

**JUNIOR LEAGUE OF LAS VEGAS, INC.**  
**ENDOWMENT FUND STANDING RULES**

(As amended, September 2019)

**Rule 1**  
**PURPOSE**

**Rule 1.01. Purpose.** These are the Standing Rules of the Junior League of Las Vegas (“JLLV”) Endowment Fund (“Endowment Fund”) Board of Trustees (“Endowment Fund Trustees”). These Standing Rules are meant to govern the conduct of meetings of the Endowment Fund Trustees, and to serve as guidance in fulfilling the fiduciary responsibilities of the Endowment Fund Trustees concerning the Endowment Fund.

**Rule 2**  
**BYLAWS**

**Reserved.**

**Rule 3**  
**STANDING RULES**

**Rule 3.01. Amendment.** At least 5 days prior to a meeting at which amendments to the Standing Rules will be voted upon, the proposed amendment must be delivered to each Trustee by email, first class mail, facsimile or hand delivery, to the addresses provided by such Trustee to the Endowment Committee Chairman. Any proposed amendment of these Standing Rules must be approved by vote or written resolution of two-thirds (2/3) of all then serving Endowment Fund Trustees.

**Rule 4**  
**CONTRIBUTIONS, DISTRIBUTIONS & INCOME**

**Rule 4.01. Receipt of Contributions.**

A. The Endowment Fund may receive contributions by gift, grant, devise, bequest, or otherwise, from any person or organization, at any time or times such contributions to the Fund may be offered or made.

B. Any *restriction* sought to be imposed by a contributor is subject to review and approval by the Endowment Fund Trustees.

C. Contributions offered to the Endowment Fund may be refused by the Endowment Fund Trustees if any of the conditions identified in Section 6.02 of these Standing Rules apply.

D. Contributions shall be made payable to the Endowment Fund and be deposited with the Treasurer of the Endowment Fund Trustees of the Endowment Fund.

**Rule 4.02. Distribution of Investment Income.** The Endowment Fund Trustees shall approve distributions of income on an annual basis during the month of June to fund JLLV projects as defined herein. The Endowment Fund Trustees may advise the active members in May of each successive year of the anticipated income which will be distributed. Distributions of income (if any) will be distributed the following June of each successive year.

(a) Until such time as the principal of the Endowment Fund reaches the sum of \$250,000.00, subject to the terms of any contribution made for special purpose, all net income shall be reinvested.

(b) After the sum of \$250,001.00 has accumulated, 50% of the net earnings at the end of the calendar year shall remain in the principal of the Endowment Fund; the remaining 50%, subject to the terms of any contribution made for a special purpose, shall be available to be budgeted for JLLV's community projects during the following fiscal year.

(c) After the sum of \$500,001.00 has accumulated, 2.25% of the average market value of the Endowment Fund for the preceding twelve quarters from the end of the fiscal year, subject to the terms of any contribution made for a special purpose, shall be distributed by the Endowment Fund Trustees for JLLV community projects during the current fiscal year, unless such distribution would exceed accumulated income and dip into the Endowment Fund corpus or principal (\$746,820.00 as of June 2019) Concurrently, 0.75% of the average market value shall be added to the principal of the Endowment Fund.

During the initial period of investment diversification, a combination of 2.25% of the average asset balance invested in equity and fixed income securities and 75% of interest income on cash and cash equivalents shall be distributed, unless such distribution would exceed accumulated income and dip into the endowment principal. Concurrently, 0.75% of the average equity/fixed income balance and 25% of interest income on cash and cash equivalents shall be added to the principal of the Endowment Fund. If a distribution based on the formulas above would dip into principal during a period of market decline, the distribution shall be reduced or discontinued until such time as accumulated income is available for distribution.

(d) Morelli House Fund contributions and income on real property.

(i) Contributions to the Morelli House Fund are considered temporarily restricted and shall be used for program, capital and maintenance expenses related to the Morelli House as well as additions to a maintenance reserve supporting the Morelli House.

(ii) JLLV pays monthly rent to the Morelli House Endowment. Excess rental

income is defined as rental income in excess of expenses for insurance and certain repairs and maintenance as well as potential discretionary additions to a maintenance reserve. Seventy-five percent (75%) of excess rental income shall be distributed to support JLLV community projects.

- (iii) Morelli House Public Programs may generate income. Such income is income to the Endowment and subject to distribution as noted in subsections (a) through (c).

(e) A balance of an amount determined by the Board, not less than \$13,000, will be maintained in an operating checking account for the Morelli House as a reserve to cover any unanticipated major repairs to the Morelli House.

## **Rule 5 ENDOWMENT PRINCIPAL**

### **Rule 5.01. Investment of Principal.**

A. All contributions made to the Endowment Fund become principal and are not eligible for distribution for any reason. The principal of the Endowment Fund shall be invested by the Endowment Fund Trustees in accordance with the bylaws of the JLLV and the Endowment Fund, finance policies of the JLLV, the Investment Policy Statement of the Junior League of Las Vegas, as adopted and amended. In the event the JLLV should cease to exist or should become insolvent, the assets of the Endowment Fund shall be administered in accordance with the terms described in Article II, Sections 2.02 of the Declaration of the Junior League of Las Vegas Endowment Fund.

B. The principal of the Endowment Fund shall be invested in the manner deemed advisable by the Endowment Fund Trustees, in accordance with the Investment Policy Statement of the Junior League of Las Vegas, as adopted and amended. The principal shall be managed by the Endowment Fund Trustees in good faith and with the care of an ordinarily prudent person would exercise in similar circumstances in order to preserve the Endowment Fund's capital value and in compliance with the purpose of JLLV, its Articles of Incorporation and Bylaws as well as those of the Endowment Fund.

C. The Endowment Fund Trustees are authorized to employ a professional investment manager for management of the Endowment Fund as defined in Rule 6.

D. The Funds of the Endowment Fund shall be kept separate from all other funds of the JLLV except as otherwise specifically provided herein.

## **Rule 6 ENDOWMENT FUND TRUSTEES**

### **Rule 6.01. Election of Endowment Fund Trustees.**

A. The election and composition of the Endowment Fund Trustees shall be done in accordance with Article IV Section 4.03 of the Declaration of the JLLV Endowment Fund, and Article II, Section 2.01 of the Bylaws of Sustaining Members for the JLLV Endowment Fund.

B. The Endowment Fund Trustees shall consist of nine (9) Sustaining members elected by the Sustaining Membership as provided in 6.01 (a). The Endowment Fund Trustees shall include no more than three (3) Active members, who shall be voting members of the Endowment Fund Trustees, and who shall be selected in a manner approved by the Board of Directors of the JLLV. The Presidents of the JLLV and JLLV Sustainers shall be *ex officio*, nonvoting members of the Endowment Fund Trustees.

### **Rule 6.02. Responsibilities of Endowment Fund Trustees.**

1. All Endowment Fund Trustees must maintain a strict code of confidentiality regarding all aspects of the Endowment Fund as well as:

(a) Maintaining the books of account of the Endowment Fund according to the generally accepted accounting principles which shall be consistently applied year to year.

(b) Maintaining such other records as it deems to be necessary for the Endowment Fund

(c) Reporting fully to the JLLV Board of Directors and members of the JLLV upon financial status and other activities of the Endowment Fund, and the Endowment Fund Trustees, as requested by the JLLV Board of Directors.

(d) Filing an annual written report to the JLLV Board of Directors on the financial status and other activities of the Endowment Fund, and Endowment Fund Trustees.

(e) Reviewing annually the Endowment Plan.

(f) Arranging an annual audit of the Endowment Fund in conjunction with the annual JLLV audit.

(g) Meeting a minimum of once each calendar quarter as determined by the Endowment Fund Trustees at the beginning of each fiscal year.

(h) Publicizing gifts and memorials in the Annual Report, newsletters and other communications, as deemed appropriate.

(i). Publicizing the Endowment Fund in the Annual Report, newsletters and other communications, as deemed appropriate

(j). Developing and distributing Endowment materials.

(k) Determining that Endowment money and gifts are used according to the donor's wishes, if donor's wishes are compatible with the provisions herein.

(l) Maintaining such general liability, fire, casualty insurance policies as may be reasonably prudent including, without limitation, insurance for indemnity and defense of any and every loss, claim, cause of action, suit or otherwise to the Endowment Fund resulting from death, injury or damage to property to any person, firm or entity (including damage to tangible personal property or real property of the Endowment Fund), in such amounts and with such companies as customarily maintained by reasonably prudent persons in the ownership, management and/or operation of similar properties and businesses.

(m) Reserved.

(n) Taking any reasonable legal steps necessary to assure the continued existence of the Endowment Fund in compliance with applicable provisions of the Internal Revenue Code.

(o) Soliciting and accepting donations on behalf of the Endowment Fund, except those deemed inappropriate as provided herein.

(p) Presenting petitions for retention of non-income producing property and real property for approval to the JLLV Board of Directors.

(q) Evaluating whether liquidation is appropriate and, if so, liquidating all non-income producing property and real property donated to the Endowment as soon as reasonably practicable for its fair market value, as recommended by the Trustees and approved by the JLLV Board of Directors upon receipt by JLLV provided, however, that such property may be retained for a reasonable length of time, if such retention is deemed advisable in order to secure a better price upon the sale of said property, and to avoid the sale in a depressed market. Non-income producing property and real property donated to the JLLV shall be retained indefinitely by the JLLV upon approval of a majority of its Board of Directors, as recommended by the Endowment Fund Trustees.

2. The Endowment Fund Trustees shall refuse gifts which:

(a) Are incompatible with the JLLV's purpose as determined by the Endowment Fund Trustees

(b) Are from persons or organizations which are incompatible with JLLV's purpose as determined by the Endowment Fund Trustees

(c) Would jeopardize the tax-exempt status of the Endowment Fund and/or JLLV as determined by the Endowment Fund Trustees and JLLV Board of Directors

(d) For any reason a majority of the Endowment Fund Trustees does not believe are in the best interest of the Endowment Fund or JLLV.

**Rule 6.03. Financial.** All sustainer voting Endowment Fund Trustees are assessed \$100 to the Endowment Fund Operating account each JLLV fiscal year.

**Rule 6.04. Removal.** A trustee may be removed for non-performance by a two-thirds

vote of the remaining Endowment Fund Trustees.

**Rule 6.05. Quorum.** A simple majority of the Endowment Fund Trustees shall constitute a quorum and must be present to conduct an Endowment Fund Trustees meeting.

## **Rule 7 OFFICERS**

**Rule. 7.01. Officers.** Officers of the Endowment Fund Committee Trustees shall consist of a Chairman, Vice Chairman, Secretary and Treasurer.

### **Rule 7.02. Responsibilities of Officers.**

A. Chairman. Chairman must be a Sustainer. Chairman shall preside at all meetings of the Trustees, approval all legal documents and correspondence.

B. Vice Chairman. Vice Chairman must be a Sustainer. Vice Chairman shall serve as parliamentarian and succeed the Chairman in the event of resignation or removal of the Chairman.

C. Secretary. Secretary shall keep the minutes of all Trustee meetings and distribute copies to each Trustee as well as the Sustaining President.

D. Treasurer. Treasurer must be a Sustainer. Treasurer shall be custodian of all funds for the Endowment Fund, keep full and accurate records on all accounts and provide quarterly reports to all Endowment Fund Trustees.

**Rule 7.03. Election of Officers.** Nomination and election of officers for the following year shall be conducted at the meeting of the Endowment Fund Trustees before the end of the current fiscal year.

**Rule 7.04. Terms of Office.** Officers shall serve at least one year and must be voted in annually. Officers shall assume their duties on the first day of the fiscal year, unless previously installed.

**Rule 7.05. Removal.** An officer may be removed from office by a two-thirds vote of the Endowment Fund Trustees if the officer has committed malfeasance or nonfeasance in office.

**Rule 7.06. Resignation.** If an officer resigns, the Chairman may appoint a replacement for the remainder of the fiscal year.

## **Rule 8 COMMITTEES**

**Rule 8.01. Committees.** Committees will be established as deemed necessary by the

Endowment Fund Trustees. These Committees may consist of Endowment Fund Trustees, Sustaining members and/or Active members. The Chairman of any committee must be a member of the Endowment Fund Trustees.