

Minutes of Electronic Vote

12/23/17

A committee (Hughes, Owen, Lund & Webb) was tasked with crafting proposed SOP changes for the use of HFI Donor Choice contributions. We collected details on the Donor Choice program, our existing Endowment Funds, and expressed our thoughts on how to best allocate the contributions. Here are the committee's suggested changes and addition to the District SOP. We ask for approval by the 2017 BOD so that the Board can submit to the Spring HOD for approval.

NOTE: Additions are **BOLD** and deletions are ~~STRUCK THROUGH~~.

Section 10.8 of the SOP should be amended to read:

ARTICLE X: FINANCES

10.8 CONTRIBUTIONS

All contributions to the District received from the Harmony Foundation Donor Choice Program will be used to support outreach and educational activities in the Far Western District. The contributions will be allocated as follows:

40% to the District Outreach Endowment Fund (13.1 13.2)

40% to the Lloyd Steinkamp Endowment Fund for FWD Harmony Camps (13.1 13.2)

20% to fund current outreach programs in the District. Distribution will be authorized by the Executive Vice-President. Contributions may be deposited into the Endowment Funds.

The District may make annual contributions from its net convention income to Harmony Foundation, FWD Youth Activities, and others as seen fit by the FWD BOD.

Section 13.1 13.2 of the SOP should be changed to read:

ARTICLE XIII: EDUCATIONAL PROGRAMS

13.2. DISTRICT OUTREACH ENDOWMENT FUND

The Far Western District Outreach Endowment Fund is established for the purpose of supporting outreach and educational activities in the Far Western District.

The Fund is derived from voluntary contributions by members, chapters and friends of the district, as well as by initial seed money from the Far Western District treasury. The Fund is maintained by Harmony Foundation on behalf of the Far Western District, with proceeds from the Fund's income used to fund outreach and educational activities.

Monies from the Fund are to be spent on projects as recommended by the District Board. These projects may include, but are not limited to: youth camps, scholarships, seminars for music educators, audio-visual materials, manuals and educational materials,

Augmentation of district outreach budget items such as high school quartet scholarship awards and Collegiate Barbershop Quartet travel, new chapter startup activities, adult outreach programs to potential members by existing chapters, and other projects as may be appropriate.

Where these projects are offered to minors, such as youths attending FWD youth camps, The Society's Youth Protection Policy and Youth Activity Forms will be provided to and executed by the parent or guardian providing for appropriate release for medical and/or accident circumstances and will also contain a "hold harmless" clause against the sponsors, FWD and SPEBSQSA, Inc.

Applications for project funding for outreach activities should be made through the appropriate committee chairmen: YIH Chair for youth activities, Membership Chair for new chapter startups, CDD Chair for Chorus Director Development, etc. For any requests which don't appear to fit under an existing committee chair, contact the Executive Vice President.

The annual budget of the Far Western District may include projected grant distributions from the fund, provided that such distributions do not exceed the ~~expected income (donations/interest/capital gains)~~ prior year's net realized gain (including interest and dividends) or 5% of the Fund, whichever is the lesser amount. To the extent that those numbers change during the budget year, expanded mid or late year grants may be accommodated if the financial state of the Fund allows for it.

The intention behind this funding/spending model is to allow for the Outreach Endowment Fund to always be in a state of growth, and eventually be large enough to fund substantial outreach programs entirely from the interest/capital gains of the Fund's investments."

For the purposes of establishing the initial balance of the fund, the phrase "initial seed money from the Far Western District treasury" above is defined as the amount necessary to bring the balance of the fund to \$30k as of Jan. 1, 2015, after rolling over the current Youth Outreach Fund balance (~\$4k) and adding in the 2014 donation total (estimated ~\$6k), which would require an estimated ~\$20k from our bank account to accomplish. The first year (2015) we would therefore begin with a total grant limit of 5% (\$1500, approximately what our District grant activity was in 2014), but could adjust upwards during the course of the year if the financial state of the fund grows enough. Given that we usually show about \$6k worth of donation income per year (which we hope to increase), the fund should grow relatively quickly over the next several years and allow us to budget for increasing amounts of grants for various outreach activities.

Section 13.1 13.3 should be added to the SOP:

13.3. LLOYD STEINKAMP ENDOWMENT FUND FOR FWD HARMONY CAMPS

The Lloyd Steinkamp Endowment Fund for Far Western District Harmony Camps (LSEF) is established for the purpose of supporting Harmony Camps within the Far Western District. The LSEF Fund is derived from voluntary contributions by members, chapters and friends of Harmony Camps.

The Lloyd Steinkamp Endowment Fund is maintained by the Sacramento Region Community Foundation (SRCF) on behalf of the Far Western District, with proceeds from the Fund's

income used to fund Harmony Camps within the District. The SRCF is a Sacramento Foundation with total funds in excess of one hundred twenty million dollars. The SRCF board of directors determines each year a percentage that can be withdrawn in any given year. In 2017, that number was four percent. In subsequent years the percent number voted on by the SRCF board will depend primarily on the growth of the overall SRCF invested funds. The SRCF board is committed to continued growth of the fund.

As a part of the larger SRCF Fund, the LSEF is structured to grow from contributions and investment growth with no withdrawals until a level of two hundred thousand dollars is reached, at which point allowable withdrawals may be made in support of the FWD Harmony Camp.

When the LSEF reaches a level of four hundred thousand dollars, the Far Western District becomes the executor of the funds and the allowable withdrawal funds are overseen and directed by the Far Western District Board of Directors.

When the LSEF fund level exceeds two hundred thousand dollars but is less than four hundred thousand dollars, the director of the FWD Harmony Camp is the executor of the LSEF withdrawal funds and may use those funds in support of the FWD Harmony Camp.

Also, when the LSEF fund level exceeds four hundred thousand dollars and the executor of the LSEF becomes the FWD Board of Directors, the allowable withdrawal funds are no longer limited to the FWD Harmony Camp. The funds are intended, but not limited, to be used for Harmony Camps throughout the Far Western District.

The LSEF was created by an agreement signed on April 1, 2015 between the president of the Far Western District, the Treasurer of the District and the coordinator of the FWD Harmony Camp and the Sacramento Region Community Foundation.

Policies of the SRCF are available from the director of the FWD Harmony Camp and the Sacramento Region Community Foundation.

Motion For Electronic Vote by Bob Gray.

“I move that the proposed changes and additions to the Far Western District Statement of Policy Article 10 and Article 13 be adopted by the 2017 Board of Directors, and the revised document submitted to the Spring House of Delegates for final approval during the Spring meeting on March 16, 2018.”

Second by Richard Lund

Following Discussion President Gordon Bergthold called for the Vote at 4:33 PM on 12/23/17. Voting closed at 4:33PM on 12/25/17.

Voting Tabulation:

Yes: 2 Votes Richard Lund & Ron Black

No: 6 Votes Craig Hughes, Craig Ewing, Rich Owen, Bill Rosica, Bob Gray, and John Bloomquist.

Not Voting: Allan Webb, Nick Papageorge, Brent Anderson, and Gordon Bergthold.

A Majority of the Board voted against the changes to the SOP. The proposal was defeated.

Respectfully Submitted,

Bob Gray

FWD Secretary