

Seattle Kiwanis Memorial Fund

Organizational History

The first meeting of the subscribers to incorporate Kiwanis Memorial Fund was held in Seattle on August 24, 1945.

There were seven original members; G. Frank Jefferson, Charles F. Riddell, Kenneth I. Ghormley, Lawrence J. Pierce, George W. Jensen, Harry C. Stokes and George W. Corley. J. Frank Jefferson was elected President, Charles F. Riddell, Vice President, and Lawrence J. Pierce, Secretary and Treasurer. The others were elected as trustees. The organization was appropriately incorporated under the laws of the State of Washington, and filed with the Secretary of State August 30, 1945. Later, an application for exempt status was filed with the Internal Revenue Service, and the Fund received a letter from the Treasury Department on February 14, 1947, advising the Kiwanis Memorial Fund that they were exempt from filing income tax returns.

On October 9, 1956, the name of the organization was changed to Seattle Kiwanis Memorial Fund.

The original purpose of the Memorial Fund was established as an agency through which the Kiwanis members can pay perpetual tribute to all who contributed to the total victory of our armed forces by making more adequate provision for the less fortunate youths of our community. The resolution read,

"Therefore be it resolved that we reaffirm our eagerness to develop this Memorial Fund as a living memorial to those associated with our Kiwanis fellowship who served and sacrificed in World War II; that we rededicate ourselves to the very task of guiding the underprivileged boys and girls of our city, providing for their training and in the American way of life and their fuller development in those personality values which will fit them for honorable and useful careers;"

At the meeting held on April 18, 1946, the trustees approved the purchase of certain lots from King County for boys work for the sum of \$2,000. The properties were located at Fourth Avenue North and West Harrison (Youth Center Number 1) and Fairview property (Youth Center Number 2). In addition, there was the Ames Lake camp property purchased for \$1,000. Revenues were generally raised from members through fireside meetings describing the purpose and activity of the Fund.

One of the first major gifts was the gift of five acres of land at Ames Lake near Kirkland, Washington made by Harold Sparkman of Sparkman and McLean.

On September 17, 1946, the Seattle Mother's Home Association (a nonprofit corporation which had been formed by the Kiwanis Club on November 27, 1934) determined that economic conditions have made it impractical to carry on the charitable work of the Seattle Mother's Home Association. Therefore, all of the assets of the Seattle Mother's Home Association were contributed to the Kiwanis Memorial Fund. The assets contributed consist of a savings account of \$5,320 and two real estate contracts totalling \$2,566. The Mother's Home Pension Home Association no longer had an active program since the termination of their Pension Mother's Home Program in 1941.

In May 1946, the Fund authorized the moving of a building from Boeing Field to the Fund's lot at Fourth North and Harrison Street, and to repair and improve the building which cost about \$5,200.

In 1947, the trustees approved building the Fairview Youth Center \$6,000, improving the floors at the Forth and Harrison Youth Center for \$300, and the installation of water and toilet facilities at Fort Lawton, Magnolia, and Ames Lake for camping, \$1,700; or a total of \$8,000.

In 1947, the trustees approved a policy that contributions are not to be made to other organized charities subject to special exceptions which must be approved by the trustees. The primary emphasis of the Memorial Fund was to fund the Kiwanis Club's Youth Service committees efforts in providing the two youth centers and the Camp Sealth campsite and camperships.

In 1948, the trustees established a policy of specifically earmarking funds received for specific purposes. They had a particular concern that the capital funds received should not be invaded, and that they should be preserved. Furthermore, they approved a policy of receiving specific appropriations and earmarking funds. Such funds would revert to general fund status unless it had been used during the fiscal year that it was received unless the Memorial Board specifically designated them as earmarked funds.

In 1949, the Fairview Avenue property was sold for \$1,250 plus closing costs, because the property was deemed to no longer be of appropriate use for youth activities. Toilet facilities were developed at the Fort Lawton property, and a contribution of \$2,000 was set aside for the Camp Sealth lodge. Most of the major expenditures were authorized as a result of the Kiwanis Club's Youth Service committee.

In 1950, Kiwanis Memorial Fund had asked the Kiwanis Club board to approve an assessment of \$5 per Kiwanis member for the Memorial Fund. The Kiwanis Club board approved this procedure May 29, 1950. As a result, the Fund approved a request by the Salvation Army for \$1,000 to complete the playfield at Camp Lake Boren.

During 1950, the Memorial Fund sponsored a Gladice Swarthout concert. The result was a loss of \$362, of which, \$295 was covered by members. The Club picked up the balance. The major project for 1950 was the Camp Fire Girl's lodge, which amounted to \$2,374.

In 1951, the major efforts of the Fund centered around providing and installing a dishwasher for Camp Boren, contributing \$900 to the Kiwanis Spastic Hospital Trustee Fund, and \$300 to the Seattle Camp Fire Girls for camperships.

In September 1952, the Gilman Avenue property was sold for \$3,500. A Youth Service committee request of \$1,000 to help defray the cost of the fence to be installed at Salvation Army's Camp Lake Boren was approved. The funding of this contribution was to come from the 1952 apple sale. At the end of 1952, \$2,500 was approved for the enlargement of the Craft House at Camp Sealth, the Camp Fire Girl's camp.

In 1954, the Kiwanis Club board asked the Memorial Fund to fund the usual request of \$5 per capita for the Kiwanis Spastics Hospitals Trustees, and an additional \$5 per capita as a special contribution to the Spades Fund. After considerable discussion, it was agreed that the Memorial Fund would pay these amounts with the understanding that the trustees be advised of the actual use of these monies in due course.

In 1954, an appropriation of \$1,000 for Camp Fire's Camp Sealth was approved for the building of a Tool and Equipment House at the camp.

In 1955, the trustees approved the request of the Spastic movement (Spades) for \$1,500. Other major expenditures in 1954 were Camp Lake Boren building \$3,082, and Seattle Camp Fire Girls \$1,175.

In 1955, the trustees approved an expenditure of \$1,750 for the purchase and installation of modern kitchen equipment in the Salvation Army's Camp Lake Boren kitchen.

In 1956, the Fund donated the Fort Lawton Natural Glen property (approximately 5 acres) without any remuneration. The intent of giving the property was for the Park Department to maintain its natural and scenic beauty. The Fund had spent over \$3,000 in clearing off a considerable area, building toilet facilities with approved septic tanks and drain fields, and piped in water from Gilman Avenue. The Board of Park Commissioners accepted the offer and received the property, and have named the park the Kiwanis Memorial Preserve. One of the motivating factors for the gift of the property, is that the Board understood there was going to be a substantial assessment against the property. So by making a gift, the Kiwanis Memorial Fund would be relieved of the liability of such an assessment.

In 1956, the Fund approved a request by the Boys and Girls Committee for \$3,000 to help build a Health House at Camp Sealath. In the 1956 annual report, reference was made to the successful money raising events where the general public was encouraged to participate - barber shop quartet show, Aunt Jemima pancake festival, and 1956 apple drive.

In 1957, the trustees approved a contribution to the Kiwanis Spastic Hospital Trustees for \$955 (\$5 per member). The trustees approved \$2,000 to the Salvation Army for the construction of a new sanitary unit at Camp Lake Boren, and \$1,000 to the Spastic Children's Clinic and preschool building.

On March 25, 1958, the trustees accepted the appraisal value offered by the City of Seattle of \$20,250 for the property owned by the Fund which was involved in the Civic Center condemnation proceeding. This is the property located on Fourth Avenue North and Harrison known as the Spade Dugout.

On September 9, 1958, a motion was carried that the SKMF Trustees recommend to the Kiwanis Board that a letter accompany the next quarterly dues statement of the Club asking that a minimum amount of \$6 per quarter be added to their dues as a contribution to the SKMF.

In 1960, \$1,000 was contributed to the Boy Scout Council for the improvement of facilities on their property at Lake Hughes. The trustees further approved the funding of requests by the Boys and Girls Committee of \$200 each to the Camp Fire Girls, YMCA, Salvation Army, and Seattle Boys Club.

On September 19, 1960, the trustees approved the purchase of the property at John and Pontius Streets not to exceed \$75,000 for a Spade workshop conditioned on the Boeing UGN appropriation of \$10,000 for that purpose. On October 11, 1960, the purchase was approved.

On October 25, 1960, the trustees approved that the \$4,345 raised from the Sports and Travel Show be given to the Spastic's Clinic and preschool for their operating expenses. It was noted that the Club netted \$1,551 from the barber shop show.

On March 21, 1961, after lengthy discussion, a motion was carried that a policy be established to reduce the principle debt on the SKMF property as a primary objective. That as fast as funds became available, that the debt should be retired. Further, that the trustees approved a payment of \$15,000 to be applied on the principle in addition to the regular monthly payments being made from rentals received. Ultimately, the \$15,000 was reduced to \$5,000.

On May 3, 1962, the trustees established guidelines and philosophy in administration of the Seattle Kiwanis Memorial Fund. They are as follows:

1. Charitable giving should be directed towards helping deserving children.
2. The indebtedness of the rental property approximately \$36,000 now should be liquidated at the earliest possible date consistent with other programs of SKMF.
3. The aggregate amount of charitable gifts made by the Fund during any year should not exceed the total projected receipts of the Fund for that year reduced by the cost of paying for and maintaining the rental property for that year.
4. The Fund should attempt to maintain an annual cash balance of approximately \$10,000 at least until such time as a rental property mortgage has been retired. Excess funds, if any, after the budgeted disbursement, should be applied to reduce the mortgage debt.
5. The SKMF board should adopt a budget for each year, and this budget should be presented to the board of directors of the Seattle Kiwanis Club as a guide in considering a request for gifts which are presented to the Kiwanis board. Then if a request for a gift which has not been specifically provided for when the budget is received, it should be acted upon in light of the remaining balance available in the unallocated or miscellaneous category of gifts in the budget.
6. As a long-term objective, consideration should be given to budgeting the charitable giving of the Fund based on the annual income of the Fund. The principle of the Fund should not be consumed unless exceptional circumstances are presented. For example, this is presently being accomplished by the rental property. After the mortgage has been retired, that property should produce after all expenses, an annual cash flow of some \$5,000 which would then be available each year for the charitable giving program of the Fund.

The trustees also took action to see if the name of the organization could be changed to Seattle Kiwanis Foundation which describes more precisely the nature of the Fund.

On April 6, 1965, the Kiwanis Board of Directors had approved transferring \$955 to the SKMF checking account for the purpose of funding the annual contribution of \$5 per member to the Spastic Hospital Trustees.

On June 8, 1965, the trustees authorized the advance of \$1,000 to the Club for the purpose of providing the Convention Committee with funds needed in advance of the convention. The amount would be paid back with interest.

On April 12, 1966, the trustees approved the sponsorship of three spastic children at the Spastic's Clinic and preschool for one year for a total cost of \$1,080.

On September 13, 1966, the trustees reaffirmed the policy of having two work parties a year (one in the spring and one in the fall) to work on the trustees property.

At the trustees meeting on June 6, 1967, a motion was carried to payoff the remaining balance on the property (approximately \$2,100), and that Will Pasco plan a Tuesday program to highlight the burning of the SKMF property mortgage.

On September 26, 1968, the trustees developed a five year downtown plan. The purpose of the plan was to establish criteria before an organization can be eligible to receive SKMF funds under the five year plan. Those are:

1. The organization must be dealing with the youth of the community.
2. It must be handling either the handicapped or the underprivileged.
3. There is to be no discrimination towards race, color or creed. There must be a definite need for funds.
4. Trustees would consider either capital fund programs or operating funds requests.
5. Try to encompass all areas of the community in the Seattle area.
6. Look at the financial statements of the organizations involved. Determine where they obtain their money, how the particular money is to be spent, and have a personal contact with each agency by a member of the committee. Only consider requests suggested by members of the downtown Kiwanis Club.

SEATTLE KIWANIS MEMORIAL FUND

HISTORICAL REVIEW

A nonprofit corporation named Kiwanis Memorial Fund was formed August 24, 1945 as a memorial to World War II deceased. Its name was later changed in 1956 to that of Seattle Kiwanis Memorial Fund.

All members of the Kiwanis Club of Seattle are automatically members of the Fund. The Fund is governed by a five-person Board, four of whom are appointed by the President and ratified by an annual-meeting election. The Kiwanis Club of Seattle President serves as the fifth member of the Board, ex-officio. The Director's terms are for two years each and are staggered so that two new Board members are elected each year and two are carried over.

SOURCES OF FUNDS

Since the Funds inception, there have been these primary sources of increases to the Fund:

1946 Seattle Mothers Pension Home Fund liquidation	\$ 7,886
1977 Bequests (Frank Hawkins \$5,000 Warren Brooks \$1,000)	6,000
1981 Bequest (Chelsea Throckmorton)	45,154
1986 Bequest (John C. Sroufe)	7,476
1990 Bequest (Lois C. Johnston)	<u>6,045</u>
	<u>\$ 72,561</u>
Sale of properties:	
1946 Fairview Homesite lot	\$ 650
1952 Gilman Addition lot	3,500
1958 4th and Harrison	20,500
1970 John Street Apartments	78,600
1974 Ames Lake acreage	<u>14,500</u>
	<u>\$117,750</u>

We just received the bequest of \$6,045 from the Estate of Lois C. Johnston. Our member Ed Beiersdorf, is the Executor of the Estate.

SEATTLE KIWANIS MEMORIAL FUND

ASSET MANAGEMENT

Over the years the Fund has derived its major sources of revenues from these sources:

- . Returns on assets managed (interest, dividends and rentals)
- . Contributions from Kiwanis members
- . Club activities
(apple sales, concert, pancake feed, barber shop quartet show, baseball game benefit, boat and sports show, auctions, soccer tournament, fines and door prizes)
- . Gumball machine commissions

Since 1960, the activities net revenues have generally ranged from \$10,000 to \$20,000 a year. The highest year was 1985 when \$20,650 was realized by club activities on behalf of the Fund. However, that year the auction profits of \$6,946 were donated to the Fund. Since then, the Club has kept the auction profits as a Club revenue.

The gumball machine commissions first appear in 1954. Since that time, the Fund has received a total of \$17,922 in commissions for the use of the Kiwanis name. This comes from gumball machines located in the downtown business area.

After all the realty was sold (last parcel in 1974), the Fund's assets have been invested in various types of debt instruments, generally all with a government backed guarantee of the principal. Presently, the Club has its assets with Merrill Lynch, and our member George Harrison provides assistance in investment decisions.

The investments are staged in various amounts with varying maturities. Presently, the Fund's assets are earning about a 9-1/2% return.

SEATTLE KIWANIS MEMORIAL FUND

FUND POLICIES

Over the years, various Boards have dealt with a variety of subjects. The major policies which have evolved and presently being followed are:

- . The major capital fund sources should be preserved and only the income used to keep the principal intact.
- . Funds received for a specific purpose or ear marked by the Board for a specific purpose will be used only for that purpose.
- . A contribution policy for determining distributions from the Fund considers the program, who benefits, how the funds will be used, the importance to the requesting agency and what is the primary geographical area being served. We give primary emphasis to our Club sponsored programs or Kiwanis projects generally. We also consider the involvement by our Club members in the organizations operation or activities. We have a primary forcus on youth with a special emphasis on those with special needs. We prefer programs which provide for independence rather than dependence. We have no restrictions involving race, creed, color, or sex. We favor projects involved in our downtown or Seattle City area.
- . Assets are conservatively managed to produce the highest returns commensurate with low-risk investments.
- . On several occasions the Fund has loaned money to the Club in order for the Club to meet its operating expenses on a current basis. The loans made have been evidenced by an interest-bearing note and have always been repaid.

SEATTLE KIWANIS MEMORIAL FUND

DISTRIBUTIONS TO CHARITY AND EXPENSES

Over the years, the Fund has contributed more than \$660,000 to a variety of worthwhile local area causes. The major beneficiaries over the years have been:

- Kiwanis Service Trustees (spastic children)
- Kiwanis Spades (handicapped children)
- Kiwanis Activity Center (retarded children)
- Kiwanis Sky
- Camp Fire (Camp Sealth)
- Salvation Army (Camp Boren)
- Child Center Pike Street Market
- Orion Center (street kids)
- Union Gospel Mission (new van)
- Circle K and Key Clubs

Almost 60% of the gifts made have involved our Club or a Kiwanis sponsored activity as opposed to another agency's program.

Effective November 1, 1968, the Fund agreed to reimburse the Club for its share of administration. The initial amount paid was \$100 a month. It was increased to \$200 a month in 1970, \$250 in 1978 and \$350 a month in 1985. For the last fiscal year this charge represented 17.5% of the Funds total revenues. The Apple Tag net revenue for that year (\$4,172) was about an offset. Therefore, the investment income was primarily used to fund the contributions made.

