



# KENAI PENINSULA BOROUGH SCHOOL DISTRICT

## Finance

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May 1, 2007

Board Work Session May 7, 2007

## MEMORANDUM

TO: Board of Education

FROM: Melody Douglas, CFO

SUBJECT: Scholarship Accounts – Kenai Peninsula Foundation

Several years ago I was approached by a school counselor who has managed scholarship accounts for many years. He expressed concerns about what will happen when historical memory, relative to scholarships, diminishes as counselors retire. Good question! It is clear that over time, and with the change of staff, that whatever is arranged originally can become inadvertently lost. When this happens, a challenge presents itself.

Because many scholarships are established as memorials, they are initiated under emotional circumstances. In such cases, schools are often in a position of agreeing to help because it's the most comforting thing to do for family members at the time. Unfortunately, it is not a function of the District to financially manage these accounts, although we have been involved for many years. That being said, schools will always be involved in the scholarship process through normal activities of school counselors in assisting students with scholarship applications and in the resulting scholarship award programs/events. Scholarship applications will continue to be available at each school's website.

The Kenai Peninsula Foundation (a 501 (c) 3 non-profit organization serving the Kenai Peninsula) recently approached the District, suggesting they provide a service to the community through the financial management (including earning interest on account balances) of scholarship funds. The Kenai Peninsula Foundation would maintain the information on the individual or circumstance memorialized through the establishment of a scholarship account and the awardees. They would provide financial records routinely and upon request

A committee of school counselors and representatives of the Kenai Peninsula Foundation has met several times to work out a process of communication and reporting. Building administrators were updated on this plan at the April 12, 2007, administrator meeting. Transitioning scholarship accounts would entail:

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- Documentation about each scholarship and past awardees
- List of each scholarship account to be transferred with account instructions
- How receipt of funds would be handled; direct payment to Foundation or pass through the District
- Annual scholarship communication process from schools to Foundation
- Routine reporting to each school and the District with optional reports as requested
- Information concerning District scholarships posted to the District's website

The Kenai Peninsula Foundation works through the Alaska Community Foundation. Information on both of these organizations is attached.

There is no fiscal note of liability to the District with this change, and it would be optional for schools to participate. This would be a pro-active step in the best interest of the District. I look forward to discussing this opportunity with you on May 7, 2007.

Attachments:

Foundation Brochures  
Letter from Kenai Peninsula Foundation  
Listing of current scholarship accounts

**SCHOLARSHIP ACCOUNTS**

Location	School	Function	Program	Name	Balance
02	Ninilchik	854	8055	LARS HANSEN MEMORIAL	150.12
02	Ninilchik	854	8053	02 HENDERSON/FLETCHER	3,425.24
02	Ninilchik	854	8052	02 IRENE KRASKOFF	4,150.21
02	Ninilchik	854	8051	02 GOLDEN RULE	6,218.29
	<b>Ninilchik Total</b>				<b>13,943.86</b>
05	Skyview	854	0000	GENERAL	2,676.50
	<b>Skyview Total</b>				<b>2,676.50</b>
06	Homer High	854	0983	BARBARA EDWARDS MEMR	506.70
	<b>Homer High Total</b>				<b>506.70</b>
07	KCHS	987	0000	KENNY CARVER	5,256.28
07	KCHS	977	0000	HARRINGTON MEMORIAL	4,174.79
07	KCHS	854	8254	MARIA THIBODEAU	12,504.49
07	KCHS	854	0000	GENERAL	-4,532.49
07	KCHS	854	8252	CARL SEAMAN MEMORIAL	19,196.07
	<b>KCHS Total</b>				<b>36,599.14</b>
08	Seward High	976	0000	LUELLA JAMES	34,115.94
08	Seward High	854	0000	GENERAL	8,225.74
	<b>Seward High Total</b>				<b>42,341.68</b>
09	Soldotna High	987	0000	KENNY CARVER	6,989.52
09	Soldotna High	854	0000	GENERAL	3,419.72
	<b>Soldotna High Total</b>				<b>10,409.24</b>
10	Nikiski Jr/Sr	854	0000	GENERAL	1,607.46
	<b>Nikiski Jr/Sr Total</b>				<b>1,607.46</b>
31	Chapman	854	8600	TOM DOUGHERTY	2,823.82
	<b>Chapman Total</b>				<b><u>2,823.82</u></b>

**Grand Total**

**\$110,908.40**



<b>** For internal use only **</b>	
Review Date:	
Fund ID:	
Approved By:	
Paid Date:	
Check No.:	

To: Board of Directors  
 The Alaska Community Foundation  
 301 West Northern Lights Blvd., Suite 408  
 Anchorage, AK 99503

Date: \_\_\_\_\_

This is a recommendation for a \$ \_\_\_\_\_ grant from the \_\_\_\_\_ Fund to:

Name of Organization	
Contact Person	
Street Address	
City, State, Zip	
Telephone	
Email Address	

The Grant is for the following purpose:

If the request is approved by the Board of Directors, the grantee should be notified that the grant is made from the \_\_\_\_\_ Fund at the recommendation of \_\_\_\_\_, or

\_\_\_\_\_ I prefer this grant to be made without mention of my fund.

\_\_\_\_\_ I prefer this grant to be made without mention of my name.

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*Donor's Signature*

\_\_\_\_\_ Please e-mail \_\_\_\_\_ or mail a copy of the award letter to the following address:

\_\_\_\_\_  
 \_\_\_\_\_

# Alaska Community Foundation

## DONOR ADVISED FUND AGREEMENT

This agreement is made by and between Nursing Education, of Kenai, Alaska ("Donor") and the Kenai Peninsula Foundation on behalf of The Alaska Community Foundation, an Alaska nonprofit corporation ("the Foundation").

WHEREAS: The Foundation strives to respond to the changing needs of the Alaska community by building permanent philanthropic capital through individual, corporate and organizational donations.

WHEREAS: **XXXXX**, the Donor, desires to make a lasting contribution to the Alaska community by making a donation to the Foundation through use of a donor advised fund.

NOW, THEREFORE, in consideration of the promises and of the mutual covenants contained in this Agreement, the parties agree as follows:

1. Creation of Fund. The Donor has irrevocably assigned, conveyed, transferred and delivered to the Foundation and the Foundation has accepted the assets set forth in the attached Exhibit "A," to be held by the Foundation, together with any other property the Foundation may subsequently at any time hold or acquire under this Agreement and all undistributed income from any such property, as a component fund for the uses and purposes and subject to the terms and conditions set forth in this Agreement.

2. Name of Fund. The name of the Fund shall be the **Nursing Education Fund** (the "Fund") of the Foundation.

3. Management of Fund. The Foundation shall hold, manage, invest and reinvest the Fund, shall collect the income, and shall pay and disburse the net income and principal of the Fund exclusively for general charitable uses and purposes, in accordance with the provisions specified in the Foundation's Amended and Restated Articles of Incorporation and Bylaws which provisions are hereby incorporated by reference and conclusively assented to and adopted. Assets of the Fund may be commingled for purposes of investment with other assets of the Foundation. For purposes of this instrument, the term "charitable uses and purposes" is defined as all of those activities, uses, and purposes described in Section 501(c)(3) of the Internal Revenue Code of 1986, as from time to time and amended ("the Code").

4. Use of the Fund.

a. The Foundation shall consider advice provided by the Donor and other qualified advisors named in the attached Exhibit "B" regarding grants or awards for charitable purposes.

b. After the death, resignation, or disqualification of the last advisor to the Fund (including the qualified initial and successor advisors named in the attached Exhibit "B"), the Fund will become an unrestricted fund of the Foundation.

c. All suggestions and recommendations made by advisors shall be consistent with the Foundation's purposes and policies as stated in its organizational and other documents. Notwithstanding any such suggestions or recommendations, final decisions as to all distributions from the Fund will be made by the Foundation's Board of Directors ("the Board").

d. Donor acknowledges that the Foundation encourages a large portion of grants or awards from the donor advised funds to be made to Alaskan charities for use within the State of Alaska.

5. No Personal Use to Donors, Advisors, etc. No distribution from the Fund will be used to discharge or satisfy a legally enforceable charitable pledge or obligation of any person, or pay for goods or services of value received by the Donor or any advisors under Exhibit "B", by any member of the Board or employee of the Foundation, or by any spouse, ancestor, children, grandchildren, great grandchildren, and the spouses of children, grandchildren, and great grandchildren of any such party.

6. Administrative Expenses. The Foundation shall charge the Fund income to the extent sufficient for reasonable and proper compensation for services and expenses of the Foundation, which compensation may be changed from time to time in the discretion of the Foundation. The current amounts to be charges against the Fund are set forth in Exhibit "C".

7. Fund as Component of Foundation. The parties intend that the Fund shall be a component part of the Foundation as defined In section 1.170a-9(e) (11) of the Income Tax Regulations and that nothing in this instrument shall affect the status of the Foundation as an organization (I) described in section 501(c)(3) of the Internal Revenue Code of 1986 (the "Code") and (ii) which is not a private foundation within the meaning of section 509(a) of the Code: This instrument shall be interpreted in a manner consistent with the foregoing intention and to conform with the requirements of the foregoing provisions of the federal tax laws and any regulations issued under them.

8. Foundation in Good Standing. All transfers of property under this instrument are subject to the condition that the Foundation, as of the date of transfer, is classified in good standing by the Internal Revenue Service as an organization (I) described in section 501 (c)(3) of the Code and (ii) which is not a private foundation as defined in section 509(a) of the Code.

9. Governing Law. The Fund shall be administered in and under the laws of the State of Alaska, and this instrument and its validity shall be governed by and interpreted in accordance with the laws of the State of Alaska.

10. Variance Power. The Foundation may modify the purposes for which this Fund is created or a condition or restriction to which it is subject, if, in the sole judgment of the Foundation's Board, such use or purpose or such condition or restriction becomes unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the Alaska community. In exercising this power of variance, the Foundation shall seek to apply distributions from the Fund in a manner as similar as possible to those set forth in section 4 of this instrument.

IN WITNESS WHEREOF, The Donor and the Foundation have executed this

ANCHOR POINT COOPER LANDING HOMER HOPE KACHEMAK SELO KENAI MOOSE PASS NANWALEK NIKISKI NIKOLAEVSK NINILCHIK  
PORT GRAHAM RAZDOLNA SELDOVIA SEWARD SOLDOTNA STERLING TUSTUMENA TYONEK VOZNESENKA

Agreement on the date appearing opposite their signatures.

XXXXXX, DONOR

\_\_\_\_\_

Dated \_\_\_\_\_

The Alaska Community Foundation

\_\_\_\_\_

Jo Michalski, Chair

Dated: \_\_\_\_\_

**EXHIBIT A**  
**DONOR ADVISED FUND AGREEMENT**

GIFTS FROM DONORS

<u>Date</u>	<u>Type of Gift</u>	<u>Amount</u>
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**EXHIBIT B**  
**DONOR ADVISED FUND AGREEMENT**

**INITIAL ADVISORS**

A. The initial advisor of the fund shall be:

Dennis Murray; Marita Parks; Bonnie Nichols; Gary Turner; Lyn Sennette

B. In the event that any person serving as an advisor of the fund shall resign or be unable or unwilling to continue to serve, then the remaining advisors may appoint a replacement. The initial advisors may, if desired, by majority agreement appoint additional persons to serve as advisors to the fund.

**RECOMMENDATION OF ADVISORS FOR USE OF FUND INCOME**

The advisors understand that this is a donor advised fund and, as such, the advisors may make non-binding recommendations to the Alaska Community Foundation (“the Foundation”) from time to time and may change such recommendations from time to time. The advisors understand that their recommendations are not binding on the Foundation and that all final decisions with regard to the use of the Fund will be made by the Foundation.

At the present time, we, the above named advisors, recommend that gifts from the Fund, which may be made annually or otherwise, be those recommended by the Fund's "Board of Advisors," which would consist of the advisors named in this Exhibit B and the executive director or a member of the Board of Directors of the Foundation. Such annual gifts and awards from the Fund should be those recommended by the Board of Advisors for charitable purposes as determined by advisors, specifically to benefit local Kenai Peninsula nursing students enrolled in a qualified nursing program.

## EXHIBIT C

### DONOR ADVISED FUND AGREEMENT

#### ASSESSMENT OF THE FUND

The Fund will be charged an administrative fee of one and one-half percent (1.5%) annually, prorated and taken quarterly from the highest quarterly balance. These fees will be taken from income generated by assets held in the Fund unless Donors wish to make additional donations to cover the amounts. These fees will be subject to increase or decrease upon notice to Donors as, in the discretion of the Foundation, conditions require.

# Kenai Peninsula Foundation

## Kenai Central High School Choir Fund

A scholarship fund to be used as needed under the direction of the fund advisors for the KCHS Choir.

Fund Advisors: Renee C. Henderson  
Jon Lillevik  
Jacquie Steckel  
And/or Margaret Simon.

**\*ALL FUNDS ARE ON DEPOSIT WITH ALASKA COMMUNITY FOUNDATION**

## Nursing Education

Funds raised through auction/raffles for the benefit of local Kenai Peninsula Nursing students enrolled in a Nursing Program. Individuals may apply for scholarships or loans from this fund.

Fund Advisors: Dennis Murray  
Marita Parks  
Bonnie Nichols  
Gary Turner  
Lyn Sennette

**\*ALL FUNDS ARE ON DEPOSIT WITH ALASKA COMMUNITY FOUNDATION**

## Firecatchers

Aspen Special Needs loan fund (dental)

Fund Advisors: Odin Oftedal  
John Kasuboni  
Sherry Kasuboni and/or  
Laurie Schaeffer  
Plus, representatives from the Central Peninsula Health Centers,  
Aspen Dental Program Advisory Board

**\*\$2000.00 ON DEPOSIT WITH KENAI PENINSULA FOUNDATION**

## Per Osmar Lifeline Fund

Funds to be used through the Lifeline Program at Central Peninsula Hospital to purchase a Lifeline setup for those individuals in need.

Fund Advisors: Keri Stout  
Marcia Beauchamp  
Per Osmar

**\*\$145.00 ON DEPOSIT WITH KENAI PENINSULA FOUNDATION**

## 2006 Arctic Winter Games Host Society Fund

Funds to be used by individuals age 7 – 18 to participate in sport or cultural activities. Individuals may apply for up to \$200.00 over a 24 month period.

Fund Advisors: Kathy Gensel  
Andrew Carmichael  
Becky Foster  
Jane Stein  
Shawn Maltby

**\*\$10,000.00 ON DEPOSIT WITH KENAI PENINSULA FOUNDATION**

## Community Labyrinth Project

Funds will be used to build a Community Labyrinth on the campus of Central Peninsula Hospital in Soldotna.

Fund Advisors: Steve Horn  
Meg Zerbinos

**\*\$1,075.00 ON DEPOSIT WITH KENAI PENINSULA FOUNDATION**

## Chevron

**\*ALL FUNDS ARE ON DEPOSIT WITH ALASKA COMMUNITY FOUNDATION**

# Programs For Infants (Public Health)

Fund Advisors: Sue Olson, Public Health Nurse, III - Team Leader for Maternal and Child Health Programs  
Anita Roth – Regional Manager Public Health Nursing

**\*\$814.25 ON DEPOSIT WITH KENAI PENINSULA FOUNDATION**