

TABLE OF CONTENTS

MINUTES OF THE MEETING OF

KIWANIS INTERNATIONAL FOUNDATION BOARD OF TRUSTEES

November 12-16, 2014

| | TAB |
|---|-------|
| REPORT OF THE PRESIDENT ----- | 3 01 |
| REPORT OF THE IMMEDIATE PAST PRESIDENT ----- | 3 02 |
| REPORT OF THE PRESIDENT-ELECT ----- | 3 03 |
| REPORT OF THE TREASURER ----- | 3 04 |
| REPORT OF THE KIWANIS INTERNATIONAL FOUNDATION EXECUTIVE DIRECTOR ----- | 3 05 |
| REPORT OF THE KIWANIS INTERNATIONAL REPRESENTATIVE ----- | 3 06 |
| REPORT OF THE KIWANIS INTERNATIONAL FOUNDATION CHIEF OPERATING OFFICER ----- | 3 |
| APPROVAL OF JULY 16, 2014 MINUTES ----- | 3 07 |
| APPROVAL OF SEPTEMBER 29, 2014 MINUTES ----- | 3 08 |
| REPORT OF THE EXECUTIVE COMMITTEE ----- | 4 09 |
| KIWANIS INTERNATIONAL FOUNDATION TRANSITION PLAN ----- | 4 |
| CONSIDERATION OF REQUEST FROM KIWANIS INTERNATIONAL BOARD OF TRUSTEES REGARDING FOUNDATION TRUSTEE SELECTION ----- | 4 |
| GRANT TO US FUND FOR UNICEF ----- | 6 |
| REPORT OF THE BOARD COMMITTEE ON BYLAWS AND POLICIES ----- | 6 10 |
| NEW POLICY CAPTURING ANNUAL PROCESS ----- | 6 |
| FUND DESIGNATION FOR HIXSON DONORS ----- | 6 |
| UNIFORM STANDARDS FOR KIWANIS INTERNATIONAL AND KIWANIS INTERNATIONAL FOUNDATION ----- | 7 |
| REPORT OF THE BOARD COMMITTEE ON DEVELOPMENT ----- | 7 11 |
| UPDATED PROCEDURE FOR DIAMOND HIXSON RIBBONS ----- | 7 |
| UPDATED DISTRICT RECOGNITION PROCEDURE FOR TOP CLUBS ----- | 8 |
| REPORT OF THE BOARD COMMITTEE ON FINANCE/INVESTMENT ----- | 8 12 |
| CFO UPDATE ----- | 8 |
| INVESTMENT POLICY STATEMENT ----- | 9 |
| REPORT OF THE BOARD COMMITTEE ON GRANTS AND CONNELLY ----- | 10 13 |
| UNRESTRICTED GRANTS POLICY REVISION ----- | 10 |
| UNRESTRICTED GRANTS NEW POLICY ----- | 10 |
| REPORT OF THE NOMINATING COMMITTEE ----- | 10 |
| REPORT OF THE BOARD COMMITTEE ON PERFORMANCE ASSESSMENT --- | 11 |
| NEW BUSINESS ----- | 11 |
| ROUNDTABLE MEETING – 2015 KIWANIS INTERNATIONAL CONVENTION ----- | 11 |
| NEXT BOARD MEETING – JANUARY 25-27, 2015 ----- | 11 |

MINUTES OF THE
MEETING OF THE KIWANIS INTERNATIONAL FOUNDATION BOARD OF
TRUSTEES

November 12-16, 2014

The meeting of the Board of Trustees of the Kiwanis International Foundation was held at the Kiwanis International Office in Indianapolis, Indiana, USA, November 12-16, 2014. Those present were: Robert A. Parton, Jr., President; Lance M. Incitti, Immediate Past President; Mark B. Rabaut, President-Elect; Chia Sing Hwang, Treasurer; Stan D. Soderstrom, Executive Director; Trustees George Cadman, Cynthia Champer, Jane M. Erickson, Gunter Gasser, Valeria Gringeri, Angus S. Lamond, Jr., John E. Mayfield, Benjamin R. Osterhout, Alice M. Savage, Ronald E. Smith, and Patrick E. Tritt; and Ann Updegraff Spleth, Chief Operating Officer.

The meeting was called to order by President Robert A. Parton, Jr., on Saturday, November 15, 2014 at 2:00 p.m. in Indianapolis, Indiana, USA.

REPORT OF THE PRESIDENT

The Report of the President was presented by Robert A. Parton, Jr., as shown in **Tab 01**.

REPORT OF THE IMMEDIATE PAST PRESIDENT

The Report of the Immediate Past President was presented by Lance M. Incitti, as shown in **Tab 02**

REPORT OF THE PRESIDENT-ELECT

The Report of the President-Elect was presented by Mark B. Rabaut as shown in **Tab 03**.

REPORT OF THE TREASURER

The Report of the Treasurer was presented by Chia Sing Hwang, as shown in **Tab 04**.

REPORT OF THE KIWANIS INTERNATIONAL FOUNDATION EXECUTIVE DIRECTOR

The Report of the Kiwanis International Foundation Executive Director was presented by Stan D. Soderstrom, as shown in **Tab 05**.

REPORT OF THE KIWANIS INTERNATIONAL REPRESENTATIVE

The Report of the Kiwanis International Representative was presented by Jane M. Erickson, as shown in **Tab 06**.

REPORT OF THE KIWANIS INTERNATIONAL FOUNDATION CHIEF OPERATING OFFICER

The Report of the Kiwanis International Foundation Chief Operating Officer was presented verbally by Ann Updegraff Spleth.

GENERAL CONSENT ITEMS

Without objection, the following recommendation was adopted:

APPROVAL OF JULY 16, 2014 MINUTES

That the Kiwanis International Foundation Board approves the minutes of the Board meeting held July 16, 2014, as shown in Tab 07.

APPROVAL OF SEPTEMBER 29, 2014 MINUTES

That the Kiwanis International Foundation Board approves the minutes of the Board meeting held September 29, 2014, via conference call, as shown in Tab 08.

REPORT OF THE EXECUTIVE COMMITTEE

The Report of the 2014-15 Executive Committee, Robert A. Parton, Jr., Chair, was presented.
(Tab 09)

KIWANIS INTERNATIONAL FOUNDATION TRANSITION PLAN

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

That the Kiwanis International Foundation Board directs Staff to draft a proposal for a regional Kiwanis International Foundation giving program, which raises funds within a determined region to benefit Kiwanis family grants within that same region. The program shall address the following criteria:

- **Time frame for pilot program**
- **Communication plan for pilot**
- **Assessment criteria to determine pilot's success**
- **Review of foundation's administrative expenses and grant distribution model for pilot**
- **Giving program phase(s) plan after pilot**

It is further recommended that the pilot program be conducted in the Europe Region.

CONSIDERATION OF REQUEST FROM KIWANIS INTERNATIONAL BOARD OF TRUSTEES REGARDING FOUNDATION TRUSTEE SELECTION

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

That the Kiwanis International Foundation Board directs Staff to gather data on partner and similar organizations' relationships with their foundations.

FURTHER, That the Kiwanis International Foundation Board proposes amendments to the Kiwanis International Foundation Bylaws regarding the Nominating Committee and Executive Committee in compliance with the requirement that ten days advance notice must be given for amendments, and that a vote be taken by electronic means on or after November 25, 2014, to adopt these amendments.

ARTICLE II BOARD OF TRUSTEES

Section 2. Composition of Board. The Foundation Board shall comprise fifteen (15) voting members. These members shall be:

- (c) **Nine (9) additional Trustees who shall each have three-year terms, beginning on October 1 following appointment and ending on September 30 three years thereafter. Trustee terms shall be staggered so that three (3) Trustees are appointed by the Kiwanis International Foundation Board each administrative year at its second meeting of the year. Candidates for consideration of appointment shall be approved by the Nominating Committee.**

ARTICLE V COMMITTEES

Section 1. Standing Committees. The Foundation shall have the following standing committees: Executive (per Article III), Development, Finance, Grants and Connelly, Nominating, Strategic Planning, Bylaws and Policies, Performance Assessment, and Executive Director Performance Review. The chairs and members of all standing committees, other than the Executive Committee, the Nominating Committee and the Executive Director Performance Review Committee, shall be appointed by the President, subject to approval by the Foundation Board. The Nominating Committee shall include the Kiwanis International President, Immediate Past President, President-Elect, and Vice President and the Kiwanis International Foundation President, Immediate Past President, President-Elect, and Treasurer. The Foundation Board shall define the responsibilities of each standing committee.

ARTICLE III EXECUTIVE COMMITTEE

Section 1. Composition and Powers. The Foundation shall have an Executive Committee comprised of ~~five (5)~~ six (6) members: the President, President-Elect, Immediate Past President, and Treasurer, and ~~one~~ both of the Kiwanis International Representative Trustees ~~who shall be determined by the President.~~ The Executive Committee shall perform such administrative duties and shall exercise such administrative authority as may be delegated to said committee by the Board of Trustees. The President shall preside at all meetings of the Executive Committee. In the President's absence, the committee shall elect a chairman.

FURTHER, That the Kiwanis International Foundation Board amends Policy D.1.a, as shown below.

D. COMMITTEES

1. STANDING COMMITTEES

a. Executive Committee

Between meetings of the Board, if the need arises, the administrative authority of the Board is delegated to the Executive Committee on all matters. The action of the Executive Committee shall have full force and effect. Any action by the Executive Committee, unless disapproved by the Board, shall be formally ratified by the Board. This delegation of authority shall not include the right to waive or change policy.

The Executive Committee shall have such other duties as provided in the Foundation's Bylaws or elsewhere in these policies. (7/2014)

~~The Executive Committee shall include one of the two both K.I. Board representatives, as selected by the Foundation Pres. (7/2014)~~

GRANT TO US FUND FOR UNICEF

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

That the Kiwanis International Foundation Board authorizes a US\$1,600,000 grant to US Fund for UNICEF in support of The Eliminate Project.

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

REPORT OF THE BOARD COMMITTEE ON BYLAWS AND POLICIES

The Report of the 2014-15 Board Committee on Bylaws and Policies, Valeria Gringeri, Chair, was presented. (Tab 10)

NEW POLICY CAPTURING ANNUAL PROCESS

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

That the Kiwanis International Foundation Board adopts new Policy F.2.c - Annual Transfer of Unrestricted Funds, as follows:

F. Investments and Finances

2. Funds

c. Annual Transfer of Unrestricted Funds

Annually, if there is a reported deficit in the Unrestricted Fund balance as of September 30, Staff, in consultation with the Treasurer, shall transfer an amount from Temporary Funds designated for unrestricted purposes to the Unrestricted Fund balance. The amount will be sufficient to cover such deficit. Staff will report such transfer to the Foundation Board at the first Board meeting afterward.

FUND DESIGNATION FOR HIXSON DONORS

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

That the Kiwanis International Foundation Board amends Policy I.1.a - [George F. Hixson Fellowship] Membership, as follows:

I. GIVING AND RECOGNITION

1. GEORGE F. HIXSON FELLOWSHIP

a. Membership

Clubs honoring an individual or group must designate within one year of completion of payment the person to be recognized. The individual being honored will have the ~~choice~~ option of designating whether the contributions go to the Global Campaign for Children, ~~or to~~ the Endowment Fund, or the Children's Fund, or be divided ~~between the two~~ among the three. Unless so designated, the full contribution will go to the Children's Fund. Donors to the Hixson program will not be assigned a Hixson number until the US\$1,000 is paid in full.

UNIFORM STANDARDS FOR KIWANIS INTERNATIONAL AND KIWANIS INTERNATIONAL FOUNDATION

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

That the Kiwanis International Foundation Board adopts new Policy E.4 - Protection of Whistle Blowers as follows:

POLICY E. STAFF AND OFFICE OPERATIONS

4. Protection of Whistle Blowers

The Foundation Board charges Staff to maintain a policy that provides an avenue for employees to raise concerns (“whistle blowers”) with the assurance that they will be protected from reprisals or retaliation for raising those concerns in good faith.

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

REPORT OF THE BOARD COMMITTEE ON DEVELOPMENT

The Report of the 2014-15 Board Committee on Development, Cynthia K. Champer, Chair, was presented. (Tab 11)

UPDATED PROCEDURE FOR DIAMOND HIXSON RIBBONS

Upon recommendation of the Board Committee on Development, it was moved and adopted:

That the Kiwanis International Foundation Board requests Staff discontinue the different medallion ribbons associated with progressive giving levels of the George F. Hixson Fellowship and to use the traditional blue and white ribbon for all future recognition Hixson medallions.

UPDATED DISTRICT RECOGNITION PROCEDURE FOR TOP CLUBS

Upon recommendation of the Board Committee on Development, it was moved and adopted:

That the Kiwanis International Foundation Board amends Policy I.8.b - Top Five Districts in Per Capita Giving to remove recognition of clubs with gift cards as shown below.

GIVING AND RECOGNITION

8. b. Top Five Districts in Per-Capita Annual Giving

1st: Five US\$2,000 university scholarships, and a US\$1,000 gift card to ~~Kiwanis Family Store for the club with highest per-capita giving.~~ (7/2014)

2nd: Four US\$1,500 university scholarships, and a US\$750 gift card to ~~Kiwanis Family Store for the club with highest per-capita giving.~~ (7/2014)

3rd: Three US\$1,000 university scholarships, and a US\$500 gift card to ~~Kiwanis Family Store for the club with highest per-capita giving.~~ (7/2014)

4th: Two US\$1,000 university scholarships, and a US\$250 gift card to ~~Kiwanis Family Store for the club with highest per-capita giving.~~ (7/2014)

5th: One US\$1,000 university scholarships, and a US\$100 gift card to ~~Kiwanis Family Store for the club with highest per-capita giving.~~ (7/2014)

This completed the action of the Board Committee on Development and the report was accepted.

REPORT OF THE BOARD COMMITTEE ON FINANCE/INVESTMENT

The Report of the 2014-15 Board Committee on Finance/Investment, Chia Sing Hwang, Chair, was presented. **(Tab 12)**

CFO UPDATE

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

That the Kiwanis International Foundation Board requests Staff prepare a forecast for 2014/15 that includes aggressively increasing unrestricted donations and aggressively

reducing costs to generate a surplus in the Unrestricted Fund. The forecast is to be presented at the January 2015 Board meeting.

INVESTMENT POLICY STATEMENT

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

That the Kiwanis International Foundation Board amends Policy F.1.f - [Investment Fund] Governance Guidelines, as follows:

F. INVESTMENTS AND FINANCES

1. INVESTMENT FUND

f. Governance Guidelines

- (2) Duties and Responsibilities of Investment Advisor: The duties and responsibilities of the investment advisor retained by the Board include the following: (2/14)**
- Manage Fund assets under its care, custody, and/or control in accordance with the policy objectives and guidelines set forth herein and also expressed in separate written agreements (2/14);**
 - Acknowledge and agree ~~in writing~~ to their ~~fiduciary~~ responsibility to comply with the policy set forth herein and as modified in the future; (2/14)**
 - Exercise investment discretion within the policy objectives and guidelines set forth herein and also expressed in separate written agreements; (2/14)**
 - Promptly inform the Board in writing regarding all significant and/or material matters and changes pertaining to the investment of Fund assets and the ownership, management or financial stability of the investment managers; and (2/14)**
 - Promptly vote all proxies and related actions in a manner consistent with the long-term interests and objectives of the Fund, including the responsibility to vote proxies related to the investment advisor's proprietary investment funds held in the Fund, unless voting responsibility has been otherwise reserved in writing by the Board or its designee. The advisor has the right hereunder to solicit proxy voting recommendations from an independent qualified party on matters that might involve potential conflicts of interest in the performance of the advisor's duties hereunder. Each manager shall keep detailed records of its proxy and corporate actions voting activities and comply with all regulatory obligations. (2/14)**

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

REPORT OF THE BOARD COMMITTEE ON GRANTS AND CONNELLY

The Report of the 2014-15 Board Committee on Grants and Connelly, Alice M. Savage, Chair, was presented. **(Tab 13)**

UNRESTRICTED GRANTS POLICY REVISION

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

That the Kiwanis International Foundation Board amends Policy M.1.c. - Unrestricted Grants, as follows:

M. GRANTS

1. UNRESTRICTED GRANTS

- c. Priority will be given to grants to Kiwanis' Service Leadership Programs and programs involving young children.**

UNRESTRICTED GRANTS NEW POLICY

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

That the Kiwanis International Foundation Board amends Policy M.1. - Unrestricted Grants, as follows:

M. GRANTS

1. UNRESTRICTED GRANTS

- n. In carrying out a grant-funded project, clubs, districts and district foundations will comply with all applicable laws in their local jurisdiction.**

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

REPORT OF THE NOMINATING COMMITTEE

The Report of the 2014-15 Nominating Committee, Robert A. Parton, Jr., Chair.

No recommendations were made by the Nominating Committee.

REPORT OF THE BOARD COMMITTEE ON PERFORMANCE ASSESSMENT

The Report of the 2014-15 Board Committee on Performance Assessment, Alice M. Savage, Chair.

No recommendations were made by the Board Committee on Performance Assessment.

NEW BUSINESS

ROUNDTABLE MEETING – 2015 KIWANIS INTERNATIONAL CONVENTION

Upon recommendation, it was moved and adopted:

That the Kiwanis International Foundation Board approves, in principle, convening a roundtable meeting of national, district, and club foundation leaders, and leaders of similar Kiwanis entities, at the 2015 Kiwanis International convention in Indianapolis. Staff is requested to develop a plan and agenda for the meeting, to include compliance education and collaborative support between foundations and to report the results to the Board at its next meeting in January 2015.

NEXT BOARD MEETING – JANUARY 25-27, 2015

The next meeting of the Board of Trustees will be January 25-27, 2015 in Detroit, Michigan, USA.

The meeting adjourned sine die on Saturday, November 15, 2014 at 3:45 p.m.