

Draft 2/3/02

Policies of the Endowment Fund of the Children's Literature Assembly

Section 1. Name. This Endowment Fund shall be called the "Endowment Fund of the Children's Literature Assembly" (and is hereinafter referred to as the "Endowment Fund").

Section 2. Purpose. The purpose of the Endowment Fund is to establish a permanent endowment fund to be maintained by the Children's Literature Assembly (CLA) of the National Council of Teachers of English (NCTE), the earnings from which shall be used exclusively for the following:

- to support original research contributing to the field of children's literature.
- to support the dissemination of CLA's yearly selections of Notable Books for the Language Arts

Only the income from the principal may be used for the designated purposes. A minimum of (20%) of each calendar year's income from the Endowment Fund assets shall be retained as principal and the remaining 80% of such income shall be available for the designate projects. Any such income not expended in any given year may be carried forward as income or added to the principal, at the discretion of the Endowment Fund Committee.

Section 3. Endowment Fund Committee. The Endowment Fund shall be governed and administered exclusively by the Endowment Fund Committee. Committee members will include the CLA President, Immediate Past President, Treasurer, and two at-large members selected by the CLA board to serve staggered four-year terms. One of the at-large members will serve as Chair of the Endowment Fund Committee and also serve as a member of the CLA Board. The Endowment Fund Committee shall elect the committee officers of Chair, Secretary, and Treasurer.

Any two (2) of the Endowment Fund Committee members will be authorized to expend funds from the checking or money market depository account and investment accounts in accordance with the instructions of a majority of the committee members. The Endowment Fund Committee shall have the exclusive responsibility to promote, receive, invest, administer, and disburse the income of the Endowment Fund and shall make proper acknowledgement of all gifts and maintain the record of donors and gifts. The Committee will also review this policy document annually and make recommendations for changes to the CLA Board.

Meetings of the Endowment Fund Committee shall be held at the fall NCTE meeting and as necessary to efficiently conduct the business of the Endowment Fund. At all meetings (face-to-face or through telephone conference calls), the majority of the Endowment Fund Committee shall constitute a quorum and all actions shall be determined by a majority of the Endowment Fund Committee members present. The Endowment Fund

Committee will provide a full report of all financial activities to the CLA Board each year at the fall meeting of the National Council of Teachers of English.

Section 4. Donations. All donations, gifts, devises, bequests and memorial gifts made to the Children's Literature Assembly and designated as part of the Endowment Fund shall become part of the principal of the Endowment Fund. All donations, gifts, devises, bequests and memorial gifts made to the Children's Literature Assembly that are not specifically designated for the Endowment Fund may be placed into the Endowment Fund if the CLA Board so designates.

Section 5. Administration. The Endowment Fund Committee may receive and accept property, whether real or personal, by way of donation, gift, bequest or devise, from any person, firm, trust, corporation or other entity, to be held, administered and disposed of in accordance with the pursuant to the provisions of these Rules and Regulations. Assets received and administered by the Endowment Fund Committee may be retained in the form received or sold and reinvested as determined by the Endowment Fund Committee unless otherwise directed by the donor. All donations, gifts, devises and bequests made to the Endowment Fund shall be subject to the acceptance or rejection by the Endowment Fund Committee. No distributions shall be made by the Endowment Fund Committee until one year after the principal of the Endowment Fund reaches the sum of \$50,000. The Endowment Fund Committee is authorized to expend income from the Endowment Fund for any and all reasonable expenses incident to the operation of the Endowment Fund according to the purposed dictated in Section 2 of this document.

Section 6. Investment Policy. The Endowment Fund Committee shall have the sole responsibility and authority to prudently invest the assets of the Endowment Fund. The assets of the Endowment Fund may be invested in any securities or other investment of any nature whatsoever, real or personal, tangible or intangible, without applicable statute. It is suggested, but not required, that a Certified Financial Planner be used to manage the Endowment Fund's assets and to provide the necessary services and financial advice that are required by the Endowment Fund Committee. Any such Certified Financial Planner shall provide the Endowment Fund Committee with no less than quarterly reports as to the activity of the Endowment Fund's assets and any other reports that are deemed necessary by the Endowment Fund Committee. The Endowment Fund Committee shall negotiate reasonable fees with the Certified Financial Planner.

Section 7. Termination. If, at any time, the Children's Literature Assembly of the National Council of Teachers of English is dissolved or ceases to operate as an assembly of NCTE, the Endowment Fund shall be donated to the National Council of Teachers of English for the purpose of supporting research informing the field of children's literature and in accordance to the NCTE Fund's operating rules and programmatic priorities.

Section 8. Application Guidelines. Applicants must be CLA members for at least two years. Five copies of applications for funding either research or dissemination projects must be submitted to the President of the Endowment Fund Committee by September 1 of each year for review by the Endowment Committee members. Decisions will be

announced at the fall NCTE board meeting. Grant recipients must submit a progress report by September 1 following receipt of the grant and a summary of the completed project by the following September. Adjustments in report deadlines may be made at the discretion of the Chair of the Endowment Fund Committee.

Copies of all publications resulting from the funding must be submitted to the Endowment Fund Committee. Members of the Endowment Fund Committee are not eligible to apply for funds. Successful applicants may reapply every three years.

Suggested timeline for managing funds

1. Establish a bank account for designating funds until the funds reach \$5,000.
2. When the account reaches \$5,000, invest in selected mutual funds.
3. When the account reaches \$50,000, hire a financial manager to establish an investment portfolio.