

**The Arc, Susquehanna Valley  
Board of Directors Meeting  
Wednesday, July 11, 2018  
Bloomsburg University  
5:30 p.m.**

**Greetings** Chair

**Roll Call of board members & Introduction of prospective Board Members** Chair

**Action Items (Vote needed)**

- Previous month minutes Secretary
- Treasurers Report Treasurer
- New Board Applicant: Adam Bednar Chair
- Final Budget 2018-2019 Treasurer/Executive
- Space Search Update Chair
- Investment policy Executive
- Long Range Planning Session Executive

**Discussion (No vote needed)**

- Savings Account Update Executive
- Fundraising Committee Committee Chair
- Grants Received and Replied Executive
- ODP Executive
- Discovery/Customized Employment (OVR) Executive
- Program highlights Executive
- Other All

**Staff Reports**

- Written Reports in PDF format sent Executive

**Adjournment** Chair

**For next Meeting: Wednesday, October 17, 2018 5:30 pm – Location TBA**

## 4.2 Endowment Investment

The goal of the investment program for the Endowment is to provide a real total return from assets invested that will preserve the purchasing power of endowed capital, while generating an income stream to support the activities of the funds held for the Endowments of the FCMCF. Achievement of the real total return will be sought from a continuation of investment strategies, which provide an opportunity for superior returns within acceptable levels of risk and volatility.

### A. INVESTMENT OBJECTIVE

For the long term, the primary investment objective for the Endowment Fund is to earn a total return, net of investment and custodial fees, within prudent levels of risk, which is sufficient to maintain in real terms the purchasing power of the Endowment.

On an annualized, net-of-fee basis, the total return of the portfolio will be expected to equal or exceed the spending rate of 4 percent, plus inflation as determined by the Consumer Price Index (CPI).

### B. ASSET ALLOCATION

1. To achieve its investment objective, the Endowment Fund shall be allocated as recommended by an Investment Manager or Managers as selected by the Board of Directors. Current market forces will be used to determine the proper mix and types of investments. For guidance, the board should refer to the following:

The current strategic asset allocation adopted by the Board is outlined below:

	Target	Allowable Range
Large Cap Domestic Equity	45%	40 – 50%
Small/Mid Cap Domestic Equity	15%	10– 20%
Non-U.S. Equity	15%	10-20%
<b>Total Equity</b>	<b>75%</b>	<b>60–75%</b>
Fixed Income	25%	25–40%

2. The purpose of equity investments, both domestic and international, in the Endowment Fund is to provide current rising income and appreciation of principal with the recognition that this class of investment carries with it the assumption of greater risk.

3. The purpose of fixed income investments is to provide diversification and a predictable, dependable source of income. It is expected that fixed income investments will be diversified and laddered by industry, rating and maturity.

4. The Endowment Fund will be diversified both by asset class and within asset classes. Each asset class will be diversified among economic sector, industry, quality and size. The purpose of diversification is to provide a reasonable assurance that no single security or class of securities will have a disproportionate impact on the performance of the total fund. As a result, the risk level associated with the portfolio is reduced.

#### C. ASSET ALLOCATION REVIEW AND BALANCING PROCEDURE

1. The Foundation Board will review the strategic asset allocation and manager structure policies at least annually.

#### D. GUIDELINES FOR CORRECTIVE ACTION

Corrective action should be taken in a timely manner if deemed necessary as a result of the on-going review process for investment manager(s). Fund manager(s) may be replaced at any time at the discretion of the Foundation.

### ***4.3 Endowment Spending***

The two key components of the policy are to preserve the purchasing power of the assets (“Intergenerational Equity”) and to provide a predictable and steady support for programs (i.e. scholarships, awards, etc). Returns over time should be equal to the spending rate plus a consideration of inflation as well as any expense levies.

In order to achieve the above, the FCMCF Board or Executive Committee approves an annual spending rate by March for the coming fiscal year. December 31 values are used to calculate the spending rate.

The Spending Rate is calculated by taking four (4) percent of a five year rolling average of the market value of the portfolio for the period ending December 31, 20XX. (Five year rolling average will be built beginning with December 31, 2005 portfolio values and moving forward.)

#### Example of how to compute Spending Rate for period ended December 31, 2007:

1. Compute the average market value of the endowment portfolio at December 31st for the previous three years by adding them together:

2. Take total Endowment Portfolio's Market Value and divide by three (3) which gives the average market value of the endowment portfolio.
3. Multiply the average by four (4) percent and divide by the December 31, 2007 portfolio market value to get the Spending Rate. Once calculated, the rate should be no more than 4.5% or no less than 3% of the moving average market value.
4. Multiply the market value of each individual endowment fund as of December 31 that year by the Spending Rate. The resulting amount is the dollars available to be used for the endowment award beginning in the July 1 fiscal year.

Newly created endowment funds must be invested for at least one full fiscal year prior to the calculation date. Appreciation and/or depreciation in the market value will accrue to each individual endowment fund.

When an individual endowment fund balance does not have sufficient earnings to support an annual payment based on the then current spending rate, either: (1) no payment is made, or (2) a reduced payment is made based on the amount of actual earnings available. The FCMCF does not currently use other unrestricted funds to support individual account spending when sufficient earnings are not available.

In a prolonged down market, the Foundation Board reserves the right to review the situation and make appropriate adjustments to the spending policy, if necessary.

#### **Terminology Used in Endowment Spending Policy**

**Market Value:** Current market price of the portfolio using the individual security prices when available, as indicated by the latest trade record or the values as provided by investment manager(s) when those investments do not have readily determined current values. The value of the total pooled fund includes receipts, disbursements, interest, dividends, realized gains or losses and unrealized gains or losses.

#### **Pooled Fund:**

Consolidation of all Foundation endowment funds for investment purposes.

**THE ARC, SUSQUEHANNA VALLEY**  
**Fundraising Year to Date**  
July 1, 2017 through April 25, 2018

**Net amounts by program**

Gift Cards	\$ 187.13
Amazon	\$ 6.48
Halloween Auction	\$ 329.00
Dining promotions	\$ 606.21
Knights of Columbus	\$ 3,368.11
Chillin'	\$ 2,465.33
Other	\$ 96.00
GRAND TOTAL NET	\$ 7,058.26

**Chillin' & Grillin'**

SUB EVENT ACCOUNTING

Meal

amount collected for meals	\$ 1,560.00
Cost of meals	\$ (1,450.67)
Profit/Loss	\$ 109.33

Jesse

amount collected for Jesse	\$ 938.00
Cost of Jesse	\$ (650.00)
Profit/Loss	\$ 288.00

Vendors \$ 330.00

Corporate Sponsors \$ 1,840.00

Other donations \$ 201.00

50/50 Raffle \$ 196.00

Other expense \$ (499.00)

Meal and Jesse Combined

collected	\$ 2,498.00
Cost	\$ (2,100.67)
Net	\$ 397.33

Event Net \$ 2,465.33

THE ARC, SUSQUEHANNA VALLEY  
Chillin' Grillin'  
All Transactions

Date	Num	Name	Memo	Amount
<b>Chillin n Grillin</b>				
11/08/2017	1024	Justin McAllister	2 Vendor Spaces	40.00
11/08/2017	7295	Margaret Harvey	1 Vendor Space	20.00
01/11/2018	1722	Beth Vasquez	Vendor Table	20.00
01/24/2018	59084	SUNBURY MOTOR COMPANY	Donation	100.00
01/31/2018	1134	Steve Trimble	1 free ticket plus 2 tickets, plus donation	100.00
01/31/2018	6040	GUY GORDNER	1 Vendor Table	10.00
02/05/2018		Jerry Kotarski	1 Table	20.00
02/05/2018	349	Gail Mensch	1 Table	20.00
02/14/2018		Nicole Feltman	1 table	20.00
02/16/2018	1279	Rick and Jess Bouchette	1 Vendor Table	20.00
02/16/2018	021003	Beiter's	Donation	120.00
02/26/2018	1197	Broad Mountain Vineyard LLC	Vendor Table	20.00
03/02/2018	6177	Michael Andrews	1 SA	20.00
03/05/2018		Katherine Dent	Geisinger Spark Study (Autism & Developmental)	250.00
03/08/2018		Hayley Gessner	Vendor Table Chillin n Grillin	20.00
03/08/2018	198	Kimberly Chandler	2 Vendor Tables	40.00
03/08/2018	1351	Michael Gellella	1 Vendor Table	20.00
03/08/2018	2004	Amy Goudreau	1 Vendor Table	20.00
03/15/2018	28322	Schindler's Studio	Sponsor	20.00
03/15/2018		Paula Naylor	Vendor Table	20.00
03/15/2018		Paula Naylor	Ticket Sale Chicken BBQ	10.00
03/15/2018	1224	BONNIE YENTSCH	Ticket Sales Chicken BBQ	40.00
03/20/2018	6254	Michael Andrews	1 Ticket	20.00
03/20/2018	6255	GUY GORDNER	1 Ticket	20.00
03/22/2018		Kathy Naugl	Deposit	40.00
03/29/2018	231	Adam Bednar	Donation	750.00
03/29/2018	1205	Protecom Wine Inc	Vendor	20.00
03/30/2018			event tickets	230.00
04/09/2018	046512	Cherokee Pharmaceuticals	Corporate sponsor	500.00
04/09/2018	7332	Deb Brubaker	Deposit	60.00
04/09/2018	8949	Judy Davis	Deposit	100.00
04/09/2018	2879	JOYCE MCCARTHY	Deposit	20.00
04/09/2018	2322	TY MCCARTHY	Deposit	20.00
04/09/2018	1586	jennifer Tilley	Deposit	40.00
04/09/2018			Vendor fee- Seed Jewelry	20.00
04/09/2018			Door ticket sales	1,378.00
04/09/2018			50-50 Raffle	133.00
04/09/2018		paypal	Deposit	400.00
04/12/2018			Deposit	40.00
04/12/2018	6014	LETA JO MAUE	Deposit	100.00
04/19/2018		Jerry Kotarski	Chillin and Grillin Vendor Donation	101.00
04/19/2018		Dan Shingara	Chillin and Grillin 50/50 Donation	63.00
04/19/2018	10783337741		Deposit	40.00
Total Chillin n Grillin				<u>5,065.00</u>
				5,065.00

**Fundraising Expense**

**Chillin n' Grillin'**

07/19/2017	6244	Feast of Flavor Catering		
09/20/2017	EFT	PA Liquor Control Board	April 7, 2018 permit	-30.00
01/29/2018	6437	POSTMASTER	Stamps-Fundraiser Chillin & Grillin	-49.00
01/31/2018	6442	Brady Banquet Hall	Banquet Hall Rental for Fundraiser	-400.00
03/15/2018	EFT	Amazon.com	salt an pepper	-7.47
03/16/2018	EFT	Amazon.com	moist towelettes	-15.44
03/22/2018	6489	Elizabeth Vasquez	Refund	-20.00
04/05/2018	6502	Dana Rebuck	194.09 supplies, 36.30 travel	-230.39
04/07/2018		Jesse		-650.00
04/08/2018		Scicchitano's		-1,060.00
04/11/2018	6511	Cheryl Donlan	Macaroni Salad, cups, conatiners, rolls	-137.37

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