

Transylvania County Education Endowment

ARTICLES OF FORMATION

Article I: Name and Purpose

Section 1: Name

The name of this organization shall be Transylvania County Education Endowment, hereinafter referred to as the "Endowment."

Section 2: Purpose

The purpose of the Endowment is to support and enhance education by establishing a fund to be utilized to improve teachers' and students' competencies through strategic disbursements. The ultimate goal of the endowment will be to secure the education of the student citizens of Transylvania County, through 100% local funding without any need for state or federal monies that carry encumbrances.

Article II: Duration

The Endowment shall operate on a rotating seven-year basis.

During the first seven years, no disbursements may be made from the Endowment.

In the second and following seven-year intervals, funds may be dispersed from the interest accrued during the six disbursement years, but in the seventh year, all funds must be retained to promote the growth of the Endowment. The only funds that may leave the Endowment during the rest year are those funds needed to operate the fund by the third-party administrator.

After a seven-year cycle, the endowment will again commence with disbursements following the model above.

Money must be dispersed into operational savings funds of the type and function as required by the Board of Directors to allow the continued operation of the fund during the rest year. (See III.2.d)

Article III: Disbursement Guidelines

Section 1: Disbursement Period

During the six-year disbursement period, the Endowment is permitted to disburse funds for designated purposes.

Section 2: Allocation

- a. Up to 50% of the disbursements shall be allocated for salaries of educators.
- b. Up to 25% may be utilized for capital/maintenance funds and capital projects.

- c. The remaining balance, up to 25% must be directed towards the acquisition of new technologies and resources aimed at enhancing the competency of both teachers and students.
- d. A portion of the funds (approximately 1/6th of the yearly disbursement) must be held back for use during the rest year.

Article IV: Governance

The governance of the Endowment shall be overseen by a Board of Directors, who shall be responsible for implementing and overseeing the disbursement guidelines outlined in Article III.

The Board of Directors shall be comprised of seven members. Two members shall be appointed from the existing school board by a vote of the current school board. They shall serve a 2-year term. The third member shall be the superintendent. The final four members shall be comprised of four members from the residents of the county. The Board of Education shall elect these final four members upon submission of qualifications and registration for candidacy. They will also serve a two-year term.

The superintendent shall serve as the chairman of the board, and will not vote unless the board has a tied vote.

50% of the initial elected membership shall serve an initial 1-year term.

Elections shall be held yearly in the first school board meeting of the year. The School Board may at its discretion approve a selection committee of former Endowment Board members to select the elected Board of Directors with the School Board giving consent.

The Board of Directors shall approve all funding requests from the Board of Education.

A third-party administrator shall be appointed and from time to time a review of third-party administrators shall be conducted as deemed necessary by the Board. The third-party administrator shall be responsible for all legal and regulatory matters concerning the Endowment.

Article V: Third-Party Administrator

A third-party administrator shall be appointed and from time to time a review of third-party administrators shall be conducted as deemed necessary by the Board. The third-party administrator shall be responsible for all legal and regulatory matters concerning the Endowment.

Section 1: Appointment

The Board of Directors may appoint a third-party administrator to manage the day-to-day operations, including disbursements and financial management of the Endowment.

Section 2: Responsibilities

The third-party administrator shall work in accordance with the policies and guidelines set forth by the Board of Directors. Their responsibilities may include but are not limited to, financial management, record-keeping, and reporting.

Article VI: Amendments

These Articles of Formation may be amended by a majority vote of the Board of Directors, provided that such amendments are consistent with the overall purpose of the Endowment.

IN WITNESS WHEREOF, the undersigned, being the initial directors of Transylvania County Board of Education, do hereby adopt these Articles of Formation on this [Date].

Kimsey Jackson, Chair, Board of Education

Date

Dr. Lisa Fletcher, Superintendent of Schools

Date

Tanya Dalton, Vice Chair, Board of Education

Date

Tawny McCoy, Member, Board of Education

Date _____

Bryan O'Neill, Member, Board of Education

Date

Chris Wiener, Member, Board of Education

Date