

Portland Rotary Charitable Endowment Fund Investment Policy & Guidelines

I. Purpose of the Fund

The Portland Rotary Charitable Fund, a 501(c)3 organization, established the Portland Rotary Charitable Endowment Fund (“the Fund”) a permanent fund to solicit, receive and invest and distribute gifts for such educational or other worthy charitable purposes beneficial to the Greater Portland, Maine community, except political or religious purposes.

The Board of the Rotary Club of Portland, Maine acknowledges that the original purpose of the Service & Memorial Fund was for educational purposes of the Youth Service Award scholarships and agrees to take this into consideration for future donations.

II. Goal for the Fund

The goal for the Fund is that the historic value of the Fund will grow in value over time in an amount necessary to preserve the purchasing power of Fund assets while generating an income stream to provide charitable dollars beneficial to the Greater Portland, Maine community as determined by the Board of the Rotary Club of Portland, Maine. No part of the Fund shall ever be used for operating expenses of the Rotary Club of Portland, Maine. No part of the principal or income of the Fund shall inure or be payable to or for the benefit of any individual except as a charitable program-related award, loan or grant.

III. Investment Policy

The Fund will be managed within a diversified portfolio with broadly allocated assets, understanding that most investments carry market risk. The Fund will be invested in accordance with applicable regulations including the Uniform Prudent Management of Institutional Funds Act adopted by the State of Maine in July 2009. The investments are managed for optimum total investment return, consistent with the level of risk. Management fees will be reasonable and similar to prevailing rates for funds of comparable size.

The Fund will be invested in a manner that seeks to ensure the preservation of capital in the overall portfolio. Safety of the Fund will take priority over yield. The portfolio will avoid extreme positions and opportunities styles.

IV. Spending Policy

The preferred spending policy is to distribute from earnings and appreciation up to 4% per year of the assets of the Fund, based on the average of the preceding three years.

At the beginning of each Rotary fiscal year (July), the Board of the Rotary Club of Portland, Maine will approve a spending level for that year based on the performance of the portfolio and advisement of the Finance and Investment Committee. Distributions will be in cash, no more frequently than quarterly.

Portland Rotary Charitable Endowment Fund Board of Directors
Approved: June 17, 2016