

Endowment/Foundation Committee:

Minutes and Recommendations

Nov. 19, 2019 Phone Call

Present: Tyler Dunegan, Holly Caine, Karl Samp, Lisa Walsh and Anne Lewis

1. Karl Samp reported on his discussion with MJ Smith of the Dubuque Area Community Foundation where MRPC's endowment funds are held. There are two funds which were set up to allow for MRPC to give to and another to allow individual donors to give to:
 - a. One fund is charged a fee of 1.35% based on assets.
 - b. One fund is charged a fee of 1.75% based on assets.
 - c. Total in the two funds at this point is approximately \$34,000.
 - d. Iowa law does not allow these two funds to be merged at this point.
 - e. Both funds are endowed, and the principle cannot be taken. However annual distributions can be taken. Last year we used this distribution to fund speakers at the meeting in La Crosse.
 - f. Returns on the investment have been poor. The Foundation recently switched investment advisors and now have an ROI goal of around 6% return on assets on 5-year rolling average.
 - g. A report on gifts and distributions was requested and is attached to this report.
 - h. Next year's distribution is likely to be about \$1,450.

2. Discussion regarding current funds: Karl helped the committee compare the rates of return and fees in comparison to the Community Foundation at which he is employed. There appeared to be agreement that with this fee structure, the DACF was not a good place for future funds. There also appeared to be agreement that promoting donations to these funds would not be responsible because of the terms of the funds. There was discussion on:
 - a. Doing a comparative analysis of possible investment instruments for a future endowment or financial account based on fees and returns on investment, as well as reporting practices and services.
 - b. No discussion was held with regard to fundraising efforts at this time.

3. Distribution funds policy recommendations:

- a. The bylaws state the endowment committee can “contract with agencies to supply marketing, fundraising and managing expertise”.
 - b. The committee recommends that disbursements from the endowment funds be focused on:
 - i. 10-state marketing efforts
 - ii. Projects that benefit all 10 states. It should not be used by any one state for one of their projects.
4. Additional recommendation: The Endowment Committee should set criteria for a future fund and a process to evaluate different potential financial vehicles for such a fund.