



To: All Council Presidents in the Edmonton Diocese
Honourary Life Members
Life Members
cc. All Diocesan Officers
Father Jozef Wroblewski, Diocesan Spiritual Advisor

From: Mary Hunt, President
Edmonton Diocesan Council
The Catholic Women's League of Canada

Date: 10 December 2015

Re: **Doreen Melton Fund**

At the Fall Meeting in Lloydminster there was discussion about the Doreen Melton Fund which annually provides a \$500.00 scholarship for a seminarian studying at St. Joseph's Seminary. The Diocesan Officers brought forward a proposal to move the Doreen Melton fund to an endowment fund with the Foundation of St. Joseph Seminary and Newman Theological College.

There were a number of questions at the meeting which we would like to answer in this memo. We are also open to other suggestions regarding this fund. We will be discussing the Doreen Melton fund again at the Mid-Winter Meeting on January 30, 2016. Currently, our plan is to bring forward a motion at the Diocesan Convention regarding our current proposal and we want you to be well informed before you make any decision on behalf of your councils.

The proposal is that an endowment fund through the Foundation of St. Joseph's Seminary and Newman Theological College be established. It would be named for Doreen Melton and the Edmonton Diocesan Council of the Catholic Women's League according to the wishes of the Edmonton Diocesan Council. An agreement would be drawn up that would direct the use of the interest that the endowment makes. The Foundation's endowment funds are currently earning about 5% so our fund could earn about \$1,250 in a year. The presentation of the scholarship to the award recipient would still occur at a Diocesan meeting. Some of the history about Doreen Melton and her contribution to the Catholic Women's League in the Edmonton Diocese would be part of the information about the endowment and the scholarship that is awarded from it. This information will be made available on the Foundation's website and seen by many people outside of the Catholic Women's League which would increase visibility of the CWL and further recognition of Doreen Melton's contribution to the CWL.

The reasons for this proposal are:

- To enable the fund to earn a greater return which would enable the scholarship amount to be fully funded by the interest in the fund (currently it is having to be supplemented out of general revenue),
- To increase the amount of the scholarship to better reflect current economic times (there has been no increase to the \$500 amount throughout the 40 year history of the scholarship), and

- To ensure that our support of seminarians through the scholarship would continue in perpetuity as was the desire when the fund was established.

Here are the questions raised at the Fall Meeting:

Q. Could we fundraise to increase the amount of the fund capital so that interest earned would cover all of the scholarship?

R. At today's interest rates, we are able to invest the fund amount of \$24,757 in a GIC that only earns between 1.1 – 1.5%.

	At 1.1%	At 1.5%	Additional Funds Needed
To earn \$500	\$45,455	\$33,333	~ \$10,000 – \$20,000
To earn \$1,250	\$113,636	\$83,333	~ \$60,000 – \$90,000

The amount that we would need to fundraise to earn the amount that an endowment can earn would be difficult to achieve. If we are going to start a major fundraising campaign, would we want to support a scholarship that could be self-sufficient if it was put into an endowment?

Q. What about investing in something else that would earn a higher rate of return?

R. We enquired at our bank about better investment opportunities and were told that these are generally considered too high risk for a non-profit organization to invest in (there is a risk that you could lose some of the value of your investment if markets drop). With endowment funds, money from all of the funds are pooled and invested by a skilled person who is able to balance various investment returns and risks. Rather than giving our money to a bank to invest, we would be entrusting it to the Foundation to invest.

Q. What about fundraising to raise the shortfall for the current scholarship so CWL could continue to hold the funds?

R. While that could be done, the ability to increase the scholarship amount to keep up with inflation may be limited. As well, there is a risk that the funds set aside for this scholarship could have its purpose changed by a future Diocesan Council and our support to seminarians in this way could end. An endowment fund ensures that the money is invested for the purpose outlined in the agreement for perpetuity.

We would like to hear from you with any questions that you might have about this proposal or any other suggestions that you may have for this fund. **Please send your questions or suggestions to Jean Ashdown, Diocesan Treasurer, (jean.ashdown@telus.net) by December 31, 2015 so that we have time to look into them prior to the Mid-Winter Meeting.**

Include in your calendars attending the Mid-Winter Meeting on January 30, 2016, at St. Albert Church in St. Albert for this important discussion!

Mary J. Hunt