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KIWANIS CHILDREN’S FUND BOARD OF TRUSTEES

October 4-8, 2017

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MINUTES OF THE
MEETING OF THE KIWANIS CHILDREN'S FUND BOARD OF TRUSTEES

October 4-8, 2017

The meeting of the Board of Trustees of the Kiwanis Children's Fund was held at the Kiwanis International Office in Indianapolis, Indiana, USA, October 4-8, 2017. Those present were: George E.H. Cadman, Q.C., President-elect; Chia Sing Hwang, Immediate Past President; Ann Wilkins, Treasurer; Stan D. Soderstrom, Executive Director; Trustees Karl Heinz Berger, Filip Delanote, Albert James Dooley, Jane M. Erickson, Robert M. Garretson, Dennis M. Oliver, Benjamin R. Osterhout, Yu-Mei Shih, John Tyner II, Norman A. Velnes, Daniel Vigneron and Ann Wilkins; and Ann Updegraff Spleth, Chief Operating Officer.

The meeting was called to order by President-elect George E.H. Cadman, Q.C., on Saturday, October 7, 2017 at 10:30 a.m. in Indianapolis, Indiana, USA.

The following reports were received:

REPORT OF THE PRESIDENT

The Report of the President was presented by John E. Mayfield (deceased), as shown in **Tab 01**.

REPORT OF THE IMMEDIATE PAST PRESIDENT

The Report of the Immediate Past President was presented by Chia Sing Hwang, as shown in **Tab 02**.

REPORT OF THE PRESIDENT-ELECT

The Report of the President-Elect was presented by George E.H. Cadman, Q.C., as shown in **Tab 03**.

REPORT OF THE TREASURER

The Report of the Treasurer was presented by Ann Wilkins, as shown in **Tab 04**.

REPORT OF THE KIWANIS CHILDREN'S FUND EXECUTIVE DIRECTOR

The Report of the Kiwanis Children's Fund Executive Director was presented by Stan D. Soderstrom, as shown in **Tab 05**.

REPORT OF THE K.I. REPRESENTATIVE (K.I. IMMEDIATE PAST PRESIDENT) TO THE KIWANIS CHILDREN'S FUND BOARD

The Report of the K.I. Representative (K.I. Immediate Past President) to the Kiwanis Children's Fund Board was presented by Jane M. Erickson, as shown in **Tab 06**.

**REPORT OF THE K.I. REPRESENTATIVE (K.I. VICE PRESIDENT) TO THE
KIWANIS CHILDREN’S FUND BOARD**

The Report of the K.I. Representative (K.I. Vice President) to the Kiwanis Children’s Fund Board was presented by Daniel Vigneron, as shown in **Tab 07**.

REPORT OF THE KIWANIS CHILDREN’S FUND CHIEF OPERATING OFFICER

The Report of the Kiwanis Children’s Fund Chief Operating Officer was presented verbally by Ann Updegraff Spleth.

GENERAL CONSENT ITEMS

Without objection, the following recommendation was adopted:

APPROVAL OF JULY 12, 2017 BOARD MEETING MINUTES

That the Kiwanis Children’s Fund Board approves the minutes of the Board meeting held on July 12, 2017 in Paris, France, as shown in Tab 08.

REPORT OF THE EXECUTIVE COMMITTEE

The Report of the 2017-18 Executive Committee, John E. Mayfield, Chair, was presented. (**Tab 09**)

No action taken.

The Executive Committee report was accepted.

REPORT OF THE BYLAWS AND POLICIES COMMITTEE

The Report of the 2017-18 Bylaws and Policies Committee Albert James “Jim” Dooley, Chair, was presented. (**Tab 10**)

BYLAWS AND POLICY AMENDMENTS TO PURPOSE AND MISSION

Upon recommendation of the Bylaws and Policies Committee, it was moved and adopted:

That the Kiwanis Children’s Fund Board amends Article I, Section 3, of the organization’s bylaws as follows:

ARTICLE I – NAME, PURPOSE, MISSION, AND MEMBERS

Section 1. Name. The name of this organization is Kiwanis International Foundation, Inc. (“the Foundation”).

Section 2. Purpose. The Foundation is a tax-exempt, publicly-supported charitable organization formed and operating for the purpose of assisting and engaging in all activities which serve charitable, benevolent, eleemosynary, educational, religious or scientific purposes as permitted by the State of Indiana and the U.S. Internal Revenue Code for nonprofit corporations with 501(c)(3) status.

Section 3. ~~Support for Kiwanis International.~~ ~~In pursuing and carrying out its purpose, the Foundation shall support and further the charitable purpose of Kiwanis International, Inc., a separate corporation, and of Kiwanis sponsored affiliates.~~ **Mission.** The mission of the Foundation is to develop resources that transform the goodwill and vision of Kiwanians into programs that serve the children of the world.

Section 4. Members. The members of the Foundation are all members in good standing of chartered Kiwanis clubs of Kiwanis International. Members of the Foundation do not have voting rights.

Further, that the Kiwanis Children’s Fund Board deletes Policy B – Mission.

~~POLICY B. MISSION~~

~~The Foundation Board shall establish and implement the Mission of the Foundation, which is: "to Assist Kiwanis International in Serving the Children of the World." (7/14)~~

BYLAW AMENDMENT REGARDING VARIANCE POWERS OF THE BOARD OF TRUSTEES

Upon recommendation of the Bylaws and Policies Committee, it was moved and adopted:

That the Kiwanis Children’s Fund Board amends Article II, Section 1, of the organization’s bylaws as follows:

ARTICLE II – BOARD OF TRUSTEES

Section 1. ~~General Powers of the Board of Trustees.~~

- a. General Powers.** **The administration and management of the Foundation is under the control of its Board of Trustees.**
- b. Variance Powers.** **Notwithstanding any provisions in these Bylaws or in any instrument of transfer creating or adding to a fund of the Foundation, the Board shall have the power to: (a) modify any restriction or condition on the distribution of funds for any specified charitable**

purpose or purposes or to a specific charitable organization or organizations if in the sole judgment of the Board (without the necessity of the approval of any participating trustee, custodian, or agent), such restriction or condition becomes, in effect, unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community or area served; (b) replace any participating trustee, custodian, or agent for breach of fiduciary duty under state laws; and (c) replace any participating trustee, custodian, or agent for failure to produce a reasonable return of net income over a reasonable period of time, as determined by the Board.

REVISIONS TO CODE OF ETHICS AND CONDUCT

Upon recommendation of the Bylaws and Policies Committee, it was moved and adopted:

That the Kiwanis Children's Fund Board revises Policy C.2.b as follows:

C. BOARD OF TRUSTEES

2. ETHICS AND ACCOUNTABILITY

b. Code of Ethics and Conduct (3/13)

- (1) To ensure the confidence of clubs and members and the reputation of Kiwanis International and its Foundation among the public and to fulfill the Board's role of stewardship and leadership to the organization, the Kiwanis International Foundation expects all members of the Board to conduct themselves according to the highest ethical, professional, and moral principles. Each Board member and appointed committee chairman shall annually acknowledge, by signature, that he/she has read, understands, and accepts personal responsibility to adhere to the standards of conduct stated in this policy. (3/13)
- (2) Each Board member shall, to his/her utmost ability: (3/13)
 - Personally comply with all applicable laws and regulations, as well as the Kiwanis International and Kiwanis International Foundation Bylaws, Policies, and Procedures;
 - Never knowingly allow the Kiwanis International Foundation to violate any applicable laws and regulations;
 - Act with integrity, honesty, and trustworthiness and not engage in unethical practices, deceive others, or misrepresent Kiwanis and its Foundation in any business dealings;
 - Treat others equitably, fairly, and with respect and not engage in any form of discrimination or harassment;
 - Be loyal to Kiwanis International, its Foundation and its mission, above any loyalty to a particular individual or group of individuals;
 - Demonstrate care for clubs and club members and the communities they

- serve, including the highest regard for the safety, health, and welfare of the public;
- Make responsible decisions for the future of the organization, ensuring Kiwanis International Foundation resources are prudently managed and expended;
 - Practice transparency and accountability to clubs, members, and the public;
 - Not use the name of Kiwanis, its Foundation or their Board position for personal benefit or advantage;
 - Help create a cooperative and productive working environment at Board meetings and other Kiwanis functions;
 - Respect and protect any privileged or confidential information, including the private information of members and donors, and support the final decisions of the Board;
 - Fulfill the duties of office to which they are elected and not attempt to exercise individual authority outside the purview of his/her office;
 - Interact with Staff in a professional and respectful manner, following agreed channels of communication and authority;
 - Not engage in any conduct that would tarnish the good reputation of Kiwanis or undermine the public's trust;
- (3/13)
- **Shall not nominate or second the nomination of any candidate for a contested Kiwanis election at the district, regional, or international level of the organization.**

- (3) Alleged violations of these standards of conduct shall be reported to the Executive Director, who shall inform the Executive Committee. If the Executive Director and Executive Committee determine that further investigation is warranted, the process shall be conducted in the same manner as violations of conduct unbecoming, as defined elsewhere in policies. (3/13)
(1/15)

This completed the action of the Bylaws and Policies Committee and the report was accepted.

REPORT OF THE DEVELOPMENT COMMITTEE

The Report of the 2017-18 Development Committee, Norman A. "Norm" Velnes, Chair, was presented. (Tab 11)

No action taken.

The Development Committee report was accepted.

REPORT OF THE FINANCE/INVESTMENT COMMITTEE

The Report of the 2017-18 Finance/Investment Committee, Ann Wilkins, Chair, was presented. (Tab 12)

REVIEW OF THE CURRENT INVESTMENT REPORT AND POLICY

Upon recommendation of the Finance/Investment Committee, it was moved and adopted:

That the Kiwanis Children’s Fund Board approves a change to Board Procedure 501.4.E - Asset Allocation-Equity as follows.

501 – INVESTMENT FUND (10/11)

501.4 – Guidelines

E. Asset Allocation: The Board believes that the Fund’s risk and liquidity postures are primarily a function of the asset mix. The Board reviewed the long-term risk, return, and correlation characteristics of various asset classes. The following asset classes were selected for inclusion in the asset mix since, as a group, they provide opportunity to pursue desired return objectives while offering diversification benefits: (2/14)

- Equities;
- Fixed Income;
- Alternative Investments; and
- Cash or Cash Equivalents

(2/14)

The Fund’s time horizon, risk tolerances, performance expectations, socially responsible investment policy, and asset class preferences were used to estimate an efficient Fund asset allocation. (3/13)

The target asset allocation ranges are: (2/14)

	Minimum	Maximum
Equity	40%	78%
Fixed Income	15%	50%
Alternative Investments	5%	30%
Cash or Cash Equivalents	1%	30%

PROCEDURE 606 – USE OF UNDESIGNATED ESTATE GIFTS

Upon recommendation of the Finance/Investment Committee, it was moved and adopted:

That the Kiwanis Children’s Fund Board approves the removal Procedure 606 – Use of Undesignated Estate Gifts in its entirety as follows. This action is retroactive to October 1, 2016.

~~606 USE OF UNDESIGNATED ESTATE GIFTS~~

~~Any undesignated estate gift of US\$75,000 or less is recorded to the endowment fund. Any undesignated estate gift of more than US\$75,000 shall be split: 25% to the Annual Fund and 75% to the endowment fund. (7/14)~~

This completed the action of the Finance/Investment Committee and the report was accepted.

REPORT OF THE GRANTS COMMITTEE

The Report of the 2017-18 Grants Committee, Karl Heinz Berger, Chair, was presented. (Tab 13)

RELEASE OF FUNDS FOR KEY CLUB BREAKTHROUGH 2018

Upon recommendation of the Grants Committee, it was moved and adopted:

That the Kiwanis Children's Fund Board awards a US\$75,000 grant to Kiwanis Youth Programs from the Youth Opportunity Fund's temporary fund in support of Key Club Breakthrough 2018.

RELEASE OF FUNDS FOR KEY CLUB ALUMNI ENGAGEMENT PROJECT

Upon recommendation of the Grants Committee, it was moved and adopted:

That the Kiwanis Children's Fund Board allocates US\$205,935 from the Youth Opportunity Fund's temporary fund in support of the Key Club Alumni Engagement Project.

POLICIES AND PROCEDURES UPDATE – RESTRICTED GRANTS

Upon recommendation of the Grants Committee, it was moved and adopted:

That the Kiwanis Children's Fund Board creates Policy I.4. – Restricted Grants, as shown below:

I. Grants (7/17)

4. Restricted Grants

- a. Restricted grants exceeding the annual budget amount require approval by the Executive Committee or the full Board.**

b. Grant recipients must comply with the terms and conditions of the grant as set forth by the Foundation.

POLICIES AND PROCEDURES UPDATE – GRANTS COMMITTEE

Upon recommendation of the Grants Committee, it was moved and adopted:

That the Kiwanis Children’s Fund Board changes Procedure 301.3 – Grants Committee, as shown below:

301.3 – Grants Committee (10/15)

The duties of the Grants Committee shall be to:

- **Define the criteria for awarding ~~unrestricted~~ grants.**
- **Set the schedule for the consideration of all grant requests, review requests for ~~unrestricted~~ grants and make funding recommendations to the Executive Committee or the full Board.**

(7/14) (10/15)

This completed the action of the Grants Committee and the report was accepted.

REPORT OF THE PERFORMANCE ASSESSMENT COMMITTEE

The Report of the 2017-18 Performance Assessment Committee, Chia Sing Hwang, Chair, was presented. **(Tab 14)**

No action taken.

The Performance Assessment Committee report was accepted.

NEXT BOARD MEETING – FEBRUARY 8, 2018

The next meeting of the Board of Trustees will be February 8, 2018 via GoToMeeting.

The meeting adjourned sine die on Saturday, October 7, 2017 at 2:55 p.m.