



# McLEAN ROTARY CLUB FOUNDATION

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The McLean Rotary Club Foundation, Inc.  
A 501 (c) (3) Corporation  
[www.mcleanrotary.org](http://www.mcleanrotary.org)

# HISTORY HIGHLIGHTS

- **Incorporated** October 14<sup>th</sup>, 1970.
- **Founded** March 2<sup>nd</sup>, 1971.
- **Received IRS approval letter** as 501 (c) (3) organization October 30<sup>th</sup>, 1974; estimated initial \$5,000.00 funding of Foundation endowment.
- **Original Vision:** Foundation would be a separate entity clearly distinct from the Rotary Club of McLean and would amass a large enough corpus (endowment) to permit the operating of the Foundation on the earnings of that corpus.
- **Early Conflict:** In 1975 an attempt by the Club's Board to channel a substantial portion of the Foundation's corpus to a Club project (a group foster home for Fairfax County boys unable to live at home) caused the Foundation to lose member support and go dormant for 8 to 10 years.
- **Revival:** Dan Nastoff begins 5 year effort to resurrect Club member interest in Foundation.
- **Restoration:** In 1985 Bob Rosenbaum, Ted Gray, Bud Harper and other Foundation Board members draft new set of Foundation by-laws stressing the need for accountability and reconciliation by the Foundation Board.



# HISTORY HIGHLIGHTS

- **June 18<sup>th</sup>, 1985 Board Resolution:** Foundation funds to be administered and distributed as follows:
  1. Maintain a \$1,000.00 reserve;
  2. All funds to be held in highly liquid, interest bearing accounts;
  3. Funding to be in following order of priority:
    - Directly related to the McLean community;
    - Indirectly related to the McLean community;
    - To national/international beneficiaries, only where Foundation's participation attracts involvement of recognized benefactors whose level of contribution exceeds 1500% of Foundation's contribution.
  4. Further resolution conditions:
    - Grants not for continuing needs - purpose is to foster the establishment of responsible 3<sup>rd</sup> parties (non-Rotarians) to perform any continuing programs.
    - Scholarships to be a specific amounts requiring accounting that funds used as intended at time of award.
    - Emergency/one-time grant awards in specific amounts and only when aggregated with other 3<sup>rd</sup> party funds to satisfy the instant emergency need (not on-going).



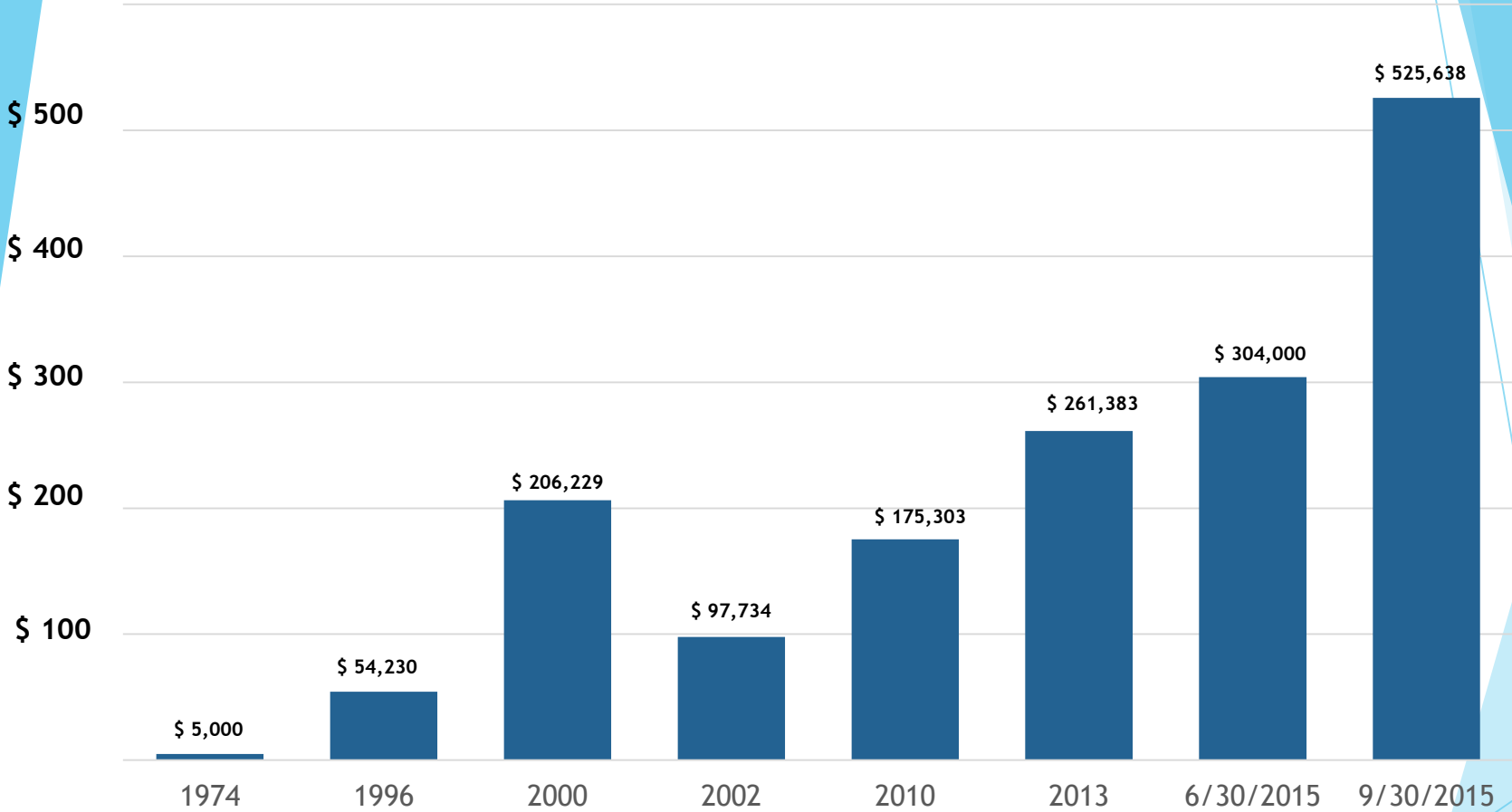
# HISTORY HIGHLIGHTS

- **2000 Board Investment Policy:** Board establishes Statement of Investment Policy, Objectives and Guidelines for the endowment portfolio to achieve an annualized 10% growth rate over time horizon of 50 years.
- **2001 Market Tanks:** Bursting of high tech bubble causes endowment portfolio value to go from just over \$206,000.00 to just under \$98,000.00 by 2002... so much for 10% annual growth.
- **December 18<sup>th</sup>, 2007:** Foundation by-laws extensively amended to present form.
- **August, 2015:** Foundation receives \$250,000.00 stock portfolio gift from estate of Stan Richards but due to stock market decline gift value is approximately \$235,000.00.



# FOUNDATION ENDOWMENT HISTORY

USD | Thousands



# GRANT AMOUNTS BY YEAR

YEAR	AMOUNT	NUMBER OF GRANT RECIPIENTS
1995	\$ 5,000	4
1996	\$ 8,800	10
1997	\$ 200	1
1998	\$ 5,734	7
1999	\$ 35,216	11
2000	\$ 9,474	5
2001-2009   Unavailable		
2010	\$ 18,690	5
2011	\$ 21,629 / \$ 12,250	20 / SHN
2012	\$ 21,898 / \$ 24,000	9 / SHN
2013	\$ 29,990 / \$ 38,800	14 / SHN
2014	\$ 49,827 / \$ 31,290	25 / SHN
2015	\$56,380 / \$ 36,815	24 / SHN / Shelterbox



# 3 TYPES OF FOUNDATION FUNDS

## ENDOWMENT

The Endowment fund is an “accumulation and hold” fund, made up of contributions from various sources. The Club Foundation maintains an investment committee that oversees the investments of the Foundation. The primary goal is to safeguard the principal with the secondary goal of responsibly maximizing earnings. An exceptional event is required for distribution of funds from the endowment corpus subject to first the approval of the Club Foundation Board, then second by 2/3 vote of the Club membership... in other words, hardly ever.

## CURRENT

Current funds are solicited and collected by the Club Foundation without specific designation to be used at the request of the Club’s Board of Directors for the purposes that further the vocational, international and community avenues of service of the Club, within the restrictions of the Foundation’s 501 (c) (3) limitations. Approved Club grant requests are typically funded from the current funds account.

## DESIGNATED

Designated funds are donations targeted for specific charitable and educational purposes. They can be donated at the initiative of an individual or solicited by the Rotary Club of McLean for a specific purpose, such as Stop Hunger Now or Shelter Box. The Club Foundation holds these designated funds until collections have been completed and then at the direction of the Club’s BoD, the funds are designated for payment to a specific project or organization. Due to its size, a separate account is maintained for SHN.



# CURRENT FUND SOURCES OF REVENUE

EVENT	RAISED in 2015	RAISED in 2014
Monte Carlo Night	\$ 13,322	\$ 16,070
Chocolate Festival	\$ 13,044	\$ 9,263
McLean Day	\$ 3,141	\$ 2,277
Quarterly Contributions	\$ 4,195	\$2,600
Additional Contributions	\$ 1,000	\$1,017
Dan Nastoff	\$ 400	\$750
GS Cookies - Vance	\$ 564	\$928
Previous Year Income	\$ 8,000	\$ 3,456
<b>TOTAL</b>	<b>\$ 43,666</b>	<b>\$44,561</b>





# GRANT CRITERIA GUIDELINES (DRAFT)

1. How does the proposal conform to the five avenues of service (club, vocational, community, international and new generations)?
2. Since the foundation was established to support primarily the local community, does the proposal advance this goal?
3. How well does the organization meet the high ethical standards and ideal of service that Rotary embodies?
4. Do club members generally support the grant?
5. How well does the proposal include some Rotarian involvement and not just serve as a financial pass-through?
6. Does the recommending Rotarian actively support the organization he/she is requesting funds for?
7. Is there a longstanding relationship with the organization that should be honored?



# GRANT CRITERIA GUIDELINES (DRAFT)

8. Would approval of an initial proposal imply initiation of a long-term relationship and, if so, is it a relationship the foundation wants to promote?
9. Does the proposal provide funding so that the receiving organization can then function more independently without continued Rotary involvement?
10. Are the funds requested of the foundation being appropriately leveraged by other funding sources?



# FOUNDATION BOARD

The Foundation is governed by a Board of Directors exercising management control over the affairs and funds of the Foundation in accordance with its By-Laws.

- Consists of 6 voting members plus a 7<sup>th</sup> non-voting member who is the liaison with the McLean Rotary Club Board and is the President-Elect of the Club.
- Terms are for 3 years, which are staggered so that 2 members are elected each year; each director can serve up to 2 consecutive 3-year terms.

## CURRENT BOARD

John McEvelly | President  
Michael DeRose | Vice President  
John Rosenbaum | Secretary  
Eugene Durman | Treasurer

## BOARD MEMBERS

John Rosenbaum (1<sup>st</sup> term ends June 30, 2017)  
Doug Megill (2<sup>nd</sup> term ends June 30<sup>th</sup>, 2017)  
John McEvelly (2<sup>nd</sup> term ends June 30<sup>th</sup>, 2016)  
Gene Durman (1<sup>st</sup> term ends June 30<sup>th</sup>, 2018)  
Michael DeRose (1<sup>st</sup> term ends June 30<sup>th</sup>, 2016)  
Vance Zavela (2<sup>nd</sup> term ends June 30<sup>th</sup>, 2018)

## CLUB MEMBER LIAISON

Michael Arietti (non-voting, through June 30<sup>th</sup>, 2016)

