**BUCKHEAD ROTARY FOUNDATION POLICY STATEMENTS**

**Part (a): BRF DEVELOPMENT DIRECTOR RESPONSIBILITIES**

1. Manage and maintain giving record levels records.

2. Annually present to the board a listing of donors’ cumulative giving records.

3. Determine required award presentations, order awards, and manage presentations.

a) Encourage giving to the BRF.

b) Encourage members to become Benefactors to the BRF.

c) Inform Club of member giving levels for Club roster and update Club website records.

4. Prepare a report for the board annually, reviewing each assigned responsibility.

5. Maintain a permanent book of pertinent documents and present same to successor.

**Part (b): BRF TREASURER RESPONSIBILITIES**

1. Maintain Asset Allocation by periodic adjustments within approved investments, pursuant to the Investment Policy).

2. Recommend to the board any additional investment instruments for new investments or for asset allocation adjustments.

3. Manage all Foundation Investment and Giving Policies, not otherwise assigned.

4. Review quarterly cash flow statements and Check Register.

5. Maintain Letter of Instruction for each financial institution.

6. Receive and review all monthly Investment reports.

7. Review and approve all financial statements prior to presentation to the board, including the tax letter to the tax accountant and the tax return for the Foundation.

8. Recommend changes in Investment Policies, authority, or other functions.

9. The President and the Treasurer will be the only holders of any investment passwords. The President shall be the back-up signature on all bank accounts.

10. Prepare and present to the Club Archivist a set of financials for the fiscal year, including the submission to the tax accountant and a signed copy of the tax return.

11. Prepare a report at least annually for the board, addressing each of the Treasurer’s assigned responsibilities, to be included in the Foundation minutes.

**Part (c): BRF SECRETARY RESPONSIBILITIES**

1. Perform Secretarial function for the board.

2. Maintain copies of all corporate records and registrations.

3. File all corporate registrations.

4. Maintain Bylaws, recommend changes as necessary, update per any board resolutions, and oversee compliance with Bylaws.

5. Develop all required Officer and Trustee nominations and administer the elections on behalf of the President.

6. Maintain Officer and Trustee Terms Chart.

7. Set regular quarterly board meeting dates in coordination with the President and advise all Trustees.

8. Maintain minutes of all board meetings.

9. Maintain electronic records of board minutes and other documentation of Trustee actions.

10. Evaluate coverage of the Foundation by the Rotary International insurance policies and recommend additional coverage to the board as deemed desirable.

**Part (d): INVESTMENT POLICY STATEMENT**

Statement of Purpose -- This Investment Policy Statement is intended to provide guidance and to help ensure that investment-related decisions are made in a prudent manner.

Investment Objective -- The investment objective is to balance investment returns with preservation of capital in the context of an infinite investment horizon.

**Asset Allocation** - The purpose of this section is to address management of the investment risks associated with the overall market (i.e., systemic risk).

A. Asset Allocation in General

1. Purpose -- The purpose of an asset allocation policy is to provide an optimal mix of investments that has the potential to produce the desired returns and meet current and future philanthropic goals, with the least amount of fluctuation in the overall value of the investment portfolio.
2. Scope -- The asset allocation will include equities, fixed income securities, cash, and cash equivalents.

B. Asset Allocation Percentages

To further the long-term goals and objectives, the following current asset allocation guidelines and capital market assumptions are established.

1. Minimum and maximum checking account balance -- Because the Rotary Club of Buckhead collects charitable contributions from members on behalf of the Buckhead Rotary Foundation, the Buckhead Rotary Foundation's checking account has a regular source of funds.
2. Portfolio mix -- The investment portfolio should strive toward a 60-40 mix of equity and fixed income investments, which include cash.

**Rebalancing Policy** - The primary purpose of the rebalancing policy is to ensure that the Buckhead Rotary Foundation maintains its asset allocation policy.

1. Frequency -- The Treasurer will monitor the asset mix at least quarterly and report the actual allocations to the board.
2. Method -- During interim periods, the Treasurer will utilize excess cash from the checking account or from the Money Market Investments to maintain the target asset allocation. Should the actual mix deviate by more than ten percentage points, the Treasurer shall direct the liquidation of the over-funded asset class and investment in the under-funded asset class to bring the accounts back into the target range.

**Investment Guidelines**

Equity investments will consist of broad based, low-cost mutual funds and Exchanged Traded Funds (ETFs) that are not actively managed, and that mimic the broad market-based, low-cost, Equity funds.

Any new specific investment vehicles or instruments will be recommended by the Treasurer and approved by the full Board of Trustees.

Any donated securities shall be liquidated immediately.

Fixed income investments will consist of the following investment vehicles:

1. Certificates of deposit not to exceed the FDIC insured limit.
2. US Government and agency obligations with durations under 6 years.
3. Investment grade corporate bonds with durations under 6 years.
4. Low cost, broad based mutual funds or exchange traded funds that hold the above fixed income investments, which are passively managed and with a duration of under 6 years.
5. US government Treasury Inflation Protected bonds (TIPS) with any maturity.

Prohibited investments include (but are not limited to):

1. Individual stocks
2. CDs more than FDIC insured limit
3. Below investment grade bonds
4. Real estate
5. Securities purchased on margin
6. Short selling
7. Commodities
8. Oil, Gas, Mineral and other types of leases
9. Lettered, legend, unregistered or other restricted investment vehicles
10. Futures, Derivatives, and Hedge Funds
11. Actively managed: Equity Accounts, Funds of any type, and ETFs

**Reporting and Performance Monitoring** -- This section addresses the procedures for performance monitoring and reporting on investment results. The purpose of monitoring and reporting on investment performance is for the Treasurer to:

1. Ensure compliance with the Plan's investment policy; and
2. Assess the performance of the investments.

Quarterly Reviews - The Treasurer will report quarterly to the Board:

1. Checking account balance
2. Reconciliation of change in portfolio market value
3. Actual asset allocation compared to target allocation
4. Inventory of investments

Any unusual, notable, or extraordinary events occurring during a quarter should be communicated by the Treasurer to the Board of Trustees as soon as practicable.

The Treasurer shall receive all investment statements.

Investment Policy Changes -- The Treasurer will review this Investment Policy Statement at least annually to ensure that it continues to reflect the objectives of the Buckhead Rotary Foundation. The Treasurer will identify and recommend any changes as necessary for approval by the Board of Trustees of the Buckhead Rotary Foundation.

**Part (e): CHARITABLE GIVING POLICY**

All donations to the Buckhead Rotary Foundation, unless otherwise designated at the time of donation, will be permanently invested, and inure to the corpus.

By March 31 of each year, the Club President shall submit to the Foundation Board a proposed Club Charitable Fund (CCF) for the upcoming Rotary year. The proposed CCF must provide for the Otis Jackson scholarships. The maximum CCF amount contributed by BRF shall be the sum of:

Five percent of the net assets of the Foundation as of the previous December 31; and

16.67% of the sum of the net proceeds to the Foundation of the Foundation Balls and similar fundraising events held during the previous three calendar years; and

100% of the dues-based Club Annual Fund contributions collected by the Foundation during the previous calendar year.

All CCF contributions should go only to 501(c)(3) organizations. However, with **unanimous** approval of the Trustees, contributions may be made to not-for-profit, benevolent, charitable, humanitarian, or public welfare organizations that do not have the IRS designation as 501(c)(3) but, in the opinion of the Trustees, would otherwise satisfy the requirements for such designation.

The CCF proposal from the Club President is only a recommendation. The BRF Board of Trustees retains the right to approve all actual contributions regarding both recipient and amount.

**Part (f): OTIS JACKSON SCHOLARSHIP**

The amount of the annual scholarship grant is set at the RY2022 level, which was determined to be $26,000. That grant will increase each year by 1.5% rounded to the nearest $1000. Any number of scholarships may be granted, but the total value of those grants may not exceed $26,000 plus the inflation adjustment of 1.5%. The obligation to provide scholarships honoring Otis Jackson is perpetual and can never be less than the $26,000 set for the 2022 academic year (plus the inflation adjustment).

**Part (g): SYSTEM OF INTERNAL CONTROLS FOR THE BUCKHEAD ROTARY FOUNDATION**

**Responsibilities** -- It is the fiduciary responsibility of every Trustee of the organization to:

1. read and understand the Constitution and Bylaws of the Foundation, and to assure compliance with them.
2. assure that the organization has a documented system of Internal Controls commensurate with the values being controlled, and that the system of Internal Controls is being followed.
3. monitor and oversee, on a timely basis, all financial information provided to them. Review of Actual versus Budget reports provides a key Internal Control function.

**Primary Requirements for Internal Controls**

Receipts are not handled nor available to any person maintaining the books of account, or by any person controlling or having administrative access to the computer program coding.

Disbursements are never handled by any person maintaining the books of account, or by any person controlling or having access to the computer program coding.

All receipts and deposits are managed by the Treasurer, and all checks are personally approved and signed by the Treasurer although electronic payments and/or bank “bill pay” services may be used. The Foundation President is an authorized signer in case of emergencies. The President must sign any checks made to the Treasurer.

Quarterly, the Trustees will be provided, directly by the accountant, the financial statements for the quarter including but not limited to the Statement of Income and Expense for the year to date; a Statement of Net Assets; a listing of all transactions for the month and for the year to date; a year-to-date status report on the Club Charity Fund (CCF) spending versus budget; a copy of the bank account reconciliation, and a copy of the Vanguard overall month end summary.

The Trustees have a fiduciary responsibility to review these reports in detail, and to question any transactions that they do not understand, especially any disbursements on the Monthly Detail of Income & Expense. (It is recommended, but not required, that the Treasurer review the monthly disbursements at each Board meeting.)

**Club Billings**

The Buckhead Rotary Club has been designated as an agent of the Foundation for the invoicing and collection of donations to the Foundation. It is critical for the Foundation's Treasurer to review the status of the club's billings and open collections to assure that the Foundation is receiving all the donations received on its behalf.

**Banking & Investments**

The accountant's access to the Bank Account is limited to receipt of statements and “read only” access to the accounts. The accountant will not have access to any check stock. The accountant will monthly provide copies of the bank reconciliation to the Treasurer and to the Trustees if they request it.

Any new investment vehicles, or new accounts, or new investment firms, require board approval. Investment accounts shall require instructions for withdrawal to be in writing, with the signatures of both the Treasurer and the President. Additions to investments can be made by either the Treasurer or the President. Transfers between existing bank or investment accounts can be made by either the Treasurer or President by phone or other electronic means.

Absent specific board action for temporary situations, only the President and the Treasurer shall have signatory authority on any of the Foundation's bank accounts, online or otherwise.

The accountant and the Treasurer will receive their copies of the bank and Investment statements directly from the Bank and Investment firm.

**Tax Filings**

It is the responsibility of the Treasurer to promptly obtain approval by the board of the financial statements for the year just ended, and to prepare, sign, and submit to the Foundation’s tax accountant all information for preparation of the Foundation’s tax return: and to obtain the completed tax return, sign and submit to the IRS, with copies to the Club's Archivist and to the Foundation's Secretary, all in a timely manner. The Treasurer will keep a copy of the tax return for public review.