

## ENDOWMENT FUND

### Background

AMICA currently does not have an **Endowment Fund** aimed at provoking and nourishing major 501(c)(3) donations aimed at significant projects consistent with our goals and objectives.

We do have a **Memorial Fund** in remembrance of deceased members, to be used for worthy projects. It is not considered to be an endowment as disbursements from it may be taken from its outstanding principal at a moment of time, assuming Board approval.

### An Endowment Fund within AMICA should have as a minimum of these characteristics:

- Should be so constructed as to inspire sizeable 501(c)(3) donations aimed at significant project and/or programs consistent with AMICA's goals and objectives.
- The fund shall not ever be used for AMICA's operating expenses.
- The fund is to be used for investments only to produce investment income sufficient to fund approved projects and/or programs.
- The fund is to be managed by a "**Endowment Fund Committee**" composed of our President, Treasurer and 3 Members at Large. This committee shall receive submissions for disbursements, determine merit against resources, and so make recommendations to AMICA's Board. It may, on its own initiative, perceive disbursement opportunities, do suitable research and due diligence, and make appropriate recommendations.
- To protect its remaining principal, the existing **Memorial Fund** may be folded into the **Endowment Fund**.
- This committee shall report annually to AMICA's Board on the state of the **Endowment Fund**, it's health, it's disbursements and results thereof.

### Examples of projects that might be considered suitable for supporting worthy projects:

- Partial or Full Funding in support of restoration of an instrument of note in a public venue/location, under suitable guidelines.
- Digital archiving of the Emmett Ford Archives, the Music Trades Collection, and other **Examples of donations that might emerge include:**
- Individual bequests to the **Endowment Fund**, which or may not have specific applications and/or restrictions.
- Chapters may wish to donate a portion of their profits from sponsoring a convention.
- AMICA may wish to transfer portions of its revenue into the Fund.
- Contributions into the Fund may not be refunded under any circumstances. Grants or loans not deemed to be applied in accordance with conditions, should be retrieved to the extent possible and returned to the Fund.

In the event that two or more donors emerge with sizeable bequests to be held in their name into perpetuity, the Board may wish to consider forming an **AMICA Foundation** as a 501(c)(3) umbrella protecting all such endowments.

### **Recommendation**

That the Board determine that such an **Endowment Fund Committee** be struck, and that it be charged with the formation of such a Fund and so reported in the AMICA Bulletin, followed by a set of published guidelines and periodic reports as to progress and accomplishments.

Respectfully submitted,  
Terry Smythe