



## **Two Foundations**

### **A. THE LOS ALTOS ROTARY ENDOWMENT FUND**

The Los Altos Rotary Endowment Fund's mission is to manage the contributions and revenues received by the Rotary Club of Los Altos (LARC) and to carefully select and award grants, scholarships and other charitable contributions. We are building an endowment for the future and to otherwise aid and support worthy organizations: local, national or international that are organized and operated exclusively for charitable, educational or community-building purposes.

In 1978, LARC formed the Los Altos Rotary Endowment Fund (LAREF). Its purpose is to create an endowed fund, the principal of which could not be spent but the income from which would be available for charitable giving by the Rotary Club of Los Altos..

The LAREF grew each year from donations by individual Rotarians. With the success of the Fine Art in the Park event, our charitable budget has grown substantially and now exceeds \$100,000 annually. These funds are used to award scholarships to deserving students at several high schools and middle schools. In addition, LAREF also supports a number of major community projects annually as well as several deserving local agencies. With the growing recognition of the world as Rotary's community, we also undertake several international projects each year.

#### **Art Show Link:**

[www.rotaryartshow.com](http://www.rotaryartshow.com)

#### **Channeling of Funds**

In 1984, LAREF received its 501(c)3 designation from the IRS, which exempts donations to it from both state and federal taxes. To take advantage of this, as well as to hasten the growth of LAREF, the Club's finances were reorganized so that all charitable funds were "channeled" through the income account of the endowment fund, thus assuring the tax deductibility of all charitable donations, to the extent allowed by current regulations, To this end, the net proceeds from the sale of art at the art show are deposited in the income account of LAREF and from this account, all charitable expenditures are made.

Periodically, if the amount of money in the income account of the endowment fund exceeds the amount to be given away during the year, the trustees, with the

Club Board's approval, may move some of the excess from the income account to the principal account, or corpus, of the fund. As a result, the fund has grown in recent years; the endowment fund now totals over \$600,000.

## **B. THE ROTARY FOUNDATION**

Rotary International, headquartered in Evanston, Illinois, is not merely an administrative operation. Like the individual Clubs that are active in community service in their respective communities, Rotary International is active in its community and the world. The operating arm of RI that undertakes these world-scale programs is The Rotary Foundation (TRF).

The mission of The Rotary Foundation is to enable Rotarians to advance world understanding, goodwill, and peace through the improvement of health, the support of education, and the alleviation of poverty. TRF is a not-for-profit corporation supported solely by voluntary contributions from Rotarians and friends of the Foundation who share its vision of a better world.

### **Paul Harris Fellowship (PHF)**

TRF receives its money from donations worldwide, mostly from individual Rotarians who, knowing of the vital work done by TRF, show their support by generous annual gifts. The Foundation encourages this giving by awarding Paul Harris Fellowships in recognition of donations at various levels. A Rotarian becomes a Sustaining Member with a gift of \$100, which signifies their intention to complete a pledge totaling \$1000 within ten years. When a total of \$1000 has been given to the Foundation, the donor is named a Paul Harris Fellow and receives a pin to wear proudly, attesting to their support of Foundation programs. Additional giving entitles the donor to a Paul Harris pin bearing a sapphire for each additional \$1000 up to a total of five sapphires (which would represent a cumulative gift of \$6000 or more). Beyond \$6,000, a Paul Harris pin bearing a ruby is given for each additional \$1000 up to a total of three rubies signifying a gift of \$9,000. Major contributors who have given more than \$10,000 to the Foundation are considered members of the Diamond Circle and are awarded Paul Harris Pins with one or more diamonds.