

**Assistance League® of North
Coast Carlsbad, CA
Endowment Fund Resolution**

Effective as of June 5, 2020

THE ENDOWMENT FUND OF ASSISTANCE LEAGUE NORTH COAST CARLSBAD, CA

ESTABLISHMENT OF THE FUND

The Assistance League North Coast Endowment Fund (the “Endowment Fund”) is created by resolution of the Board of Directors (the “Board”) of the Assistance League North Coast (the “ALNC”), P.O. Box 2682, Carlsbad, CA 92018, as of the date of adoption of this Endowment Fund Resolution.

The purpose of the Endowment Fund is to enable ALNC, by setting aside assets for perpetuity, to fulfill its mission more completely by developing its programs beyond what is possible through its annual operating funds. Distributions from the Endowment Fund therefore shall be limited to: (i) capital improvements to the thrift shop; (ii) grants to Board approved ALNC programs; (iii) seed money for new programs and special one-time projects, including building expenditures; and (iv) such other purposes as are specifically designated by donors through a gift instrument to ALNC whose gifts are included in the Endowment Fund.

FUNDS WITHIN THE ENDOWMENT

ALNC may maintain multiple funds within the Endowment Fund, established by one or more donors and for one or more purposes. The endowed funds in the Endowment Fund are to be clearly labeled as one of three types of the funds described below for accounting purposes but will be commingled together for investment purposes.

1. **Permanent Restricted Endowment** (or True Endowment). A **permanent restricted endowment** is established when a donor makes a gift directly to the Assistance League North Coast Endowment Fund, makes a statement that the gift be held permanently as an endowment either for general purposes or for specific programs, or uses words such as “income only” in the gift instrument in defining how spending may occur. The donor may further restrict the gift for a specific purpose. The portion that must be maintained permanently is classified as *permanently restricted net assets*.
2. **No Restrictions Endowment** (or Funds Functioning as Endowment or Quasi Endowment). A **no restrictions endowment** is established when the Board decides to place funds in the Endowment Fund that could have been spent otherwise, such as an unrestricted bequest to ALNC (as opposed to the Assistance League North Coast Endowment Fund), money from the sale of property, or excess cash, and imposes spending restrictions. The No Restrictions Endowment is classified as *unrestricted net assets*.
3. **Term Endowment**. A **term** endowment is created for a set period of years or until a future event. At the end of the term, the principal may be used. The portion that must be maintained for the specific term is classified as *temporarily restricted net assets*.

The Planned Giving Committee shall keep permanent records of gifts to the Endowment Fund to identify the nature of the gifts, including all restrictions as to spending, restrictions as to purpose, donor restrictions, or Board Restrictions.

PLAN OF OPERATION

1. **The Planned Giving Committee.** The Planned Giving Committee (hereafter called the “Committee”) was established by resolution of the Board. The ultimate responsibility for managing the Endowment Fund resides with the Board. The Committee has the responsibility of developing policies related to the operation of the Endowment Fund, recommending the establishment of supporting committees, including an Investment Committee, and other duties described herein, as may be amended from time to time.
 - a. **Responsibilities.** The Committee is responsible for developing a comprehensive planned giving program to encourage persons, trusts, and estates to make gifts, grants, bequests, or other legacy gifts to ALNC. Specific responsibilities of the Committee include, but are not limited to:
 - i. Marketing and Developing the Endowment Fund
 - ii. Managing the Legacy Society
 - iii. Fund raising efforts on behalf of the Endowment Fund
 - iv. Donor development and interaction
 - v. Educating the ALNC membership on the Endowment Fund and Legacy Society
 - b. **Composition.** The Committee shall consist of a minimum of five (5) regular members, all of whom shall be members in good standing of ALNC and appointed by the Board. The President shall be ex-officio member of the Committee without a vote. Except as herein limited, the term of each appointed member shall be three (3) years. In the event of a vacancy on the Committee, the Board shall appoint a member to complete the unfulfilled term. Upon the completion of the term, that person would be eligible for reappointment to a normal three (3) year term.
 - c. **Resignation, Removal of Committee Member.** Any regular member of the Committee may resign at any time by written notice to the chair. A member ceases to be a member of the Committee when he or she is no longer a member in good standing of the ALNC. A member who fails to attend three consecutive committee meetings without reason may be asked to resign.
 - d. **Meetings.** The Committee shall meet at least quarterly, or more frequently as deemed in the best interest of the Endowment Fund. A quorum shall consist of a majority of the regular members of the Committee. The affirmative vote of three out of five members shall be necessary to carry any motion or resolution. Ex-officio members are not credited

to the above requirement for a quorum. The secretary shall give reasonable notice of the time and place of each meeting to members by email, mail, or phone.

- e. **Officers.** The Committee shall elect from its membership a chairperson and a secretary. The chairperson, or member designated by the chairperson, shall preside at all committee meetings. The secretary shall maintain complete and accurate minutes of all meetings of the committee. The secretary shall also supply a copy of the minutes to the Board in a timely manner, on request of the Board.
- f. **Reports.** The Committee shall report on a quarterly basis to the Board and, at each annual meeting of the membership, shall render a full and complete account of the administration of the Endowment Fund during the preceding year. The Board shall report on the uses and purposes of expenditures from the Endowment Fund each year at the annual meeting of ALNC. The Treasurer of ALNC shall maintain complete and accurate books of account for the Endowment Fund.

2. **Investments Guidelines.** All funds within the Endowment Fund will be invested in accordance with the investment guidelines established in the Investment Policy.

3. **Funds for Specific Purposes.** Donors may designate their gifts for a specific purpose. Any donor-designated gifts must meet the requirements of the Donor Designated Fund Policy, be reviewed by the Investment Committee, and approved by the Board.

4. **Acceptance of Gifts to the Endowment Fund.** The Gift Acceptance Policy of the ALNC will govern the acceptance of gifts to the ALNC and the Endowment Fund.

5. **Distributions from the Endowment Fund.** Funds available for distribution from the Endowment Fund upon written request of the Board for those uses which conform to the purposes and restrictions established by donors, or by the Board, as appropriate.

The percentage of the Endowment Fund made available for distribution shall be determined each year by the Investment Committee. It will be the goal of the Investment Committee to grow, or at least maintain, the purchasing power of the Endowment Fund considering the impact of inflation and fees.

6. **Gift Documentation.** All gifts to the Endowment Fund will be carefully documented and safeguarded by the Committee pursuant to the Uniform Management of Institutional Funds Acts (UMIFA). A file will be kept for each major endowment donor.

7. **Amendment of this Resolution.** Any amendment to this Endowment Fund Resolution shall be adopted by a vote of at least two-thirds (2/3) of the membership of the Board at any regularly scheduled meeting. Any amendment regarding the use of the corpus of any board designated endowment fund shall be handled within the above-established distribution rules.

8. **Disposition or Transfer of the Endowment Fund.** In the event the ALNC ceases to exist, whether through merger, dissolution, or some other event, disposition or transfer of the

Endowment Fund shall be at the discretion of the Board in conformity with the Articles of Incorporation and Bylaws of the ALNC, and in accord with National Assistance League policies. It may be appropriate to consult with the National Assistance League to determine the way Endowment Fund obligations will be met in the event the ALNC ceases to exist. The foregoing resolution is hereby adopted by the Board this 5 day of June 2020.
Assistance League North Coast
Carlsbad, CA