

The Rotary Foundation of Rotary International  
Revised Endowed Fund Form

Date: 27 November 2002

Name of Fund: William E. Skelton Endowed Ambassadorial Scholarship

District: 7570

Designator: William E. Skelton  
Address: P.O. Box 146  
Blacksburg, VA 24063  
540/552-4403 (phone)  
540/951-0650 (fax)

Contact Person: Current chairman of the district's Endowed Ambassadorial Scholarship Committee

Scholarship Type: Academic-Year

Market value of Pool (as of 6/30/02): US\$670,583.27

Restrictions:

Gift to establish the William E. Skelton Endowed Ambassadorial Scholarship within The Rotary Foundation's Permanent Fund. Until the market value of the endowed scholarship reaches US\$1,000,000, one scholarship shall be made available from the Skelton endowment each year in which sufficient earnings have accumulated. Each year the scholarship is available, it will be donated by District 7570 to a Rotary District designated by District 7570's officers for an inbound scholarship. Scholarship recipients shall pursue post-graduate studies at Virginia Polytechnical Institute and State University's Graduate School. It is the desire of the designator of this fund that preference is given to students enrolling in graduate programs in the College of Agriculture and Life Sciences or the College of Human Sciences and Education.

Once the market value of the William E. Skelton Endowed Ambassadorial Scholarship reaches US\$1,000,000, scholarships shall be awarded as follows: Each year in which sufficient earnings have accumulated to send at least one scholar, the first Academic-Year scholarship shall follow the requirements described in the paragraph above. Any additional Academic-Year scholarships made available through earnings in any given year shall be awarded to outbound scholars from District 7570. There are no restrictions on location or field of study for these additional outbound scholarships.

Availability of such scholarships shall be based on a spending amount that is determined in accordance with Foundation policies. Please refer to the "Policies and Operational Procedures" document written and signed by William E. Skelton, Designator, on 21 November 2002 and General Secretary Edwin Futa on 4 December 2002 for additional terms regarding the administration of this scholarship.

Scholarship Sponsor:

Rotary International District 7570

The Rotary Foundation may impose its normal program terms, conditions and restrictions upon any grant of funds from the Fund. In the event of a change in circumstances such that the need of funds for the purpose set out above is greatly reduced or eliminated during the lifetime of the originator, the originator reserves the right to select a new designation for the earnings of the Fund. If such a change occurs after the originator's lifetime, the spending portion of the earnings from the Fund shall be used in the best interest of the Foundation as directed by the Trustees. It is the originator's wish that the designation be as close to the original intent as possible. In any case, so long as the Fund exists, it will bear the name of the Fund as indicated above.

William E. Skelton

William E. Skelton  
Designator and PRIP

4 Dec 02

Date

Edwin H. Futa

Edwin H. Futa  
General Secretary

4 Dec 02

Date

The Rotary Foundation of Rotary International  
Updated Endowed Fund Form

Exhibit #1

Name of Fund: Reid Jones Endowed Ambassadorial Scholarship  
District: 7570  
Donor Representative: William E. Skelton  
Address: P.O. Box 146  
Blacksburg, VA 24063  
540/552-4403 (phone)  
540/951-0650 (fax)  
Contact Person: Current chairman of the district's Endowed Ambassadorial Scholarship Committee  
Donor Contribution: US\$150,000.00  
Market Value of Fund (as of 6/30/02): US\$286,654.88  
Scholarship Type: Academic-Year

*New restrictions as of November 2002:*

Beginning with the 2003-04 academic year, the Reid Jones Endowed Ambassadorial Scholarship (originally established in 1990-91) will be awarded to an outbound ambassadorial scholar from District 7570. There are no restrictions on field or location of study, but the donor would like any applicants who are school teachers below the collegiate level to be given preference. Until the market value of the endowed scholarship reaches US\$500,000, only one scholarship shall be made available from the Reid Jones Endowment each year in which sufficient earnings have accumulated. Availability of funds from the Reid Jones Endowed Ambassadorial Scholarship shall be based on a spending amount that is determined in accordance with Foundation policies.

Please refer to the "Policies and Operational Procedures" document written and signed by William E. Skelton, Designator, on 21 November 2002 and Rotary International General Secretary Edwin Futa on 4 December 2002 for additional terms regarding the administration of this scholarship.

Scholarship Sponsor: Rotary International District 7570

The Rotary Foundation may impose its normal program terms, conditions and restrictions upon any grant of funds from the Fund. In the event of a change in circumstances such that the need of funds for the purpose set out above is greatly reduced or eliminated during the lifetime of the donor, the donor reserves the right to select a new designation for the earnings of the Fund. If such a change occurs after the donor's lifetime, the spending portion of the earnings from the Fund shall be used in the best interest of the Foundation as directed by the Trustees. It is the donor's wish that the designation be as close to the original intent as possible. In any case, so long as the Fund exists, it will bear the name of the Fund as indicated above.

William E. Skelton

William E. Skelton  
Designator and PRIP

Edwin H. Futa

Edwin H. Futa  
General Secretary

4 Dec 02  
Date

4 Dec 02  
Date

**POLICIES AND OPERATIONAL PROCEDURES  
FOR  
REID JONES ENDOWED AMBASSADORIAL SCHOLARSHIP  
William E. SKELTON ENDOWED AMBASSADORIAL SCHOLARSHIP**

**1. Reid Jones Endowed Ambassadorial Scholarship**

A. Beginning with the 2003-2004 academic year, the Reid Jones Endowed Ambassadorial Scholarship (originally established in 1990-91) will be awarded to an outbound ambassadorial scholar from 7570. There are no restrictions on field of study or location of study, but the donor would like any applicants who are school teachers below the collegiate level to be given preference. Availability of funds from the Reid Jones endowed scholarship shall be based on a spending amount as determined in accordance with Foundation policies. See exhibit # 1 attached.

B. Award only one Academic-year Scholarship per year. Any excess earnings or if the scholarship is not awarded in any year then both be added to the gift amount (corpus) so funds will grow in order to increase earnings.

C. It requires \$ 500,000 market value to fund one scholarship per year. District 7570 would like to increase the \$ 150,000 gift amount (corpus) to \$ 500,000 through more gifts and the transfer of earnings to the gift (corpus). There is no time line on this due to the financial situation of the JOCO Foundation.

D. Once there is \$ 500,000 or more in the gift amount (corpus) the number of outbound scholars will be dependent on the earning of this fund.

E. TRF to move \$ 69,780. of the accumulated earnings through FY 02-03 over to the gift (corpus) account. This would leave ample earnings to fund a FY 03-04 scholarship. Show this transfer as a gift from earnings to the gift (corpus) fund.

**2. William E. Skelton Endowed Ambassadorial Scholarship**

The William E. Skelton Endowed Ambassadorial Scholarship Fund Agreement documents the intentions and understandings of all parties in relation to this fund. The current Fund Agreement is attached. Exhibit # 2

**1. Number of Scholarships**

A. Award one incoming Ambassadorial Scholarship per year for study at Virginia Tech. Any excess earnings or if the scholarship is not awarded in any year then both be added to the gift amount (corpus) so the fund will grow in order to increase earnings.

B. When the market value reaches approximately US \$ 1 million establish outbound Ambassadorial Scholarships from District 7570 as additional scholarships. Availability of funds from this scholarship shall be based on a spending amount as determined in accordance with Foundation Policies

- C. No way of knowing when the bequest will be received by the fund for the gift (corpus) account. As these are received it will help the District to reach the objective of US \$ 1 million dollars.
- D. \$ 670,583.27 ----Market Value as of June 30, 2002.  
This is the total of gifts contributed plus accumulated interest and capital appreciation.
- E. \$160,314 available for scholarships effective for FY 03-04.
- F. Move \$130,000 of the \$160,314 over to the gift (corpus). Show it as a gift from earnings. After this transfer it will leave sufficient funds to finance a scholar in FY 03-04
- G. The inbound scholars to Virginia Tech as per the fund agreement, may enroll in any post-graduate program in the Virginia Tech Graduate School. It is the desire of the Designator of this fund that preference be given to those enrolling in graduate programs in the College of Agriculture and Life Sciences or the College of Human Sciences and Education.

## 2. Procedures and Responsibilities in the Selection of Recipients

- A. District 7570 will designate a Rotary District to receive the scholarship for an incoming scholar.
- B. District 7570 in consultation with TRF will select the designated District.
- C. District 7570 will communicate with the designated District to determine their interest, explain graduate programs at Virginia Tech and whether it is for one scholar for one year and a second scholar for the second year or just one for one year
- D. The designated District will be notified by TRF and instructed that the Scholarship is available and that the application must be received by TRF in accordance with established procedures.
- E. All of the established procedures for an Ambassadorial Scholarship will be followed. The designated District will submit the application to TRF and if approved the TRF will notify the recipient

## 3. Operational Procedures

- A. District 7570 will establish an Endowed Ambassadorial Scholarship Committee as one of the standing sub-committees under the direction of the District Rotary Foundation Committee. One member of the District Rotary Committee will serve as chairman of this sub-committee and will be the primary contact person for District 7570 on all matters related to the two endowed scholarships---Reid Jones and William E. Skelton Endowed Ambassadorial Scholarships.

It is the duty of the chairman of this committee under the direction of the chairman of the District Foundation Committee and the District Governor to carry out the responsibilities of District 7570 and to maintain a close working relationship with the TRF contact person. Currently this is Tamara Simek, Assistant Manager, Educational Programs Division of TRF. If there is a change then TRF is to notify the Chairman of the District Rotary Foundation and the District Governor. The responsibilities include the funding, recognition of Skelton Scholars, maintaining a list of Skelton Fellows, Verification of contributions to TRF and securing qualified Counselors for incoming scholars, publicity, visitation to Rotary Clubs, and any needed communication with the designated District and TRF.

- B. Governor of 7570 will notify TRF the name of the Chairman of this endowed scholarship committee.
- C. On outbound scholars the Endowed Scholarship Committee is to delegate the selection to the District Ambassadorial Scholarship Committee.
- D. District 7570, with the assistance of TRF, will prepare information on the scholarship and the program offerings so that it will be available to the Graduate School of Virginia Tech and the designated District.

E. Fuld  
( name and title)  
The Rotary Foundation of  
Rotary International

4 Dec 02  
Date

William E. Skelton  
Wilham E. Skelton  
Designator of Fund Agreements  
Designator District 7570

November 21, 2002  
Date

\* TRF notified District 7570 that the contact person for TRF is

Sarah K. Klimes  
Gift Administrator Supervisor  
The Rotary Foundation  
Phone 847-866-3358  
Fax 847-328-5260

The William E. Skelton Endowed Scholarship  
Fund Agreement

In order to document the intentions and understandings of all parties, The Rotary Foundation of Rotary International hereby sets forth the intended uses for any contributions directed to THE WILLIAM E. SKELTON ENDOWED SCHOLARSHIPS FUND as set forth in this agreement.

Recognizing the need for endowed scholarships to benefit deserving students who wish to pursue graduate studies in order to assist in the growth and progress of their respective countries, fellow Rotarians and friends of William E. Skelton of Blacksburg, Virginia, have created and endowed THE WILLIAM E. SKELTON ENDOWED SCHOLARSHIP FUND within The Rotary Foundation's Permanent Fund. A William E. Skelton Scholarship shall be awarded to an inbound student to study at Virginia Tech (Virginia Polytechnic Institute and State University, in Blacksburg, Virginia) in any post-graduate program. Each year the scholarship is available, District 7570 will designate a district to receive the award. This geographical designation may be changed by William E. Skelton (the "designator") during his lifetime. When the market value reaches US\$1 million award outbound Ambassadorial Scholarships as additional scholarships from District 7570.

Terms of selection will be in accordance with Foundation guidelines. Availability of such a scholarship shall be based on a spending amount that is determined in accordance with Foundation policies. As of 30 March 2002, the William E. Skelton Fund reflected a market value of \$670,583.27.

THE WILLIAM E. SKELTON ENDOWED SCHOLARSHIP FUND shall be held as an endowed fund and it is intended that its earnings shall qualify for any matching funds provided by the Commonwealth of Virginia under the Virginia Graduate and Undergraduate Tuition Assistance Program, its successor program or any other applicable public or private program.

The Rotary Foundation may impose its normal program terms, conditions and restrictions upon any grant of funds from the Fund. In the event of a change in circumstances such that the need of scholarship aid for the purposes set out in this agreement is greatly reduced or eliminated during the life of the designator, the designator reserves the right to select a new charitable designation for the income of the fund. If such a change occurs after the designator's lifetime, the spending portion from THE WILLIAM E. SKELTON ENDOWED SCHOLARSHIP FUND shall be used for other charitable purposes as directed by the individual so named by the designator. If the individual so named fails or ceases to act as the designator, then the use of this fund's spending shall be directed for other charitable purposes by the Trustees of The Rotary Foundation. It is William E. Skelton's wish that any future designation for scholarships to Virginia Tech and the Smith Mountain Lake 4-H Educational Conference Center be in equal dollar amounts with funding to be through the Virginia Tech Foundation.

In any event, this fund shall hereafter to be known as THE WILLIAM E. SKELTON ENDOWED SCHOLARSHIP FUND. This fund agreement supersedes prior agreement dated 27 March 1996, and signed by William E. Skelton as Designator and Geoffrey Large as General Secretary of The Rotary Foundation of Rotary International, and agreement dated 1 September 1997 signed by William E. Skelton as Designator and S. Aaron Hyatt as General Secretary of The Rotary Foundation of Rotary International.

THE ROTARY FOUNDATION OF  
ROTARY INTERNATIONAL

By: Edwin H. Futa  
Edwin H. Futa  
General Secretary

Date: 4 Dec 02

SEEN AND AGREED:

by: William E. Skelton  
William E. Skelton  
Designator and PRIP

Date: 4 Dec 02

## The Rotary Foundation Annual Endowed Scholarship Notification Process

January 2003

- February: Gift Administration Supervisor receives Trustee-approved spending amount data from Finance. Gift Administration Supervisor reviews all **endowed fund forms** and compiles a list of available scholarships for the study year 1 ½ years hence (i.e. In March 2003, the list contains information for 2004-05 scholar awards.)
- March: Gift Administration Supervisor sends Educational Programs Manager comprehensive list of available scholarships. **The list contains detailed information on the special restrictions for each scholarship.**
- March: Educational Programs reviews list sent by Gift Administration, and compares it against their copies of each scholarship's **endowed fund form.**
- March: Gift Administration and Educational Programs meet to review the list and **confirm the restrictions on each scholarship.**
- April: Educational Programs Resource Development Supervisor sends notification letters to every district with an endowment informing them of available endowed scholarships, scholarship restrictions, and procedures for selecting scholar recipients.