

# Rotary

## Club of Tucson

### Foundation



## Standing Policies

Approved by the Board  
As of April 24, 2018

# 1. Organization Essentials

1.1 The vision of the Rotary Club of Tucson Foundation (RCTF) is to bring people together to create positive, lasting change in our community and around the world.

1.2 The mission of the Rotary Club of Tucson Foundation is to provide a means of receiving charitable contributions, by inter-vivos gift or testamentary disposition, from members of the Rotary Club of Tucson (RCT), from members of other Rotary Clubs within and outside of Tucson, and from the general public; and to disburse funds, in the name of the Rotary Club of Tucson Foundation, for charitable, civic, educational and similar uses and purposes, all in a manner so that contributions received qualify as deductions under Sections 170, 2055 and 2522 of the Internal Revenue Code.

1.3 The Foundation exercises its fiduciary responsibility to carry out the Rotary Club of Tucson's charitable giving intentions.

1.4 The Rotary Club of Tucson Foundation shall:

1.4.1 Provide effective stewardship of Foundation assets protecting the corpus

1.4.2 Insure that all Foundation funds are expended in compliance with government regulations, member priorities, and donor instructions for adopted Foundation activities and projects

1.4.3 Develop and implement effective procedures for Foundation funding in alignment with the club

1.4.4 Inspire the Club to increase member commitment to meet the Rotary Club of Tucson charitable goals and programs

1.5 The values that guide all we do are the Object of Rotary and the Four-Way Test.

## 1.5.1 The Object of Rotary

The Object of Rotary is to encourage and foster the ideal of service as a basis of worthy enterprise and, in particular, to encourage and foster:

**FIRST.** The development of acquaintance as an opportunity for service;

**SECOND.** High ethical standards in business and professions; the recognition of the worthiness of all useful occupations; and the dignifying of each Rotarian's occupation as an opportunity to serve society;

**THIRD.** The application of the ideal of service in each Rotarian's personal, business, and community life;

**FOURTH.** The advancement of international understanding, goodwill, and peace through a world fellowship of business and professional persons united in the ideal of service.

## 1.5.2 The Four Way Test

Of the things we think, say or do,

1) Is it the TRUTH?

2) Is it FAIR to all concerned?

3) Will it build GOODWILL and BETTER FRIENDSHIPS?

4) Will it be BENEFICIAL to all concerned?

1.6 The moral owners to whom the Board feels accountable are the members of the Rotary Club of Tucson and the donors to the Foundation.

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1.7 Our primary beneficiaries are other nonprofit organizations that serve people primarily in Tucson, Arizona and selected international locales where Rotary service projects are undertaken.

1.8 The primary general functions we will perform to fulfill our mission include raising money responsibly, being good stewards of the funds donated to the Foundation and honoring our commitments to disburse funds to serve those in need.

1.9 Strategic Plans: The Board is expected to think strategically at all times. The strategic plan for RCTF will be updated at least every five years, and reviewed annually. The strategic plan provides broad general direction for all key areas of the Foundation.

1.10 Mid-range (3-5 year) and annual organizational goals that flow from and support the Strategic Plan are developed by the President. Annual goals include specific metrics.

1.11 RCTF Board President's Goals 2013-2016:

1.11.1 Review and/or develop the following working Foundation documents, which need to be studied and passed by the Board and reviewed periodically:

- 1.11.1.1 Investment Policy Statement
- 1.11.1.2 Conflict of Interest
- 1.11.1.3 Bylaws
- 1.11.1.4 Gift Acceptance Policy
- 1.11.1.5 Policies and Procedures
- 1.11.1.6 Strategic Plan
- 1.11.1.7 Others as needed

1.11.2 With the assistance of the Nominating Committee, review and recommend rotation of Board Members maintaining a workable size board bringing in new diversified Board members.

1.11.3 Study and develop a fund raising plan with goals to increase the assets of the Foundation and complements the activities of the Tucson Classics Car Show.

1.11.4 Present, at least twice annually, the status of the RCTF to the Club membership

1.11.5 Celebrate the 40<sup>th</sup> Anniversary of the Founding of the RCTF around October 2015

1.11.6 Work in unison with the RCT Club Officers and Board.

## 2. Board Structure and Process

### 2.1 Board Structure – General

2.1.1 A board of directors is a group of people legally charged with the responsibility to govern a corporation, in our situation The Rotary Club of Tucson Foundation. In a nonprofit corporation, the board reports to those who donate to the foundation and those whom the nonprofit serves.

2.1.2 Members of the Board of Directors focus on governance, management, and finance. They also guard institutional trustworthiness, a quality they inherit, improve upon and pass on. In keeping with the Rotary Four Way Test, there must be trust among Board members themselves, trust among and for the leadership, and most importantly trust must be built among the stakeholders – our club membership, our constituency, and our community. Additionally, board members must: obtain public understanding and build confidence in and appreciation for Rotary, develop friends for Rotary, constantly be on the alert for potentially effective board

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members, support the fund development of the foundation, and support fundraising activities of the RCTF.

2.1.3 Planning: Board responsibilities

2.1.3.1 Oversee the process of planning

2.1.3.2 Provide input into and approve long range goals, policies and procedures, bylaws and all documents associated with the business of the board including the investment of the assets, fundraising, and distribution of funds in keeping with laws and regulations of 501(c)(3) organizations.

2.1.3.3 Formulate, monitor and approve annual goals and objectives and prepare performance reports on achievement of goals and objectives.

2.1.3.4 Approve an annual review of:

2.1.3.4.1 Board of Directors members (Nominating)

2.1.3.4.2 Conflict of Interest forms current

2.1.3.4.3 Scholarships and scholarship recipients

2.1.3.4.4 Tucson Classics Car Show beneficiaries

2.1.3.5 Approve and regularly review with appropriate revisions:

2.1.3.5.1 Articles of Incorporation

2.1.3.5.2 Bylaws

2.1.3.5.3 Policies and Procedures including but not limited to:

2.1.3.5.3.1 Investment Policy Statement (IPS)

2.1.3.5.3.2 Gift Acceptance Policy

2.1.3.4.4 Mission, Vision and Strategic Plan

2.1.4 Board Meeting Voting

2.1.4.1 Board members have a responsibility to present their views and address relevant issues. A majority vote shall prevail.

2.1.4.2 Electronic voting. Board voting may be conducted electronically between Board meetings, but requires unanimous consent of all Board members eligible to vote. Electronic voting that does not obtain unanimous consent shall require a confirmation vote at the Board's next meeting. Per The Non-Profit Corporations Act the consents need to be included in the minutes filed in the corporate records reflecting such action(s) taken (ARS 10-3821).

2.1.5 Board Meeting Minutes. Minutes shall be provided to Board members no later than 21 days following the meeting.

2.1.6 Board Members shall:

2.1.6.1 Respect the confidentiality of sensitive issues.

2.1.6.2 Only at the direction or approval of the President, interact with the public and press regarding Foundation business.

## 2.2 Composition

2.2.1 The Board shall include persons of character, integrity, talent and experience who are members and experienced leaders of The Rotary Club of Tucson and who are loyal to its mission and seek to offer diversity across the organization. Diversity includes but is not limited to, culture, national origin, age, gender, technical/managerial position, race, physical ability, industry sector and geographic location.

2.2.2 Board Member Criteria

2.2.2.1 All of the Directors of the RCTF are to be members of the Rotary Club of Tucson in good standing (current with dues payment and meeting RCT attendance

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requirements for the current year and immediate past club fiscal year) who have also served on the Board of Directors of the Rotary Club of Tucson, Inc.

2.2.2.2 The RCT Executive Director is to report on the standing (any outstanding financial commitments and attendance) of the Board members to the President of the Foundation and the Chair of the Nominating Committee prior to the April Board meeting each year.

2.2.3 Term of Office

Each Director of the RCTF serves according the following term of office, or until his or her death, resignation or removal.

<b>Director</b>	<b>Term</b>	<b>Term Limit</b>
President	1 year	Three
Vice President	1 year	Three
Treasurer	3 years	Three
Secretary	1 year	Three
President of RCT	1 year	
President Elect of RCT	1 year	
Past Presidents of RCT	3 years	One
Past Presidents of RCT Foundation	3 years	Two
Nominating Committee Chair	3 years	One
Investment Committee Chair	3 years	Three
Planning Giving Committee Chair	3 years	Three
Strategic Planning Committee Chair	3 years	Three
Grants Committee Chair	3 years	Three
Fundraising Event Chair	1 year	Two
Scholarship Committee Chair	3 years	Three
At Large Member	3 years	One

2.2.4 After completion of the term limit in any of these capacities, any director may be re-elected in another capacity or re-elected after not serving for one year. Exceptions to term limits for specific members may be presented to the Board for approval.

2.2.5 Conflict of Interest Statement

All Board members are required to fill out a Conflict of Interest Statement annually to document where they may remove themselves from discussion or voting based on potentially conflicting interests. See Conflict of Interest document attached to Policies.

## 3. Board and President Relationship

### 3.1 Board Responsibilities

3.1.1 Programming

3.1.1.1 Assess community needs

3.1.1.2 Assure proper transition of leadership

3.1.1.3 Oversee evaluation of grantmaking, maintain grant records and prepare fund distribution reports

3.1.1.4 Prepare preliminary budget and finalize budget for final board approval (Treasurer)

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- 3.1.1.5 See that expenditures are within budget during the year (Treasurer)
- 3.1.1.6 Solicit contributions
- 3.1.1.7 Organize (TCCS Chair) and participate in fundraising events
- 3.1.1.8 Approve expenditures outside authorized budget
- 3.1.1.9 Insure annual audit of organization accounts (Treasurer)
- 3.1.2 Personnel: staff assistance by the Rotary Club of Tucson office includes:
  - 3.1.2.1 Forwarding donations to the Treasurer
  - 3.1.2.2 Working with TCCS Leadership (see TCCS Policies and Procedures)
  - 3.1.2.3. Providing support for getting information to club members
  - 3.1.2.4 Assisting with board activities as needed
- 3.1.3 Community Relations:
  - 3.1.3.1 Interpret organization to community
  - 3.1.3.2 Provide organization linkage with other organizations
  - 3.1.3.3 Provide press releases regarding activities (TCCS, change in leadership, etc.)
- 3.1.4 Board Committees
  - 3.1.4.1 Approve committee members on an annual basis
  - 3.1.4.2 Plan and propose committee organization

### **3.2 Board President Role and Responsibilities**

- 3.2.1 Call committee chair(s) to urge him/her into action
- 3.2.2 Promote attendance at board meetings
- 3.2.3 Plan agenda for Board meetings with input from Board members and provide to Board members 7-10 days prior to the board meeting.
- 3.2.4 Assure minutes are taken at Board meetings
- 3.2.5 Sign legal documents (all officers)
- 3.2.6 Follow-up to insure implementation of Board and Committee decisions
- 3.2.7 Sit as a non-voting member of the Rotary Club of Tucson Board of Directors (commencing July 1, 2016)
- 3.2.8 Represent the Board in various events.
- 3.2.9 Resolve differences between committees, board members and the RCT Board and club members regarding RCT Foundation activities.

## **4. Board and Rotary Club of Tucson Relationship**

### **4.1 General**

- 4.1.1 The Rotary Club of Tucson (RCT) and the Rotary Club of Tucson Foundation (RCTF) work together to provide leadership, guidance and oversight to the members of the Rotary Club of Tucson and their club fundraising activities and distribution of funds generated through fundraising and donations.
- 4.1.2 RCT and RCTF leaders must also work together to ensure the financial health of both organizations for the benefit of our local, national and world communities.
- 4.1.3 The work of both the RCT and the RCTF is to provide service to others, promote integrity, and advance understanding, goodwill and peace both locally and internationally.

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4.1.4 RCTF is the fiduciary of all charitable fundraising and donation activities, as required by law, as the 501(c)(3). While the RCTF has final approval of all charitable giving, the RCTF is established to execute the charitable giving recommendations of the RCT membership.

4.1.5 All RCT and RCTF members are members of the Rotary Club of Tucson.

4.1.6 Per Rotary Club of Tucson Foundation Articles of Incorporation V, VII and XII, all Active members of the Rotary Club of Tucson who are in good standing as of July 1 of each Rotary year are non-voting members of the Rotary Club of Tucson Foundation that Rotary year.

4.1.6.1 Good standing includes: current in club dues, current in the minimum required club meeting attendance, and following The Four Way Test.

4.1.6.2 If the membership of a member of the Rotary Club of Tucson ends during that Rotary year, their membership in the Rotary Club of Tucson Foundation is terminated.

**4.2 Roles and Responsibilities**

4.2.1 The success of activities is based on the relationship between the two organizations.

4.2.2 The RCTF provides effective stewardship as the 501(c)(3) organization to receive and disburse charitable donations and to operate any fundraising event (currently Tucson Classics Car Show) raffle under Arizona Law.

4.2.3 The RCT is the 501(c)(4) organization that provides the manpower to manage, fundraise and operate fundraising activities.

4.2.4 Roles and responsibilities of each entity, all staffed by members of the RCT are:

**RCT Foundation 501(c)(3)**

The RCTF President sits ex-officio, non-voting on the RCT Board

Fiduciary agency as 501(c)(3)

Nominates/elects chairs of Grants, Scholarship, and fundraising events Committees; these chairs are voting members of the RCTF Board

All accounting: receives and disburses all donated funds; maintains all legal relationships regarding these funds

Grants Committee develops guidelines regarding beneficiaries of funds; RCTF Board has final approval with input from RCT members

Keeps charitable giving separate from RCT operations.

Shares RCTF Goals with RCT Board

**RCT 501(c)(4)**

The RCT President sits on the RCTF Board as a voting member

Staffs RCTF Committees especially those distributing and raising charitable funds; recruits and provides volunteers for fundraising event functions

RCT members serve on the Grants, Scholarship, and fundraising events committees.

Provides oversight for fundraising, raffle tickets, etc.

RCT members provide input and direction as to areas of focus and selection of beneficiaries

Keeps charitable giving separate from club operations.

Shares RCT Goals with RCTF Board

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Grants Committee conducts  
evaluation of beneficiaries within a  
year after receipt of funding

**4.3 Selection of Signature Fundraising Event**

4.3.1 The signature fundraising event of the RCTF is to be voted on every three years following a vote by the members of the RCT to continue their commitment to staff and operate the event.

**4.4 Selection of Charities**

4.4.1 Beneficiaries of Signature Fundraising Event Net Proceeds: The selection of charities is organized, initiated and recommended to the RCT membership by the Grants Committee of the RCTF. The charities selected by the RCT membership receive final approval by the RCTF.

4.4.2 President's Discretionary Fund: the current RCT President will have available funds, allocated from 10% of the preceding year's Signature Fundraising Event to distribute during his or her year as President to local (Tucson, Pima County) 501(c)(3) charities.

4.4.3 All other funds, international and local, will be distributed per the discretion of the RCTF Board. The RCT Board will be informed about the distribution of these funds, and asked to recommend decisions from time to time.

## 5. Finances

**5.1 Finance—General**

**5.1.1 Definitions**

5.1.1.1 Permanently restricted or Endowed fund: A permanently restricted endowment is one whose principal (or original gift) must be maintained in perpetuity, generating income for a donor-specified purpose. The principal, or corpus, of a true endowment cannot be spent. Only the income earned from the assets, or the amount generated by the current spending policy, can be spent. A permanently restricted endowment is established at the direction of the donor and must be maintained inviolate and held in perpetuity.

5.1.1.2 Restricted funds: A restricted fund is established by Board action or donor agreement when funds are only to be spent for specific purposes. Use of funds and spending policy are determined by the Board for each restricted fund.

5.1.1.3 Temporarily restricted fund: A temporarily restricted fund is established by donor agreement or Board action when all funds are to be expended within a specific amount of time for a particular purpose or until a certain event has occurred.

5.1.1.4 Non-restricted or general operating funds: no Board or donor restrictions have been placed on the funds received; available to be spent as determined by Board action.

5.1.2 RCTF will comply with all applicable State of Arizona statutes.

5.1.3 RCTF may maintain one or more endowment funds, one or more restricted funds, one or more named funds, a community charities fund, a general fund and such other funds as the Board of Directors shall, from time to time, determine. Cash, securities or other assets received will be allocated to one or more funds, as may be designated by the donor.



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- 5.1.4 All disbursements in excess of \$2,500 require signatures from two of the following officers: President, Treasurer or Secretary.
- 5.1.5 All donors who contribute \$250 or more will be mailed the required IRS letter acknowledging the gift and indicating no goods or services were received in exchange for the contribution. The letter will be prepared by the Treasurer or a Board designated Rotarian, and signed by the President of the Board or his or her designee.
- 5.1.6 RCTF will maintain a set of financial records independent from the Rotary Club of Tucson.
- 5.1.7 The RCTF President will provide a quarterly income and expense report, including actual compared to budgeted amounts, to the RCT Board.
- 5.1.8 Investment reports and quarterly financial statements of the Foundation shall be made available to any Foundation member who requests these documents after acceptance of and approval by the Board of Directors at their quarterly meetings. Requests are to be made to the President of the Foundation.

## **5.2. Fund Creation and Types**

- 5.2.1 Five separate investment accounts have been or are to be established. General Fund, Scholarship Fund, Chaprales Scholarship Fund, Community Charities Fund and International Fund.
- 5.2.2 The four restricted funds are:
  - 5.2.2.1 Chaprales Scholarship Fund
  - 5.2.2.2 Scholarship Fund which includes the following three permanently restricted endowments:
    - 5.2.2.2.1 The Helen Middleton Rotary Club of Tucson Foundation Boys and Girls Club Scholarship
    - 5.2.2.2.2 Klinger PCC Scholarship
    - 5.2.2.2.3 University of Arizona and Pima Community College Scholarship Endowment (Scholarship Endowment), established to accept gifts permanently restricted for scholarships to these institutions.
  - 5.2.2.3 Community Charities Fund, which includes the following permanently restricted endowment:
    - 5.2.2.3.1 Community Endowment, established to accept gifts permanently restricted to benefit Pima County 501(c)(3) charities.
  - 5.2.2.4 International Endowment, established to accept gifts permanently restricted to benefit Rotary International programs and projects and other international projects identified by the RCT or RCTF.

## **5.3. Financial Planning**

- 5.3.1 Spending policy will be reviewed annually at the May Foundation Board meeting as part of the budgeting process.
- 5.3.2 By the end of June of each year, RCTF will develop an income and expense budget including all known charitable activities that the RCTF and RCT will be engaged in during the coming year. The RCTF budget is to be developed by the current and incoming RCTF President, President Elect of RCT and RCTF Treasurer.
- 5.3.3 The Fundraising Event Committee (currently the Tucson Classics Car Show) is responsible for developing a separate income and expense budget for the annual event, and for year-end accounting to be reported to the Board.

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5.3.4 The General Fund is to make up any difference in expense required to achieve annual charitable objectives determined by the Board.

5.3.5 The equivalent of 10% of the annual fundraising event net proceeds is to be available for distribution to support international Rotary projects. Any of this amount that is not spent by fiscal year end will go into the General Fund.

**5.4. Investment Policy**

5.4.1 RCTF will have a written Investment Policy Statement (IPS) recommended by the Investment Committee and approved by a majority of all of the members of the Board of Directors.

5.4.2 Investment of RCTF's funds is made according to the Investment Policy Statement approved by the Board

5.4.3 Investment decisions, per the approved Investment Policy Statement, are to be made by the a majority of all members of the Investment Committee.

**5.5. Financial Controls**

5.5.1 The signers on the Investment Account are the President, Treasurer and Secretary of the Foundation.

5.5.2 The authorized investment trader is the investment management company recommended by the Investment Committee and approved by the Board.

## 6. Programs

**6.1 Scholarships**

**6.1.1 General**

6.1.1.1 The designated scholarship funds held by the Foundation include:

6.1.1.1.1 Hispanic Education (Chaprales) Fund: designated for graduate scholarships at the University of Arizona for Hispanic students meeting economic and residence requirements.

6.1.1.1.2 Scholarship/Endowment Fund: consists of both permanently restricted and unrestricted funds designated for scholarships at either Pima Community College or the University of Arizona. This fund includes the Helen Middleton Rotary Club of Tucson Foundation Boys and Girls Club Scholarship and the Klinger Scholarship/Endowment. This fund includes member donations through weekly scholarship cups and individual donations designated for scholarships.

6.1.1.2 The funds available to be disbursed each year are determined annually based on 4% of the Hispanic Education (Chaprales) Fund and 4% of the Scholarship/Endowment Fund balances as of the end of the preceding calendar year, plus all donations designated for scholarships during the current Rotary program year.

6.1.1.3 The Foundation will budget for and reimburse the Club for lunches for visiting scholarship recipients on a quarterly basis.

**6.1.2 Scholarship Endowment Fund**

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- 6.1.2.1 When the Scholarship Endowment Fund reaches \$500,000 in assets, funds per the Investment Policy Spending Policy will be distributed annually for scholarships to students at Pima Community College and the University of Arizona.
- 6.1.2.2 The Scholarship Committee will administer and recommend to the Foundation Board the amount to be provided to each student and the students selected to receive scholarships.
- 6.1.2.3 The total amount available to be distributed will be determined by the fund balance as of the end of the prior RCTF fiscal year. Any allocated monies not distributed will remain in the endowment fund.

**6.1.3 Helen Middleton Boys and Girls Club Scholarship**

- 6.1.3.1 Selection and Funding of the Helen Middleton Boys and Girls Club Scholarship
  - 6.1.3.1.1 The Boys and Girls Club Scholarship to Pima Community College (PCC) is a grant to the second place Boys and Girls Club member of the year. It consists of a scholarship at PCC of \$2500.
  - 6.1.3.1.2 The Boys and Girls Club Scholarship is funded from the permanently restricted endowment and the Helen Middleton Rotary Club of Tucson Foundation Boys and Girls Club Scholarship. If the 4% payout does not equal \$2500, the balance will be made up by individual contributions until the Scholarship/Endowment Fund can totally fund the \$2500 scholarship.
  - 6.1.3.1.3 Following receipt of an invoice from the Boys and Girls Club with the name of the scholarship recipient, the Treasurer issues a check to Pima Community College for the student.

**6.1.4 Undergraduate Scholarships**

- 6.1.4.1 Selection and Funding of Undergraduate Scholarship Recipients
  - 6.1.4.1.1 The Scholarship Committee will develop a scholarship application format each Spring and provide the application format to local high school counselors to solicit applications from graduating high school students. The application will also be provided to The University of Arizona (UA) and Pima Community College (PCC) for posting on their respective scholarship websites. The nomination of candidates for PCC scholarships may also be made by the scholarship office at PCC. Applications will be received and evaluated by the Scholarship Committee. Selection of the particular person or persons and decisions regarding the amount of scholarship funding are to be made by the Scholarship Committee and approved by the Foundation Board of Directors. Candidates are eligible for multiple year scholarship awards, based on a reapplication process, maintaining a minimum 2.5 GPA, recommendation of their school counselor, recommendation of the Scholarship Committee, and completion of the minimum Rotary participation requirement during the year.
  - 6.1.4.1.2 Equal attention will be paid to recruiting students from both institutions. Scholarships are available to all students regardless of age.
  - 6.1.4.1.3 Undergraduate scholarships are funded by monies raised from designated contributions during the Rotary year and the 4% annual payout from the Foundation Scholarship/Endowment fund to achieve a minimum of \$25,000 available annually for awards.

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6.1.4.1.4 University of Arizona scholarships are \$1,500 per student per semester, increasing to \$2,000 per semester starting 2017-18. Pima Community College scholarships are \$400 per student per semester.

6.1.4.2 Student Qualifications and Requirements for Undergraduate Scholarships

6.1.4.2.1 Selection criteria include that scholarship recipients: 1) have graduated from high school, finishing in the top one-third of their graduating class; 2) demonstrate financial need, as determined by PCC or UA, based upon a completed FAFSA; 3) complete the RCT application including a 500 word essay; 4) have participated in community service and school-related extra-curricular activities; and 5) have been admitted to the University of Arizona or Pima Community College. Candidates may be asked to interview with the Scholarship Committee.

6.1.4.2.2 Scholarship recipients are required to attend four Rotary functions per year: two Rotary Club of Tucson meetings and two Rotary Club of Tucson community service events. They are also encouraged to attend two UA Rotaract meetings.

6.1.4.2.3 Scholarship recipients are also asked to introduce themselves at a Rotary Club of Tucson meeting.

6.1.4.3 Undergraduate Scholarship Committee Responsibility

6.1.4.3.1 Scholarship Committee members are to be present at the final selection of the students.

6.1.4.3.2 Each student receiving a scholarship is assigned to a Committee member who arranges for the student to attend Rotary functions so as to become informed about RCT and the ideals of Rotary.

6.1.4.3.3 Students are to be notified of their scholarship awards directly by the Committee.

**6.1.5 Chaprales Scholarship(s)**

6.1.5.1 Selection and Funding of Chaprales Scholarship Recipients

6.1.5.1.1 The annual award is \$4,000, payable at the beginning of the Fall semester. The application deadline is May 15 of each year, applicable for the scholarship granted the following academic year. If no eligible students have been identified by September 30, no funds will be distributed for the year.

6.1.5.1.2 Applications are to be addressed to The University of Arizona Graduate College. Personal statements addressed to other institutional admission or selection committees will not be accepted.

6.1.5.1.3 Successful candidates will be notified by The University of Arizona Graduate College following the interview. The award is deposited to the recipient's account with The University of Arizona Graduate College Office.

6.1.5.1.4 Chaprales Scholarships are funded from the Rotary Club of Tucson Foundation's Hispanic (Chaprales) Education Fund, then matched by the University of Arizona Alumnae Hispanic Education Fund. The sum of these two donations is then matched by The University of Arizona Graduate College.

6.1.5.2 Student Qualifications and Requirements for Chaprales Scholarships

6.1.5.2.1 Minimum eligibility requirements include: 1) Must be enrolled in a University of Arizona Graduate College, 2) must be of Mexican/American heritage, 3) Must be a native of the Greater Tucson Area, 4) must have a minimum GPA of 3.00 and be enrolled full-time.

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6.1.5.2.2 Applications include: 1) a one or two page personal statement that addresses the following: a) Mexican/American and family background, b) Achievements, c) Extracurricular activities, d) Career goals, e) Need for scholarship assistance and any other relevant information; 2) transcript of Bachelor Degree and current enrollment (if applicable); 3) One letter of recommendation, preferably from a school official.

6.1.5.2.3 Interview: once an application is accepted, a personal interview is arranged with The University of Arizona Graduate College Selection Committee.

6.1.5.2.4 Scholarship recipients are expected to attend meetings of the Rotary Club of Tucson and one meeting of the Rotary Club of Tucson Foundation.

6.1.5.3 Chaprales Scholarship Chair Responsibility

6.1.5.3.1 The Chaprales Scholarship Chair coordinates with The University of Arizona Graduate College in the identification of candidates. After the interview process, the Chair is notified of the candidates selected for the scholarship.

6.1.5.3.2 The Chair arranges for each student receiving a scholarship to attend a Rotary Club of Tucson and/or Rotary Club of Tucson Foundation meeting to become informed about the ideals of Rotary. Recipients are to briefly introduce themselves to the membership.

## 6.2 Grantmaking

### 6.2.1 Grants Committee

6.2.1.1 The Grants Committee Chair recruits a diverse committee of 12 or more club members with emphasis on committee members who represent the club as a whole.

6.2.1.2 The members of the committee are presented to the Foundation Board for review, but approval is not required.

### 6.2.2 Purpose

6.2.2.1 The Grants Committee implements the recommendations of the Foundation Strategic Planning Committee in recommending what local (located in Pima County) charities are best equipped to positively impact areas of community need as selected through a strategic planning process with input from club members.

6.2.2.2 The Grants Committee presents to the club and Foundation Board recommendations for local 501(c)(3) charities to receive funding from the Foundation, primarily from the net proceeds of the signature fundraising event.

### 6.2.3 Beneficiaries of Signature Fundraising Event

6.2.3.1 The primary beneficiary of the annual signature fundraising event is voted on by the club members every five years to align with the vote to continue the signature fundraising event, currently the Tucson Classics Car Show.

6.2.3.2 The primary beneficiary (40% of net proceeds) of the signature fundraising event is voted on by RCT members and approved by the Foundation Board (last approved January 6, 2016).

6.2.3.3 Four other beneficiaries of the signature fundraising event net proceeds are selected annually.

6.2.3.3.1 Two beneficiaries are selected to receive 20%

6.2.3.3.2 Two beneficiaries are selected to receive 5%

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6.2.3.3.3 The remaining 10% of net proceeds is designated for the President's Discretionary fund (see 6.2.5.2) for smaller funding requests from local (Pima County) 501(c)(3) organizations.

6.2.3.4 Criteria for Grant Beneficiaries

6.2.3.4.1. Proposed grants must address one of the following two areas of community need as selected by club members:

6.2.3.4.1.1 Family Life Skills (including single head of family households):

Programs or projects that Tucsonans in need could use developing basic life skills, including, but not limited to, parenting, financial management, getting and keeping a job and accessing local resources.

6.2.3.4.1.2 Workforce Training, (including all ages and retraining): Training and retraining Tucsonans for careers that will be important to improving the local economy and earnings for individuals.

6.2.3.4.2 An applicant for funding must be a 501(c)(3) charity and submit an IRS Determination Letter.

6.2.3.4.3 An applicant may or may not be affiliated with a religious organization as long as the services provided to the community do not exclude individuals of any other faith.

6.2.3.4.4 An applicant must be a Tucson or Pima County charity that is locally administered.

6.2.3.4.5 An organization that has been a beneficiary in the two previous consecutive years is not eligible to apply.

**6.2.4 Fundraising Event Annual Beneficiaries Selection Process**

6.2.4.1 Charities to be considered for selection as a secondary beneficiary must be nominated by a current club member. (Charities cannot apply directly to the Foundation.) Only one nomination is allowed per member.

6.2.4.2 A specific charity nomination period is set each year, typically the first 2-3 weeks in January.

6.2.4.3 Club members are notified by email and announcements at club meetings that beneficiary nominations are open.

6.2.4.4 After member nominations close, the nominations are reviewed for accuracy and all accepted charities are contacted to ascertain whether they would like to receive a formal Request for Proposal (RFP) from the Foundation. All charities that request a RFP are sent one.

6.2.4.5 The RFP specifies the deadline for completed proposals, typically four to five weeks from when the RFP is distributed.

6.2.4.6 All RFPs received by the deadline are reviewed for completeness.

6.2.4.7 The Grants Committee meets and decides the current year rules of review and selection based on the number and type of proposals received.

6.2.4.8 The Grants Committee, following its approved rules, reads and decides on the four best proposals. All charities are informed of their status—declined or selected as one of the four secondary beneficiaries for the year, and moved on to be presented to the club.

6.2.4.9 Proposals for the four selected charities are sent to each member by email.

6.2.4.10 The four selected organizations present a four-minute summary of their submitted proposals to the membership at a club meeting. Following the presentations, club members vote to determine which charities receive 20%, and which receive 5%, of the fundraising event net proceeds. Members may also vote by email if received by 5:00 p.m. on the day prior to the

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club meeting at which the organizations make their presentations. The Grants Committee counts the votes.

6.2.4.11 The two charities that receive the most votes are recommended to the Foundation to receive 20% of the net proceeds. The two charities that receive the fewest votes are recommended to receive 5% grants of the net proceeds.

6.2.4.12 The Foundation Board votes to accept or reject a motion from the Grants Committee on the current year recommended beneficiaries.

6.2.4.13 Beneficiaries receive their checks at a club meeting following the completed accounting of net proceeds of the fundraising event each year, typically the last meeting in January following the event.

### **6.2.5 Community Endowment Fund**

6.2.5.1 When the Community Endowment Fund reaches \$500,000 in assets, funds, per the Investment Policy Spending Policy, will be distributed annually to Pima County 501(c)(3) charities.

6.2.5.2 The Grants Committee will administer and recommend to the Foundation Board the annual grantmaking process for the funds generated.

6.2.5.3 The amount to be distributed will be determined by the fund balance as of the end of the prior RCTF fiscal year. Any allocated monies not distributed will remain in the endowment fund.

### **6.2.6. President's Discretionary Fund**

6.2.6.1 The President is designated 10% of the net proceeds from the previous year's annual fundraising event for distribution at his or her discretion, and without approval by the Foundation Board.

6.2.6.2 The President's Discretionary Fund is to be used to fund specific requests from Tucson and Pima County from 501(c)(3) charities.

6.2.6.3 If the President does not distribute all funds available during his or her term of office, the remaining monies are retained in the Community Charities Fund.

### **6.2.7 International Grants**

6.2.7.1 Funds available on an annual basis for international grants are equivalent to 10% of the net proceeds from the fundraising event.

6.2.7.2 Requests for funding international projects may be referred to the Grants Committee for review, or may be presented directly to the Foundation Board for discussion and approval.

#### **6.2.7.3 International Endowment Fund**

6.2.7.3.1 When the International Endowment Fund reaches \$500,000 in assets, funds per the Investment Policy Statement Spending Policy will be distributed annually.

6.2.7.3.2. Research and recommendations on possible programs and projects for funding will be the responsibility of the International Director of the RCT Board or RCT President, with review and approval by the RCT Board prior to approval by the Foundation Board. Projects may also be presented directly to the Foundation Board for funding approval.

6.2.7.3.3 The amount to be distributed will be determined by the fund balance as of the end of the prior RCTF fiscal year. Any allocated monies not distributed will remain in the endowment fund.

### **6.2.8 Reporting and Evaluation**

6.2.8.1 All local and international beneficiaries will provide a report to the Grants Committee, RCT Board and Foundation Board of how the money was spent and measurable results of the program or project.

## **7. Fundraising**

### **7.1 Fundraising – General**

#### **7.1.1 Endowments**

7.1.1.1 The purpose of the Scholarship, Community and International Endowment Funds is to assist Rotarians in fulfilling their philanthropic goals by making gifts in perpetuity to fulfill the mission of the RCT and the RCT Foundation.

7.1.1.2 The Planned Giving Committee will be responsible for soliciting contributions from RCT members and other donors for the Scholarship, Community or International Endowment Funds.

7.1.1.3 Donations may not be designated by any donor to a specific organization or area of need, but will become part of the specified endowment.

7.1.1.4 All three endowments may accept donations in any amount in memory or in honor of an individual or group.

### **7.2 Signature Event, Tucson Classics Car Show (TCCS)**

#### **7.2.1 General/Operations**

7.2.1.1 The Tucson Classics Car Show is to be voted on as the signature fundraising event of the Foundation every five years following a vote by the members of the RCT to continue their commitment to staff and operate the event.

7.2.1.2 The TCCS Chair is responsible for overseeing the operation of the TCCS and reports to the Foundation Board. A Strategic Leadership Team (SLT) made up of former TCCS chairs and those critical to the successful operation of the show is chosen by the Chair each year to assist in planning and decision-making. A Tactical Leadership Team (TLT) is selected by the Chair and SLT each year to manage assigned areas of the operation.

7.2.1.3 The TCCS structure and detailed information is not to be shared with any other organizations, with the exception of Rotary Clubs as determined by the SLT. Rotary clubs who receive this information will be limited to one per state or geographical area and are required to sign a non-disclosure agreement.

7.2.1.4 Selection of the charities to receive funding from the TCCS takes place as early as practical prior to the show from which the charities will receive the net proceeds. These charities are publicized as the beneficiaries of the TCCS and are to assist with ticket sales, approved marketing and volunteers.

7.2.1.5 A decision to cancel the show because of rain or other unforeseen circumstance is made by members of the SLT available on the morning of the event by 5:30 a.m. If the show is cancelled, car entrants, food/merchandise/promotional vendors and Classics Club ticket buyers will be given the option to donate the amount paid or request a refund. No refunds will be provided for raffle ticket purchases.



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- 7.2.1.6 The email and mailing list of car entrants is not to be sold or distributed. Only official TCCS mail or email should be sent to entrants from Registrar or as approved by TCCS Chair.
- 7.2.1.7 No animals are allowed on the show field except per Americans with Disabilities Act (ADA) rules.
- 7.2.1.8 No food or beverage is to be distributed either free or for sale by vendors or sponsors without prior approval by the TCCS Chair.
- 7.2.1.9 At the close of registration, car classes that have less than 5 registrants may be eliminated. Entrants will be combined with another appropriate class.
- 7.2.1.10 Rotarians are eligible to win awards for their registered cars, except awards chosen by Rotarians including Best in Show and the Mayor's trophy if chosen by Rotarians. The Title Sponsor Award may be awarded to a Rotarian even if the awardee is a Rotarian.
- 7.2.1.11 No vehicles identified as business promotional vehicles are allowed to enter judging on the show field. These promotional vehicles may be displayed in a vendor's or sponsor's exhibit area, space permitting, and are not eligible for awards.
- 7.2.1.12 Merchandise vendors are subject to approval based on what they are selling, e.g., no company can sell their promotional T-shirts as a way to participate as merchandise vendor instead of promotional vendor.
- 7.2.1.13 Children under 18 are free if accompanied by a paid adult.
- 7.2.1.14 One child under 13 per paid Classics Club ticket is allowed to accompany an adult into the Classics Club; those 13 and over must have their own tickets. All children under 21 must be accompanied by an adult. The Classics Club ticket does not include a raffle stub.]
- 7.2.1.15 If booth space is used by a non-profit organization, whether paid for by the non-profit or donated to the organization by a sponsor, soliciting donations from TCCS attendees is not allowed. The exhibit may be used for information and/or education.
- 7.2.1.16 Political signage and campaigning are not permitted. Lobbying and soliciting signatures or donations for ballot issues or candidates are also not permitted.
- 7.2.1.17 Only Rotarians are allowed to operate golf carts or two-way radios; exceptions are to be pre-approved by the TCCS Chair.
- 7.2.1.18 Sponsors and vendors are not allowed to have golf carts on the field on the day of the show; exceptions are to be pre-approved by the TCCS Chair. Trucks and/or trailers are not allowed to be driven on the field except as pre-approved by the TCCS Chair.
- 7.2.1.19 No complimentary food tokens will be distributed to volunteers.
- 7.2.1.20 TCCS will pay to repair or maintain the items that are indicated as needing attention on the vehicle warning indicators of the raffle car. If repair and maintenance are needed to ensure vehicle safety, TCCS will cover the expense.

**7.2.2 Raffle**

- 7.2.2.1 Decisions regarding acceptance of raffle prizes are made by the SLT of the TCCS within the guidelines of the Foundation Gift Acceptance Policy.
- 7.2.2.2. The current Raffle Rules and Raffle Winner Information Sheet (attached) are made a part of the policies.
- 7.2.2.3 It is currently illegal to sell raffle tickets out of the State of Arizona. The online ticket purchase includes a requirement that the purchaser acknowledge that he or she has read and complied with the Raffle Rules.
- 7.2.2.4 Raffle winners will be identified publicly by name at the time of the drawing. Per the raffle rules on the ticket, all raffle winners are identified by name on the TCCS website and in press releases; if a prize is not accepted, it is noted.

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7.2.2.5 If the show is cancelled for any reason, the raffle will be held within 30 days following the show in a public place at a time and date to be determined and publicized.

### **7.2.3 Ticket Sales and Distribution**

7.2.3.1 The number of raffle tickets distributed to RCT members to be sold or purchased is determined by the SLT annually. The Ticket Sales Chair has the right to bill members for any unsold and unreturned tickets. The decision to waive this billing and collection may be made by the Ticket Sales Chair and Team Captain with approval of the TCCS Chair.

7.2.3.2 Raffle ticket pricing and revenue splits are as follows:

7.2.3.2.1 Sold by club members or online, \$5

7.2.3.2.2 Sold by nonprofit groups, including beneficiaries, 60%/40%, \$3 to TCCS, \$2 to any 501(c)(3) nonprofit

7.2.3.2.3 Sold by another Rotary organization or The Gregory School (TGS), 50%/50%, \$2.50 to TCCS, \$2.50 to other Rotary or TGS

7.2.3.2.4 Sales at events are negotiated individually with the sponsoring organization.

7.2.3.3 For club competition purposes, club members receive credit for each raffle ticket sold; each Classics Club ticket sold counts as five raffle tickets; for non-profit ticket sales arranged by the club member, 60% of total tickets sold are credited; sales by other Rotary Clubs and The Gregory School arranged by the club member are credited at 50% of tickets sold.

7.2.3.4 Complimentary admission tickets that provide entry to the show, for those who are not receiving them as benefits for their donation, can be requested by SLT and TLT members and are subject to approval of the TCCS Chair.

7.2.3.5 Complimentary Classics Club tickets are approved or provided by the TCCS Chair, with input from the Marketing and Revenue Generation Team Leaders.

### **7.2.4 Marketing Communications/Publicity**

7.2.4.1 For raffle prizes, the preferred prize is a certificate instead of the actual item. The preferred documentation is a certificate with statement of verifiable value. This value is to be used in marketing communications. If an actual item is donated, the item needs to be in the possession of the TCCS with the current retail value of item verified prior to any use in marketing communications.

7.2.4.2 For PR and other media, level of sponsorship (e.g., Key Sponsor) will be used. The dollar amount of individual sponsor contributions will not be used publicly.

7.2.4.3 Other car shows can be included in the list of Southern Arizona car show links on the TCCS website and in TCCS social media. No other promotion (e.g., ads, individual web pages, etc.) of other car shows is permitted on the TCCS website, with possible exceptions to be referred to the SLT for a decision.

7.2.4.4 In general, TCCS will not post cars for sale, events, products or services for sale, etc. on TCCS social media (Facebook, Pinterest, Twitter, etc.). Reciprocal promotion with other car shows is allowed on social media.

7.2.4.5 For public promotion prior to the show, beneficiaries are to be listed in descending order of percentage of net proceeds, without referring to specific percentages. After the show, the actual dollar amount distributed to charities will be used in communications.

7.2.4.6 Preferred written form is Rotary Club of Tucson "presents" the Tucson Classics Car Show. The show is "sponsored by" Name of Title Sponsor. For graphic design, current use is Tucson Classics Car Show, presented by Rotary Club of Tucson, sponsored by Name of Title Sponsor. All materials that refer to the raffle or any incoming or outgoing donations are to

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include the Rotary Club of Tucson Foundation, e.g., “Rotary Club of Tucson Foundation Raffle Rules,” “Rotary Club of Tucson Foundation charities.”

**7.2.5 Finance**

7.2.5.1 Any cash donation from TCCS to The Gregory School is to be consistently labeled as a donation to an educational institution with the donation coming out of the TCCS proceeds prior to the net figured for the beneficiary charities.

7.2.5.2 Prior to the 2015 TCCS, pass-through donations made to the TCCS, i.e., donations specifically designated for distribution to TCCS charities, are called out separately in the reporting of TCCS income for the year. Pass-through donations prior to 2015 are included in the total dollars raised since the inception of the show when reporting results to the public. Per the Foundation Gift Acceptance Policy addendum approved September 15, 2015, pass-through donations are no longer accepted for the TCCS.

7.2.5.3 For purposes of determining the net proceeds to be donated to the charities, cut-off for accounting to determine income and expenses of each TCCS is December 31 of the show year, with any expenses and revenue recorded after that date deferred to the next year’s show accounting. Every effort is made to collect all donations and pay all expenses by December 31 to achieve an accurate accounting of net proceeds for each show.

7.2.5.4 The fiscal year of the TCCS is the same as the Foundation, July 1 to June 30. Revenue and expenses between January 1 and June 30 are recorded as deferred revenue or expenses and moved by journal entry to the following year’s TCCS.

7.2.5.5. \$40,000 has been set aside as a designated fund balance for future car shows, carrying over each year.

7.2.5.6 The authorized signers for the TCCS bank account, which is held by the Foundation, are the President, Secretary and Treasurer of the Foundation Board of Directors, the TCCS Chair and/or Co-Chair, TCCS Finance Chair and Incoming TCCS Chair.

7.2.5.7 Two signatures are required for checks in amounts more than \$2,500.

7.2.5.8 TCCS will maintain the ability to take credit card payments for tickets and car registration, and sponsor payments as needed. Purchases and payments can be made online or by phone to a Rotarian designated by the TCCS Finance Chair. Passwords are to be maintained and updated every 90 days, with access to them controlled by the Finance Chair.

## 8. Miscellaneous

**Attachments:**

Gift Acceptance Policy

Investment Policy

Conflict of Interest Policy/Statement

Tucson Classics Car Show Internal Control Procedures