



P.E.O. Foundation
3700 Grand Avenue
Des Moines, IA 50312
(515) 255-3153

Form F-OPT (05-08)

P.E.O. FOUNDATION

OPTIONS FOR ESTABLISHING NEW FUNDS

In order to keep administrative expenses at the lowest possible level, all **new** funds must be established using the following guidelines:

Chapters or individuals may establish a fund in the Foundation with a \$1,000 initial deposit toward a required minimum permanent balance of \$5,000 reached within four years. (Canadian provinces have five years to meet the minimum USD balance). Until a fund reaches the \$5,000 minimum, no awards can be made, and it is excluded from the allocation of realized investment gains or losses, although it will receive interest income.

Option # 1 – Annual Income Transfers

Donors may establish a fund with the income automatically transferred each November, or accumulated until sufficient to pay awards as stipulated in the Statement of Operation. Transfers are to be made to one or more of the qualified educational and charitable projects of International Chapter. If transfers are to be divided between more than one project or charity, that division must be equal. For example, if all five International projects were to benefit, the division must be 20% of income to each.

Option #2 – Scholarship Funds

Funds may be established for payment of scholarships. Upon reaching the \$5,000 principal balance, income will be available for scholarships. Scholarships may be paid to the recipient, or to the school in which she is enrolled. No scholarship fund shall be established whereby the income is transferred to a school for their selection of recipients. If the donor wishes to increase the available scholarship payout for the current year, a separate check may be awarded from the donor directly to the recipient or the school in which she is enrolled. Amounts of \$2,500 or more are paid in two installments. Installments for smaller amounts are not allowed.

Option #3 - Undesignated

Funds can be established for the benefit of the projects without the donor having to determine the exact distribution of income. Donors can leave that decision to the current trustees of P.E.O. Foundation. All undesignated funds are distributed in November based upon research by P.E.O. Foundation trustees into current needs of the projects.

In order to establish a fund under this option, the donor must allow the income to be distributed to any of our five International projects.

STATEMENT OF OPERATION

All funds are to have a Statement of Operation that determines how the fund will operate and must be selected from one of the above options. Deviations from the P.E.O. Foundation spending policy are not permitted.

INCOME

Spendable income will be determined by (1) the spending policy adopted by P.E.O. Foundation Trustees; (2) specific award amounts established in the Statement of Operation; or (3) by spending the excess fund balance over a set principal balance. This must be determined in the Statement of Operation. While the Statement of Operation can be changed, yearly changes will not be allowed.

The option of returning a portion of spendable income to the principal is not permitted, however it does stay in the fund and continues to earn investment income.

TRANSFERS BETWEEN FUNDS

Transfers of income from one P.E.O. Foundation-administered fund to another such fund are not permitted. Donors who wish to support a current fund should make their contribution directly to that fund.