

## **RESOLUTION OF BOARD OF DIRECTORS CREATING AN ENDOWMENT FUND**

The Board of Directors of the American Institute of Architects, Nevada and Las Vegas Chapters (AIA Las Vegas) does hereby establish an Endowment Fund which shall be named as follows: **AIA Las Vegas Endowment** and which shall be referred to hereafter as “The Fund”.

### **I. Definitions**

- 1.1 AIA Las Vegas. American Institute of Architects, Nevada and Las Vegas Chapters
- 1.2 The Fund. The total endowment fund created by this resolution. The Fund may contain both Donor Designated Endowment and Board Designated Endowment, and may have separate Named Endowments within both Donor Designated Endowment and Board Designated Endowment.
- 1.3 Donor Designated Endowment. Any gift in which the donor, at the time of making the gift, imposes a limitation permitting use only of income received from the gift, and preventing the use of the principal from the gift. The Board may not use the principal of any Donor Designated Endowment Funds, except as provided in this Resolution.
- 1.4 Restricted. Any Donor Designated or Board Designated Endowment gift that places restrictions upon the particular use for the income derived from investing the principal. Example: A gift “to the Endowment to be used for scholarships”.
- 1.5 Unrestricted. Any Donor Designated or Board Designated Endowment gift that places no restrictions on the purpose for which the income is to be used.
- 1.6 Donor Directed but Unrestricted. Includes a gift in which the donor wishes that the income, and if necessary principal, be directed to a specific area or program.
- 1.7 Board Designated Endowment. Includes any gift or other asset that the Board may place in The Fund and that includes no donor restriction on the use of Principal. Example: A donor gives money to the AIA Las Vegas without specifying that it be for the Endowment. The Board places it in The Fund. The Board may, or may not, restrict the use of the income for any particular purpose. Later, the Board may remove and use the Principal and/or income from Board Designated Endowment for any purpose it chooses. This use may be for general funds or may be for just a specific area, purpose, or program.
- 1.8 Named Endowment. Any portion of the Principal within The Fund that is segregated from the other moneys within The Fund under a separate name. Examples: The Smith Scholarship(s); The Post Collegiate Studies.
- 1.9 Principal. The initial amount of any gift or Board designated contribution to The Fund.
- 1.10 Income. Any interest, dividends, unrealized gains, or other financial returns that are received from investment of the Principal.

## **II. Creation of The Fund**

- 2.1 The Board hereby establishes The Fund shall contain initially the following Named Endowments.
  - A. Donor Designated Endowment
    1. Restricted Donor Designated Endowment
    2. Unrestricted Donor Endowment
    3. Donor Directed but Unrestricted
  - B. Board Designated Endowment
- 2.2 The Board may at its discretion establish additional Named Endowments within The Fund.
- 2.3 Any person may contribute or devise money or other personal or real property to The Fund subject to the provisions of this Resolution, as amended or modified. All property contributed or devised to The Fund shall become the property of the AIA Las Vegas and shall be held, managed, invested, and spent in strict accordance with the terms of this Resolution
- 2.4 The Fund created by this Resolution shall not be a separate legal entity, but instead shall be considered a part of AIA Las Vegas under the authority of the Board of Directors of AIA Las Vegas.
- 2.5 No gift shall be added to The Fund without Board Acceptance of the gift and approval of the donor designated use of the gift.

## **III. Purpose and Use of The Fund**

- 3.1 The purpose of The Fund is to provide financial support for either operating expenses or capital expenses of AIA Las Vegas.
- 3.2 No income or principal from The Fund shall be used for any purpose other than educational and charitable purposes, or for any purpose that would be inconsistent with AIA Las Vegas's standing as a charitable non profit institution under the laws of this State and of the United States of America, and specifically under §501(c)(3) of the Internal Revenue Code. No funds shall be used directly or indirectly for the benefit of any individual person for duties not directly related to AIA Las Vegas, including but not limited to any employee or Board member of AIA Las Vegas.

## **IV. Management**

- 4.1 Management of The Fund will ultimately be the responsibility of the Board of AIA Las Vegas, however the board will be advised by a Finance Committee made up of at least five, but not more than 15 members, of which at least 50% shall be current board members of AIA Las Vegas. One will be designated as the committee chair. The committee chair will be a board member on the Board of AIA Las Vegas, any board position, including board chair may serve as chair of the Finance Committee. Rules and Bylaws pertaining to the Finance Committee will be the same of those adhered to by other committees which serve for the benefit of AIA Las Vegas.

## V. Investment of The Fund

- 5.1 The Board shall appoint a Finance Committee comprised of persons having knowledge and experience in the investing of funds. The Board may retain a bonded institution or investment advisor to advise the Finance Committee on how the principal should be invested, and to make investments of the principal.
- 5.2 The Finance Committee shall present to the Board an investment policy and investment allocation plan for Board Approval, which plan may take into consideration the following factors:
  - A. The security and preservation of the principal.
  - B. Investment for income.
  - C. Investment for growth.
  - D. Such other factors which the Board shall determine from time to time.
- 5.3 At least once a year within 30 days after the end of AIA Las Vegas's fiscal year, the Finance Committee shall present a written report to the Board stating the balance of principal, the income earned on the principal during the preceding year, any unrealized gain on investments of the principal, and the amount of any income used during the preceding fiscal year. The report shall have separate itemization of these matters for each Named Endowment in The Fund.
- 5.4 In no event shall any Principal from Donor Designated Endowment be loaned to, invested in, or otherwise used by AIA Las Vegas or any of its Branches, subdivisions, or other related entities, except in accordance with the provisions of this Resolution.

## VI. Making Income Available For AIA Las Vegas's Use

- 6.1 The Finance Committee may, in its discretion:
  - A. Reinvest all or any portion of the income received from the Principal in The Fund.
  - B. Use all or any portion of the income received from the Principal in The Fund for any purpose consistent with the Purpose of The Fund as stated in this Resolution.
- 6.2 The Finance Committee may adopt from time to time a formula for determining the amount of Distributable Income which shall be made available for use. The formula shall be reasonably calculated to approximate the Income (as that term is defined in this Resolution) derived from the Principal in The Fund. Initially the formula shall be as found in the attached **Investment Policy statement** dated February, 2008.

## VII. Use of Principal From The Fund

- 7.1 The Board may not use the Principal from any Donor Designated Endowment within The Fund, except under the following circumstances:
  - A. As part of a proceeding involving the dissolution or ending of the existence of AIA Las Vegas.
  - B. Withdrawal of the Charter of AIA Las Vegas, or cessation of the operation of AIA Las Vegas.

- C. As part of a bankruptcy proceeding as to AIA Las Vegas.
  - D. In accordance with requirements mandated by the law of this State or the United States of America.
  - E. With the written permission of the donor or the heirs of the donor. In no event shall the Principal of any income from The Fund be used for purposes other than permitted under §501(c)(3) of the Internal Revenue Code.
- 7.2 The Board, in using any of the Principal from Donor Designated Endowment permitted under the above circumstances, shall, if possible, use that the Principal for a purpose consistent with the perceived intentions of the donor subject to any requirements imposed by law. If such use is not possible, the Board may use the Principal in accordance with the Articles of Incorporation of AIA Las Vegas. If neither of the foregoing purposes is possible, the Board may use the Principal for any other charitable or educational purpose it determines in accordance with law and in accordance with §501(c)(3) of the Internal Revenue Code.
- 7.3 The Board may use the Principal from any Board Designated Endowment at any time by majority vote of the Board.

**VIII. Amendment**

8.1 The Board may amend this resolution at any time by majority vote, but no amendment shall be in contravention of law, and no amendment may have the effect of circumventing or abrogating a legal obligation of the Board to any donor of a gift placed within The Fund.

**CERTIFICATION**

This Resolution has been approved by a majority vote of the Board of Directors on this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
 Name \_\_\_\_\_  
 Chair of Board

\_\_\_\_\_  
 Name \_\_\_\_\_  
 Secretary of Board