3,721	\$1,000	\$2,658
Year 12	\$57,881	\$4,052	\$1,000	\$2,894
Year 13	\$62,932	\$4,405	\$1,000	\$3,147
Year 14	\$68,338	\$4,784	\$1,000	\$3,417
Year 15	\$74,121	\$5,188	\$1,000	\$3,706
Year 16	\$80,310	\$5,622	\$1,000	\$4,015
Year 17	\$86,931	\$6,085	\$1,000	\$4,347
Year 18	\$94,017	\$6,581	\$1,000	\$4,701
Year 19	\$101,598	\$7,112	\$1,000	\$5,080
Year 20	\$109,710	\$7,680	\$1,000	\$5,485
Year 21	\$118,389	\$8,287	\$1,000	\$5,919
Year 22	\$127,676	\$8,937	\$1,000	\$6,384
Year 23	\$137,614	\$9,633	\$1,000	\$6,881
Year 24	\$148,247	\$10,377	\$1,000	\$7,412
Year 25	\$159,624	\$11,174	\$1,000	\$7,981