Changes to the *Rotary club of Watsonville* and *Watsonville Rotary Endowment*

Effective immediately, the ***Watsonville Rotary Endowment*** will change its name to ***Watsonville Rotary Foundation***.

1. Our club “Endowment” originally included only endowment funds (Bowen and Cronin), for which are restricted so that the principal (corpus) can never be spent. All donations are made out of the accumulated earnings, without touching the principal.
2. As a foundation, we can hold other funds or accounts that will allow the principal to be spent as deemed appropriate, such as with pass-through donations intended for other organizations.
3. This change will not affect the current restrictions on the Bowen and Cronin Endowment funds.
4. Checks will be made out to the “Watsonville Rotary Foundation”.
5. Proceeds from the Golf Tournament will be added to the restricted endowment funds.

All charitable donations previously run through the club bank account, i.e. Rotary Club of Watsonville, will henceforth be processed through the new ***Watsonville Rotary Foundation***, and we will ask you to make your checks out accordingly.

1. Checks written to the ***Rotary Club of Watsonville*** technically cannot be deducted as charitable contributions, because the club is tax exempt under Internal Revenue Code 501(c)(4). So even though someone donates $100 at Mine Marty to go to Second Harvest Food Bank, for instance, it is not technically deductible because the check was written to the Rotary Club, rather than to Second Harvest. This could cause a problem with the IRS if that person were ever audited.
2. Checks written to the ***Watsonville Rotary Foundation*** technically CAN be deducted as charitable contributions, because the Foundation is tax exempt under Internal Revenue Code 501(c)(3). Donations to the Foundation are always deductible for individuals and businesses.
3. The Club is moving the following charitable funds from the books of the ***Rotary Club of Watsonville*** to the books of the ***Watsonville Rotary Foundation***:
	1. Rotary International Foundation (TRF)
	2. Lewisburger
	3. Peru Project
	4. Any similar funds in the future that involve the receipt of donations intended for ultimate distribution to other organizations, e.g. Shelter Box, Salvation Army, etc.