

### **Fund Establishment**

The foundation for the creation, implementation, investments, and awards, shall be the following statement from Jim Batchelor which was unanimously adopted by the Board of Directors at its meeting of May 21, 1991. The fund was established in October 1997 upon receipt of a check in the amount of \$100,000 from the estate of Marian Batchelor with additional contributions of \$5,000 from Vic Legerton and \$100 to \$300 from several additional members totaling approximately \$2,000.

“In order to "pay back" all the good friends who helped me get through U.S.C. (Class of '29), I want to establish a Scholarship Fund to help others in their College careers. My hope is that the Kiwanis Club of Glendale will take on this project for me.

“Our Living Trust makes arrangements for my half of the Batchelor assets to go to this Fund in the Kiwanis Club, and I am hoping it will generate at least \$5,000.00 in interest yearly, leaving the Principal Fund intact forever. The Fund is to be invested in banks, S & L's or government securities.

“All students from Glendale High, Hoover High, Daily High, Crescenta Valley High and Glendale Community College are eligible for this Scholarship and they should receive the \$5,000 (or whatever smaller amount is generated) for each of their 4 years. Even a fifth year may be funded, if circumstances warrant.

“I am interested only in the "average" student. The ones who have to struggle to maintain a 2.5 to 3.0 grade point average (students above a 3.0 G.P.A. need not apply).

“The ones I have in mind are living in the poorer areas of Glendale, thus proving that there is real need for help. All applicants need to have the assurance of their School Counselor that they can handle college work.

“If recipients need to attend Junior College for a year or two, that is perfectly acceptable (the full \$5,000 would probably not be needed during that time. However, they should receive the full \$20,000 during their full four years).

“I hope the Kiwanis Club will make the students Honorary Members so they can attend meetings during vacations and Summertime, getting acquainted with members who might be able to advise them in their chosen career goals.

“In order for recipients to continue to receive the \$5,000.00, the Scholarship Committee should ascertain that the student's work is of an acceptable nature year by year.

“I want my daughter to be an advisor to the Fund and the Kiwanis Club of Glendale---Mrs. Lynne B. Walters, 7003 S.W. 248th St., Vashon, WA 98070 - (206) 463-2709

“The use of drugs by any Scholarship Recipient would automatically stop the Scholarship.”

### **Contributions**

Additional tax-deductible charitable contributions to the principal of the fund may be made by members or others at any time, and should be designated “Batchelor Fund.” Such donations from any individual which amount to \$1,000 or more, either at one time or cumulative, shall be recognized for James Whitcomb Brougner Jr. Fellows.

## **Kiwanis Club of Glendale**

### **Policies and Procedures Manual**

### **Jim Batchelor Memorial Scholarship Fund**

#### **Scholarship Guidelines**

Students who shall be considered as recipients of the awards from this fund shall strictly adhere to the requirements established by Jim:

- Eligible students will have attended Glendale High, Hoover High, Daily High, Crescenta Valley High, or Glendale Community College. As Clark Magnet High School was not in existence at the time of Jim's writing the guidelines, but represents students from throughout the Glendale Unified School District represented by the other schools, it is included for consideration.
- High School cumulative Grade Point Average must lie between 2.5 and 3.0 on a scale of 4.
- Financial need must be established.
- Any use of drugs shall terminate the scholarship commitment to the student.

Further stipulations which have been recommended and implemented by the committee shall be:

- Issuance of award checks is contingent upon receipt of printed confirmation of enrollment for a full time course of study, being a minimum of 12 units or its equivalent.
- Renewal of awards is contingent upon receipt of a grade transcript from the immediately prior completed term of study.
- Award amounts shall never exceed the total of tuition, room, board, fees, and books.
- Award amounts shall be \$250 per semester for full time study at a community college, or \$500 per semester for full time study at a four year college or university.
- No scholarship award shall be made during the time that scholarships from other sources may cover the amount of tuition.

#### **Committee Guidelines**

The committee shall solicit recommendations of candidate students from the administrators and counselors of each school. Interviews shall then be conducted by the committee to select awardees.

The students receiving scholarship awards shall be recognized and presented certificates at a meeting of the Kiwanis Club.

The committee shall maintain frequent contact with each student (at least quarterly) to monitor progress, evaluate grades, provide counsel, and invite to lunch at Kiwanis Club meetings.

New candidates shall not be selected unless there is satisfactory assurance that sufficient financial resources from the cumulative income of the fund shall be available to support the tuition requirements of the student for the expected duration of their undergraduate studies (up to five years).

#### **Fund Investment**

The principal of the Fund shall be invested in strict compliance with the stated desires of the donor: "leaving the Principal Fund intact forever. The Fund is to be invested in banks, S & L's or government securities."

In compliance with Jim's stipulation, a separate account is established at Charles Schwab & Co. Inc. entitled "Glendale Kiwanis Batchelor Memorial Fund." The fund balance shall never decrease below the amount of contributions which have been made to it by Jim and other members.

## Kiwanis Club of Glendale

### Policies and Procedures Manual

### Jim Batchelor Memorial Scholarship Fund

#### Section 1. Summary

The Investment Policy Statement for the Jim Batchelor Memorial Scholarship Fund has been developed to assist the Investment Committee and their ongoing management of the fund's financial assets. It is to document and ensure the long-term adherence to an investment program set forth and requested by Jim Batchelor. It covers the policies, practices and procedures for managing the Jim Batchelor Memorial Scholarship Fund's investment assets.

Plan Title:	Jim Batchelor Memorial Scholarship Fund
Total Assets:	\$100,000
Time Horizon:	30 years
Return Objective:	5.45% (pre-tax gross) 5.45% (after-tax net)
Risk Tolerance:	Conservative

#### Section 2. Objectives

The objectives have been developed in conjunction with a review of the original requests made by Jim Batchelor and a discussion with his daughter, Lynne B. Walters, who serves as an advisor to the fund. The main objectives are:

1. Maintain principal preservation.
2. If possible, generate \$5,000 in annual interest.
3. Maximum annual spending not to exceed \$5,000.
4. Reserve / Cash balance amount not to fall below \$6,000. In the event it does, Kiwanis will continue to honor current scholarship agreements but will not initiate any new scholarships until such time as the Reserve / Cash balance builds to \$8,000.
5. To periodically monitor and revise the portfolio as required.

#### Section 3. Time Horizon

This investment program is based on a time horizon without limits. The assumption is made that this Fund will remain intact for as long as the Kiwanis Club of Glendale exists. The fixed income asset allocation has been developed with consideration given to the prevailing interest rate and fixed income environments.

#### Section 4. Risk Tolerance

The risk tolerance assessment for the portfolio is shown in the Summary section. This profile was developed in part through the use of the original records from Jim Batchelor, as well as a discussion among the members of the Investment Committee.

#### Section 5. Expected Performance

The long-term expected rate of return for the portfolio is shown below. It is based on the expected long-term total return for each asset class and its percentage weighting in the portfolio. This is compared against the assumed long-term average rate of inflation (as measured by the Consumer Price Index). The difference between the expected rate of return and the inflation rate is the real (after-inflation) expected return. Actual performance will vary from these assumed rates. The portfolio return may also be reduced by the deduction of advisory, money management, custodial and transaction fees.

## Kiwanis Club of Glendale

### Policies and Procedures Manual

### Jim Batchelor Memorial Scholarship Fund

Portfolio Return Objective: 5.45% (pre-tax gross)  
5.45% (after-tax net)

The Jim Batchelor Memorial Scholarship Fund portfolio was developed subject to certain holding limitations. These are limitations on the minimum and maximum percentage investment in each asset class.

#### Holding Limits

Asset Class	Non-Qualified Assets	
	Min %	Max %
Cash Equivalents	0.00%	100.00%
T-Notes/CDs	0.00%	100.00%
Inter-Term Govt Bonds	0.00%	100.00%
Long-Term Govt Bonds	0.00%	100.00%
Corporate Bonds	0.00%	0.00%
Mtge Backed Bonds	0.00%	0.00%
High Yield Bonds	0.00%	0.00%
Large Value Stocks	0.00%	0.00%
Large Growth Stocks	0.00%	0.00%
Small Value Stocks	0.00%	0.00%
Small Growth Stocks	0.00%	0.00%
MidCap Stocks	0.00%	0.00%
Balanced Funds	0.00%	0.00%
Real Estate	0.00%	0.00%
Futures/Commodities	0.00%	0.00%
Venture Capital/L.P.	0.00%	0.00%
International Stocks	0.00%	0.00%
International Bonds	0.00%	0.00%
Emerging Equities	0.00%	0.00%

#### Section 7. Asset Allocation

Based on the financial resources, financial goals, time horizon, tax status, holding limitations, risk tolerance and expected investment performance, a recommended portfolio has been determined. The portfolio balances risk and reward and attempts to achieve the stated objectives of the investment program. The composite asset allocation for the investment program is as follows:

Inter-Term Govt Bonds	30.00%	\$30,000
Long-Term Govt Bonds	30.00%	\$30,000
T-Notes/CDs	30.00%	\$30,000
Cash Equivalents	10.00%	\$10,000

#### Section 8. Monitoring and Review

The Investment Committee will meet at least twice annually (quarterly if necessary) to make sure that the investment program continues to achieve its stated objectives. The investment performance of the program shall be compared against the appropriate benchmarks.

Transaction confirmations and statements will be sent to both the Chair and to the Secretary. They will then be disseminated to the rest of the Investment Committee in a timely manner.

In addition to maturing securities, current achievable interest rates and the overall fixed income markets will be the basis for any changes made to the portfolio.

#### Section 9. Rebalancing

The percentage weighting to each asset class within the investment portfolio will vary slightly. Rebalancing will only become necessary should securities mature or a significant change in interest rates occur.

#### Section 10. Selection Criteria

Investment vehicles used to implement the investment program shall be subject to selection criteria. Vehicles used within the program will not venture outside traditional Certificates of Deposit, U.S. Treasury and U.S. Government Agency Securities. Each investment vehicle will be monitored for any major changes in the products quality, and comparative performance with similar investment vehicles.