

Loveland Rotary Club Response Updates for TEF Board Consideration

August 17 – From Kim

Hi Charlie,

The TEF board of directors met yesterday afternoon and reviewed the LRCF proposal of a change to the 1.5% fee and approved that the attached documents be forwarded to you and the LRCF.

Your letter offered an opportunity to look at the cumulative impact of LRCF scholarships for our students and for TEF. I have broken out the 2022 Loveland Rotary scholarships/amounts into three columns, the current 1.5% fee, the proposed \$35 flat fee and a third using the assumption that each scholarship takes a minimum of 2 hours to process and extrapolating the \$35 fee as an hourly cost. Please see the definitions page for a more thorough explanation of this worksheet.

We are happy to meet and consider options, however, the TEF board has the following concerns about a flat fee and its impact on our existing fee structure:

- As referenced in the worksheet/definitions pages, a flat \$35 fee would increase the amount scholarship donors at \$2,000 and under pay.

- TEF manages many scholarships that are not under the umbrella of the LRCF. For equity and for accounting purposes, a change made specific to LRCF would need to be applied to other community scholarship donors.

- The 1.5% management fee is the same fee that TEF charges on all incoming donations, not just scholarships. The current fee is applied in an equitable way across donations per TEF policy (with a few exceptions related to grant acceptance guidelines and historical gift arrangements).

Our board is grateful that Loveland Rotary Club supported the initial implementation of the Foundant platform to process TEF scholarships and the enhanced partnership that has emerged from that first two years. We are proud that we have been able to support the subsequent Foundant contracts without additional funding requests to the club and that our partnership to support TSD student scholarship needs has continued and grown.

When you have had a chance to review the attached documents, let me know if you have questions and/or would like to meet to discuss. Thank you, Kim

August 23 – From Charlie, LRCC

Hi Kim,

First, let me complement you on a nice presentation at Rotary today. You delivered an important message that can't be heard too often.

Thanks for getting back to me on the fee structure at TEF. It is clear you and your board gave this a lot of thought and there are a lot of moving parts. We discussed this topic at our board meeting today and have a suggestion that we hope will be "fair to all concerned" and simple to implement. Our suggestion is to keep the fee structure as is at 1.5%, but to put a maximum cap on the fee. We believe a fee of a

maximum of \$50 per check seems fair. This policy would be simple to implement and should allow TEF to cover the necessary costs of operation.

Also, if it helps TEF operations, it is not a problem for us to get you the necessary funds for scholarships at an earlier date. Would getting you funds in May be a help to you?

Please get back to me with your thoughts on this proposal. Thank you for all you do for our community.

Sincerely, Charlie Bouchard, Loveland Rotary Club Foundation

August 24 – From Kim

Hi Charlie,

Thank you for your kind words and absolutely thanks to Loveland Rotary for being part of the solution to unhoused youth support. I am so hopeful we are closer to a place where real and substantive changes can be made.

I appreciate the LRCF board's consideration of the layers of scholarship management. The TEF board won't meet again until September 20 so it will be some time before I can reply to your proposal. However, I wanted to ask for clarification. When you referenced a maximum cap of \$50 per check, I am assuming your meaning to be \$50 per scholarship, not \$50 per incoming check to TEF as sometimes checks are for more than one award. Am I correct in my assumption?

Having the funds available by the end of May each year would be really helpful. TEF could also increase our communication to you about what is pending for each scholarship award. I'm wondering if a shared Google document with real time information about which scholarships dollars have been received and which are still pending would be helpful. Since some of the funds come to us from the donors and some cumulatively through the foundation, it might be helpful for both of our organizations to be monitoring a shared document. Thank you, Kim

August 24 – From Charlie

Your \$50 per scholarship maximum assumption is correct. I love the idea of a shared Google document. Anything we can do to increase transparency and efficiency would be a great benefit to Rotary and TEF. Let us know if there are things we can do on our end to make your job easier.

Thanks for taking this to the board. I am certain we can reach a fair solution.