History of the Foundation

The Calgary Rotary Clubs Foundation

The information available regarding the early history of the Foundation is limited, but information gleaned from Past President Bill Tait (RCC Downtown, 1968-69), Past President Stan Sailor (RCC Downtown, 1985-86) and John Collins (Honourary Director) indicate that the concept of a foundation was conceived and initiated within the RCC Downtown.

According to Bill Tait, the RCC Downtown member Holland Cameron, who managed Birks Jewellers, was encouraged by a Rotary friend in Vancouver to follow that club's lead, in establishing a foundation within the Calgary Club.

According to Stan Sailor, the estate of club member Jeff Hanna, in the late 1960's, left a bequest to the Club with the instructions to utilize the monies in a manner deemed appropriate. This seemed to be the catalyst that implemented the foundation.

According to John Collins, the RCC Downtown then approached the North, Stampede Park and West Clubs with the concept which then eventually resulted in the formation of the Calgary Rotary Clubs Foundation (CRCF).

The date of incorporation of the Foundation under the Alberta Securities Act was September 20, 1972. Curly Galbraith and Bill Tait were the early champions of the formation of the Foundation. Curly was encouraged to be the first Chairman but declined because he was in the process of becoming President of the RCC Downtown and also involved in Rotary District 5360 affairs and a short time thereafter was to become District Governor. Accordingly, the mantle fell to William (Bill) Tait (Insurance Broker) to be the first Chairman of the Board.

The other inaugural Board members were George H. Galbraith (Professional Engineer, RCC Downtown), Stanley Sailor (Printer, RCC Downtown), James Fowler (Chartered Accountant, RCC Downtown), Olin Buker (Investment Broker, RCC Downtown) Charles McNaughton (Businessman, RCC Downtown), Lloyd Ligget (Insurance Agent, RCC Downtown), Gardie Shaw (Businessman, RCC Stampede Park), Donald McKinnon (Management Consultant, RCC Stampede Park), Nicholas Taylor (Geologist, RCC North), Thorton Summerell (Insurance Adjuster, RCC West), and John Collins (Chartered Accountant, RCC West).

Over the succeeding years, more Clubs in Calgary joined the Foundation. But the same guiding principles incorporated in the original application documents and By-Laws have continued to guide the Foundation, reads as follows:

"The objects of the Society are to receive and maintain a fund or funds and apply from time to time all or part thereof and/or the income derived therefrom exclusively for any charitable and /or educational purpose and for any benevolent, philanthropic, charitable, provident, educational or other useful purpose."

"For the better attainment of the above objectives, to encourage Rotarians and their friends to give and/or bequeath other valuable assets to the Society."

"The distribution of the income and capital of the funds of the Society shall be by the advice and direction of the members of the Society. Such distribution shall be made to the /Clubs for the exclusive application to their respective community service projects. Each distribution shall be allocated and paid to each of the Clubs on a pro-rata basis in proportion to the total donations of the clubs to the funds of the Society."

Contributions to the Foundation trickled in for the first few years, but received a major boost in 1975 as a result of a bequest of RCC Downtown member Matt Brownlee of some $252,600.

Historical Total cumulative endowment contributions and investment funds retained are as follows:

May 31, 1977	$325,000
May 31, 1982	$565,000
February 28, 1987	$824,000
February 28, 1992	$1,350,000
February 28, 1997	$2,130,000
February 28, 2002	$3,028,000

A "watershed" occurred in 2007, when the Foundation was blessed with a major contribution from the estate of RCC Downtown member, Everett and Ellen Mayhood. This gift played a major part in the increase in total investment funds in the Foundation as show below:

February 28, 2007	$25,832,000
February 28, 2008	$33,618,000
February 28, 2013	$37,444,000
February 28, 2014	$42,905,000
February 28, 2015	$47,490,000
February 28, 2018	$52,473,000
February 28, 2019	$53,763,000
February 28, 2020	$55,190,000
February 28, 2021	$58,882,000
February 28, 2022	$59,119,000
February 28, 2023	$56,748,858
February 29, 2024	$63,006,960
February 28, 2025	$68,316,603
February 28, 2026	$71,750,282

The original B-Laws remained unchanged, except for some minor amendments, until 2007 when a considerable amount of updating was done to more properly reflect the current structure and operations of the Foundation. In 2016 and 2024 the By-Laws were again reviewed and modified.

Ever since the inception of the Foundation, the Board member representation has been more heavily weighted to those Clubs which have provided the preponderance of the total endowment funds (RCC Downtown, RCC Stampede Park, RCC West and RCC North). Over the years there have been several changes in the weighting for these clubs as Directors were added from clubs who joined the Foundation at later dates.

In the late 1980s, an Investment Committee of three Board members (which has been increased in size over the years) was established to liaise with the investment advisor. This arrangement existed until 1999 when the Board concluded that: (1) with approximately $2,500,000 of endowment funds, the Foundation had reached a suitable size to engage a firm of investment advisors to manage the portfolio; (2) it was also time to begin investing a portion of the funds in equities.

On the recommendation of the Investment Committee, a professional investment firm was engaged to manage the portfolio with instructions that no more than 20% of the total funds would be allocated to equities in the first year and 30% in the second year. At the same time, an investment policy was developed for the guidance of the investment manager and the policy has been amended several times over the years.

In 2005, in anticipation of the receipt of substantial endowment funds from the Mayhood's, the Investment Committee was asked to investigate the concept of adding a second investment manager primarily to diversify the investment risk and establish competing, comparative results.

The Board's Gift Acceptance Policy allows donors, usually covering the lives of donor Rotarians, to make a gift of life insurance to the Foundation by transferring ownership of a new or existing policy to the CRCF or by naming the CRCF as a beneficiary of a life insurance policy. These policies can be of three types: fully paid up, prepaid cash working capital to sustain premiums and those where premiums are paid annually by the donors. Policies for which ownership is transferred, or where the CRCF is named an irrevocable beneficiary, are carried on the balance sheet of the Foundation at their cash surrender value. In the event that the donor is unwilling or unable to make the required premium payments the CRCF reserves the right to continue the premium payments and recover the amounts paid upon policy redemption. The Board's Treasurer, with the oversight of the Investment Committee, monitors policies donated to the Foundation.

The Mayhood bequest, established in 2007 specified that the income earned from the Mayhood's endowment would be paid to the RCC Downtown. The Club in return, is obligated to pay 50% of the income received to the Rotary International Foundation while retaining the other 50% for its own community services activities. One half of the funds sent to Rotary International are returned in the fourth year to District 5360 (Southern Alberta) to be used for Rotary district-approved charitable initiatives.

The Foundation is now into its fifth decade. It is estimated that approximately $25 million of earnings have been recycled back to the participating Rotary Clubs to substantially augment their funding of local, national and international charitable projects. The participation of volunteer guidance and oversight by a dedicated Board of Directors and associated committees provides the insurance that the Calgary Rotary Clubs Foundation will be a vehicle that will continue to provide financial life blood to the many worthy projects of the Rotary Clubs of Calgary continuously into the future.