**Appendix A**

**Otis Jackson Scholarships**

**Background**

The Otis Jackson Fund was established to honor the memory of Otis Jackson, a graduate of Oglethorpe University, member of Buckhead Rotary, and important citizen of Atlanta. Initial donations were solicited from the community and from Buckhead Rotarians. The fund was also one of the optional charities to which members could contribute through the club invoice.

The Buckhead Rotary Foundation was established in 1992. In 2008 there was an agreement to merge the two funds. At the time of the merger, the net worth of the BRF was a little more than $472k and the Jackson net worth was about $206k. The combined funds set the “base amount” for calculating the annual scholarship at $677,908.

The intention was to have the annual scholarship grant grow as the new, combined corpus would grow. There is a question of whether the founders intended to ignore the fact that the net worth of BRF includes not only investment gains, but also contributions from the Ball, bequests, contributions to the permanent fund, etc. Of course, the Jackson Fund also would have increased to some degree by the quarterly contributions that some Rotarians were making, bequests, etc. The amount of those increases is impossible to estimate, whereas the additional contributions to the BRF since the merger could be ascertained through research.

**The key issues for the current Trustees to consider are:**

Did the founders contemplate that the annual scholarship grant, originally $10,000, would become $26,000 in RY 2022 and, with similar growth of the BRF corpus over the next 13 years, grow to $96,000 by 2035? Would they have thought that scholarships for Oglethorpe students would be more useful to the community than other projects the club could do with those funds?

Should the current Trustees change the formula for calculating the amount of the scholarship grant and/or set a cap on the amount that can be granted?

**Comments:**

According to John Saunders, the Policy controlling the scholarship calculation and the granting of scholarships can be amended in any way that the Trustees choose. Technically, an amendment to the Articles of Incorporation would have to be filed. Since the same body (Trustees) would authorize both the amendment and the new Policy, John did not see a compelling reason to go through the motions of the amendment to the Articles.

**Conclusions:**

The ad hoc committee appointed by Chairman Ty Tippett was asked to research and make comments on the Otis Jackson Scholarship Policy. That committee met to consider the issues; summarize the issues involved, and then address the questions listed above. After discussing the case for making no change to the Policy, the committee drafted the following motion for consideration by the full Board of Trustees:

RESOLVED: That the amount of the annual scholarship grant be set at the RY2022 level, which was determined to be $26,000 using the existing formula (see note below). That grant would increase each year by 1.5% (roughly half of the historical increase in tuition at most universities), rounded to the nearest $1000. Any number of scholarships could be granted, but the total value of those grants could not exceed $26,000 plus the inflation adjustment of 1.5%. The obligation to provide scholarships honoring Otis Jackson is perpetual and can never be less than the $26,000 set for the 2022 academic year (plus the inflation adjustment).

This formula has the added benefit of making it easy to calculate and communicate the amount of the scholarship many years into the future.

Note: The amount of the academic year 2022 scholarship grant was calculated following the guidelines that have been used to date: divide the net worth of the Foundation as of June 30 of the year prior to the award – $1,792,082 on June 30, 2021 – by 677,908 to determine the multiplier to be applied to the base scholarship amount of $10,000 and then round to the nearest $1000. In this case, the multiplier is 2.644 so the scholarship funding for 2022 was determined to be $26,000.