

# **PENC Educational Foundation - Policy Statements\***

## **1. Signing Checks (6/24/91)**

A. Each check drawn on a PENC Educational Foundation account shall be signed by the Executive Director or, in his absence, by one of the following individuals: another PENC staff member authorized by the Executive Director, the PENC Educational Foundation Treasurer, or another member of the PENC Educational Foundation Board of Directors.

B. The Executive Director and the PENC Educational Foundation treasurer are each authorized to sign checks for up to \$10,000. The other individual signatories are authorized to sign checks for up to \$1000. Checks in excess of these limits shall be signed by two of the authorized signatories.

C. Unless otherwise directed by the Board of Directors, signature authority for PENC accounts shall routinely be granted to:

1. The Executive Director
2. The Treasurer
3. An additional member of the Board of Directors designated by the President
4. An additional PENC Staff member designated by the Executive Director

D. The Executive Director is authorized to execute necessary documents to change signature authority for any PENC Educational Foundation accounts to accommodate changes in staff, officers, committee membership.

## **2. Operating Funds (2/13/92)**

### **2-1. Unrestricted General Fund**

Any assets received by the Foundation, except those received through the Lasting Gifts Program, that are not otherwise designated, will be held in the Unrestricted General Fund for disbursement by direction of the Board.

### **2-2. Restricted Scholarship Fund (9/2/99)**

The Restricted Scholarship Fund will be maintained for disbursement by direction of the Board to support scholarship and pay associated administrative costs.

### **2-3. Restricted Mathcounts Fund**

The Restricted MATHCOUNTS Fund will be maintained for disbursement by direction of the Board to pay the costs of administering the MATHCOUNTS program.

### **2-4. Other Restricted Funds**

Restricted fund balances will be maintained by the Foundation at the request of any PENC affiliates, including chapters and auxiliaries to support their educational activities consistent with PENC Educational Foundation purposes. Funds will be disbursed at the direction of the affiliates duly elected Treasurer or other representatives appointed by their respective boards of directors.

## **3. Endowments (2/13/92)**

### **3-1. Education Foundation Primary Endowment (7/12/01)**

This endowment is established and maintained to provide funding for any activities supported by the Foundation as authorized by the Board. The Foundation's Unrestricted

General Fund is the designated operating fund to receive distributions from this endowment as authorized under spending below.

**3-2. PENC Scholarship Endowment (6/15/06)**

This endowment is established and maintained to provide funding to support scholarship as authorized by the Board. The Foundation's Restricted Scholarship Fund is the designated operating fund to receive distributions from this endowment as authorized under spending below. ***Named Scholarship Endowments, separate from the PENC Scholarship Endowment, may be established in accordance with the Educational Endowment Growth Plan. Funds for such Named Scholarship Endowment(s) may be co-mingled with PENC Scholarship Endowment funds for investment purposes, however distributions of funds shall be in accordance with the Educational Endowment Growth Plan, rather than the Restricted Scholarship Fund.***

**3-3. Mathcounts Endowment (7/12/01)**

This endowment is established and maintained to provide funding for the MATHCOUNTS Program as authorized by the Board. The Foundation's Restricted MATHCOUNTS Fund is the designated operating fund to receive distributions from this endowment as authorized under spending below.

**3-4. Endowment Spending (6/15/06)**

At the beginning of each fiscal year, a distribution of 5.5% of the year-end balances for each endowment (***except Named Scholarship Endowments***), not to exceed the total investment gain from the previous fiscal year, is to be transferred to the operating fund designated to receive distributions from that endowment. ***Distributions from Named Scholarship Endowments shall be made in accordance with Section 3-5, the Educational Endowment Growth Plan.***

**3-5. The Educational Endowment Growth Plan (6/15/06)**

***The PENC Educational Endowment Growth Plan provides a link between the educational community, the future engineer, and the vision to promote licensure and ethics. The plan is designed to be perpetual, facilitate the process of connecting business to community service, and allow choice by the funding organization to decide how the endowment will be executed.***

**A. Definitions**

- 1. Contribution - Any pledge or donation up to \$25,000**
- 2. Funding level – A funding level is increments of \$25,000.**
- 3. Donor level – The number representing the number of funding levels. For example, a donor contributing \$50,000 has a donor level of 2.**
- 4. Pledge – Promise by donor of any amount, with a maximum of 5 years to fulfill the commitment**

**B. Responsibilities**

- 1. PENC Educational Foundation – The Foundation shall be responsible for administering the program, managing finances and investments, and establishing a plan for growth and providing public recognition to contributors. The Foundation will establish a scholarship committee to facilitate in selection of the recipients.**

2. **Funding Organization – Also known as donor representative. With a Donor Level of 1, the Funding Organization or donor can:**
  - a. **Provide representatives on the Scholarship Committee**
  - b. **Designate the field of engineering**
  - c. **Designate the school of engineering**
  - d. **Decide which academic year to award the scholarship**
  - e. **Offer internships**
3. **Scholarship Committee – A group of PENC Educational Foundation members and/or their designated representatives and donor representatives that establish selection criteria for scholarship and student candidate selection. The maximum number of PENC Educational Foundation representatives or votes is four. The Board of PENC Education Foundation will appoint a Chair and members of the Scholarship Committee no later than June 30 each year. The Scholarship Committee shall be responsible for locating eligible students**

#### **C. Program**

1. **Endowments will be made in \$25,000 increments (one funding level). Each increment (funding level) will fund one \$1000 scholarship each year. Each funding level can be pledged over 5 years and awards can only be made after the pledge is paid in full.**
2. **The PENC Educational Foundation will have four voting representatives on all scholarships with one vote each. The Foundation's representatives may be members of the PENC Education Foundation Board or members of PENC designated by the Board to represent it on the Scholarship Committee. Any donor may have one vote in the scholarship committee for each donor level. One representative may be designated to carry proxies for each vote. Donors will only vote on their own endowment**
3. **Any Donor at Level 1 can decide the discipline to select (i.e. civil engineering), class level (i.e. junior), educational institution (i.e. N.C Central) and may have first rights to offer internships to the reward recipient**
4. **Once a donor reaches \$50,000 (two funding levels), then the donor may decide to fund multiple scholarships (up to the number of funding levels paid in full) or to have fewer scholarships with higher funding.**
5. **Each year, the Foundation will determine how well the effects of inflation and investment return are supporting the endowments. If the self funding variation is within minus 10 percent, then the Foundation will reinforce each endowment through other fund raising means. For larger negative impacts, the Foundation may choose to adjust scholarship levels. For any endowment growth due to investment returns, scholarships may be increased \$100 for each 10 percent growth increments**

#### **D. Recognition**

1. **The PENC Magazine will recognize each Donor Level 1 or greater contributor in the January-February Edition.**
2. **Donors have the option of presenting scholarships at local Chapter meetings to increase public exposure and member appreciation.**

**3. The Foundation will name the scholarship based upon any Donor Level 1 or greater input; otherwise, the scholarship will be noted as PENC Educational Foundation Scholarship.**

#### **4. Investments (7/12/01)**

##### **4-1. Investment Pools (7/12/01)**

Funds for all endowments held by the Foundation will be co-mingled in a single endowment investment pool. Non-endowment-related funds will be co-mingled in a separate general investment pool.

##### **4-2. Asset Allocations (9/15/05)**

Target asset allocations are indicated below. Imbalances with these targets are to be cured within 12 months.

- An Endowed Investment will have a Fixed Income of 30-45% and Equities of 55-70%.
- General Investment Funds that are anticipated to be dispersed within approximately 1 year and other restricted funds shall be maintained in cash or cash equivalent accounts, unless otherwise designated.
- General Investment Funds that may not be dispersed within approximately 1 year, or which are otherwise designated, will have a Fixed Income of 50-75% and Equities of 25-50%.

##### **4-3. Investment Income (7/12/01)**

Any investment income (or loss) from endowment investments is to be reinvested into the related endowment. Any investment income (or loss) from any other assets held by the Foundation, that is not otherwise designated, shall be paid to (or withdrawn from) the Foundation's Unrestricted General Fund

#### **5. Fund-Raising (2/13/92)**

At the annual meeting, the Board will approve fund-raising plans and goals for each endowment and operating fund maintained by the Foundation.

#### **6. Contributions (2/13/92)**

Contributions may be in cash or other assets as approved by the Board, consistent with requirements and purposes set forth in the Articles of Incorporation of the Foundation.

#### **7. Administrative Costs (9/2/99)**

The Foundation shall disburse a contribution in the amount of 15% of its total revenue, exclusive of contributions to endowments and chapter funds, to PENC to help offset PENC's costs of administrative support of the Foundation

#### **8. Lasting Gifts Program (6/27/02)**

##### **8-1. Bequests by Codicil to Donors Will (7/12/01)**

A Lasting Gifts Program shall be conducted as a means for future donors to designate bequests to the Educational Foundation by means of a codicil to the donors will.

**8-2. Allocation of Funds from Lasting Gifts (7/12/01)**

Funds received through the Lasting Gifts Program shall be included in the Educational Foundation Primary Endowment, unless otherwise directed by the donor.

**8-3. Confidentiality of Lasting Gifts and Donors (7/12/01)**

The identity of pledgers/donors, and/or amount of the pledge/donation, shall be confidential, unless permission of the donor to recognize such information has been specifically obtained.

(Presented for Approval by Board of Directors 6/15/06)