

**RESOLUTION GOVERNING
THE MONTESSORI SOCIETY OF CHAMPAIGN-URBANA
ENDOWMENT FUND**

This Resolution, dated this 29 day of January, 2024, is made by the Board of Directors of The Montessori Society of Champaign-Urbana (the "Society") for the purpose of establishing the operational policy of the Society's quasi-endowment fund (the "Fund") disbursement, funding, and usage policies. Furthermore this resolution shall serve to narrow the "spendable earnings" clause in the [resolution establishing the Fund](#).

DISBURSEMENT POLICY

While so constituted, and except as otherwise provided herein, a maximum of five percent (5%) of the endowment's total value (principle and earned interest) shall be deemed "spendable earnings" available for use each year by the Board of Directors of the Society. Interest earned in excess of this percentage will be used to increase the principal balance of the Fund. The total spendable earnings from the Fund, as determined by the Board of Directors of the Society, are to be distributed at least annually to the Montessori School of Champaign Urbana (MSCU), by the 15th day of July, and in increment amounts up to the total spendable earnings as the Board of Directors of the Society may determine.

Disbursement Exceptions

However, the Society has the authority to redirect the use and application of both principal and earnings of the Fund and the authority to expend all or any portion of the principal which it deems advisable at such time as the Board of Directors of the Society shall unanimously vote to resolve in writing that the financial condition of the Society is such that the Society is at material risk of defaulting on its financial obligations or of otherwise not being able to fund its current operating expenses. A copy of such resolution shall be certified by all members of the board of directors and filed with the records of the Society as authority to release the assets of the Fund to the general account of the Society.

FUNDING POLICY

An initial deposit or transfer of \$97,013 shall be placed into a separate or segregated account, as established in the [investment policy](#) of December 11, 2023. The following three (3) funding sources for the Fund are:

1. If spendable earnings are less than the budgeted amount for need-based financial aid for the following year, then up to 50% of the total enrollment fees collected in the current fiscal year will be applied to financial aid. Any portion of the 50% of enrollment fees that, in combination with spendable earnings, exceeds the budgeted financial aid will be deposited into the Fund to increase the principal balance no later than the 15th of the following September.
2. Gifts may be added to the Fund at any time by the Society or by other donors and should be deposited within 60 days of receipt.
3. Investment earnings above 5% will be added to the principal of the endowment as outlined below:

Investment of the Fund shall be in accordance with the Board of Directors of the Society Investment Policy which outlines the types of investments, the investment strategy, and target returns for the endowment. The Board of Directors of the Society may from time to time also determine that a portion or all of the spendable earnings be reinvested in the Fund, and the Board of Directors of the Society shall have final authority and discretion as to the investment and reinvestment of the assets of the Fund. The current [Investment Policy](#) was approved by the Board on December 11, 2023.

USAGE POLICY

Narrowing the scope of the resolution establishing the endowment fund, the spendable interest earnings from the Fund shall be used for the following purposes:

1. Primarily to help fund need-based scholarships to underrepresented families whose children might not otherwise be able to attend the Society's school;
2. To help maintain an operating fund valued at two months and more during financial challenges, if approved and documented by a Board resolution to that effect.

Usage Termination

It is intended that the Fund shall be continued as long as the need for the Fund exists and assets are held in the Fund for its purposes. If the Fund is terminated for any reason, the net assets of the Fund shall be distributed to the Society's operational school(s). In the event the Society has been dissolved prior to such distribution, the assets constituting the Fund shall be distributed to such organization or organizations as, in the opinion of the last Board of Directors of the Society, or in default thereof by a court of competent jurisdiction, most nearly meet the purposes of the Society.

This resolution is intended to be in accordance with the terms of the Jan 20, 2004 resolution that established the society's endowment fund and to provide additional guidance of governing policy of the Fund. This resolution and the fiduciary duties of the Board of Directors of the Society shall be governed by and construed in accordance with the laws of the State of Illinois. Any provision of this resolution that is determined to be invalid or unenforceable shall be severable and shall not affect the validity or enforceability of the remaining terms and provisions hereof.

Historical Related Files

[10.10.22 Finance Committee Endowment Policy Notes](#)

[2.28.21 Statement of Financial Position Martinhood](#)

[9.15.20 Financial Policies Investment Proposal](#)

[1.20.04 Resolution Establishing Society Endowment Fund](#)