

## **The Calgary Rotary Clubs Foundation**

### **Distribution Policy Statement**

The objective of The Calgary Rotary Clubs Foundation is to maintain and build a capital fund which will provide predictable and perpetual annual support for the community service activities of participating Rotary Clubs.

The annual distributions should be guided by the following principles;

- Be compliant with CRA disbursement policy.
- Distribute an appropriate annual investment return to participating Rotary Clubs, in perpetuity.
- Stabilize annual distributions to provide budgeting certainty for participating Rotary Clubs.
- Maintain and increase the value of the original gifts to the Foundation.

In order to reduce the risk of significant variations from year to year due to investment market volatility or significant current year donations and build a reasonable endowment fund reserve, the total annual distribution for each fiscal year will initially be calculated as 5% of the average of the opening and closing fund balances of The Calgary Rotary Clubs Foundation for the three immediately preceding fiscal years. Beginning with the June 2017 disbursement to Clubs the calculation will be based on the four immediately preceding fiscal years and for the June 2018 disbursement and all future disbursements the calculation will be based on the five immediately preceding fiscal years.\* At its discretion the Board will evaluate the impact of any significant donation and exclude it from the disbursement calculation for the current year if including it is expected to negatively impact the existing fund assets.

The annual distribution amount for each participating Rotary Club will be calculated on a pro rata basis according to the cumulative fund balances held to the credit of the respective Rotary Clubs at the prior fiscal year end (the last year used in the averaging formula).

The Calgary Rotary Clubs Foundation may revise this policy from time to time.

\*For example: The June 2017 disbursements to Clubs, which may be communicated to clubs in June 2016, will be calculated based upon the average of the opening and closing fund balances of the CRCF for the 2013, 2014, 2015 and 2016 fiscal years. The June 2018 disbursement to Clubs, which may be communicated to clubs in June 2017, will be based upon the average of the opening and closing fund balances of the CRCF for the 2013, 2014, 2015, 2016 and 2017 fiscal years.