

# Duns Scotus Formation Fund

## Principles and Procedures

### I. Name of Fund

The name of the fund is the **Duns Scotus Formation Fund (DSFF)**.

### II. Purpose of the Duns Scotus Formation Fund

The DSFF is intended to support formation-related programs, activities and projects that benefit the members of the Secular Franciscan Order.

### III. Basic Principles of the Duns Scotus Formation Fund

The DSFF is established as a restricted fund held by the National Fraternity of the Secular Franciscan Order-USA (NAFRA). NAFRA has jurisdiction over the fund and the provisions described herein. A portion of the earnings of the DSFF (see Section V.B.) is available to fund formation-related programs, activities and projects of the Secular Franciscan Order. The available funds are disbursed as grant awards administered by the DSFF Administrative Board as described below or by act of the National Fraternity Council. Amendments to these *Principles and Procedures* may be made by a vote of the National Fraternity Council.

### IV. Administration of the Duns Scotus Formation Fund

#### A. DSFF Administrative Board

1. The Administrative Board will oversee the management and use of the DSFF, determining:
  - a. the amount of funds available for grants in each Fund Year.
  - b. project eligibility
  - c. evaluation criteria for grant requests
  - d. applicant responsibilities
2. Ex-Officio Members
  - a. National Fraternity Minister (Chair)
  - b. National Fraternity Treasurer
  - c. National Formation Commission Chair
  - d. Conference of National Spiritual Assistants President-in-turn
3. Members appointed by the National Executive Council (NEC) after consultation with the National Fraternity Council
  - a. Secretary (non-NEC, serving at the pleasure of the DSFF Board)
  - b. Three (3) members at large (non-NEC, staggered terms)

The members-at-large will be initially appointed in 2019 to a term of one year, two years, or three years. Subsequent appointments will be for two years, and will be reviewed and made prior to the annual National Chapter. Consideration will be given to achieving broad geographic representation.

4. Meetings of the Administrative Board
  - a. A quorum of a simple majority is needed for any Administrative Board decisions.
  - b. An annual meeting, meetings at the end of each grant funding cycle and any additional meetings are held as needed to manage the fund in accordance with the directives of these procedures.
  - c. Meetings are held in-person (one per year), by conference call, or by other electronic means. Additional in-person meetings must be approved by the NEC.
  - d. Expenses for these meetings will be paid from the earnings of the DSFF (see Section V.B.4.) and will comply with NAFRA travel guidelines.

B. Reporting to NAFRA

1. The Administrative Board will report the amount of funds available for disbursement in the upcoming DSFF Fund Year by June 30 of each year.
2. The Administrative Board will give a detailed status report on Fund Year activity in writing prior to the annual NAFRA Chapter.

**V. Development and Use of the Duns Scotus Formation Fund**

A. Principles Governing the Use of Funds

1. All investment instruments shall be overseen by the NEC and shall in no way contradict the Franciscan values and ideals of universal peace and justice, the sanctity of the family, love and respect for the environment, and the dignity of work and of all people.
2. Funds designated as DSFF are to be held separately and not comingled with the NAFRA General Fund or other Restricted Funds.
3. The available funds are disbursed as grant awards administered by the DSFF Administrative Board or by act of the National Fraternity Council.

B. Maintaining the Fund and Grant Awards

1. The original endowment amount plus the original required accumulated reinvestment as of December 30, 2018 (see Schedule A) is considered the base amount, and will be preserved in the DSFF restricted fund.
2. To allow for growth in the fund, five percent (5%) of the annual earnings on the fund investments will be retained and added to the base amount as defined in Section V.B.1. above.
3. The base amount plus the annual five percent (5%) earnings allocations will be maintained, unless determined otherwise by the National Fraternity Council.
4. DSFF grants, operating expenses and other allocations will be paid first from the current earnings of the previous calendar year and then from the accumulated undistributed earnings as determined in Section V.B.5., below.
5. The Fund Year is a fiscal year beginning July 1 and ending June 30. The DSFF Administrative Board determines the amount available for disbursement in each Fund Year as follows:

- a. After the final year-end bank statements are received and reconciled in January from all DSFF investment and cash accounts, the total earnings for the previous calendar year from interest, dividends, and realized and unrealized capital gains will be determined.
- b. Five percent (5%) of the annual earnings will be retained and added to the base amount. The remaining ninety-five percent (95%) of the annual earnings will be available for disbursement in the upcoming Fund Year.
- c. Undistributed earnings from prior Fund Years will be maintained as available funds in upcoming years. All undistributed accumulated earnings above the base amount will be available for grants disbursement, with the provision that no more than twenty percent (20%) of the total accumulated earnings will be distributed in any one Fund Year.

## **VI. Applicant Guidelines for Grant Proposals**

### **A. Scope of Proposals**

The DSFF provides financial assistance for formation-related needs.

### **B. Who Can Apply**

Any Secular Franciscan or group of Secular Franciscans needing financial assistance to improve formation may apply to the DSFF. Requests from individuals or from local fraternities are made through the regional fraternity.

### **C. Limitations**

Except in cases of great financial need, funds will not be provided for the normal operating expenses of a region or local fraternity.

### **D. Content of Proposals**

Grant proposals must have a formation component. Examples of potential subjects for proposals include but are not limited to the following:

- National formation priorities and initiatives
- International formation projects
- Regional formation initiatives
- Joint initiatives among neighboring local and/or regional fraternities
- Co-development of formation programs with Franciscan institutions
- Leadership training
- Youth
- Vocations
- Justice, Peace and Integrity of Creation (JPIC)
- Ongoing formation - special topics
- Spiritual assistance workshops
- Multicultural programs
- Translations of formation materials

#### E. Learning Modalities

The DSFF Administrative Board encourages the development of grant proposals that utilize diverse learning modalities such as the following:

- Experiential learning
- Distance learning
- Accessible modalities
- Video presentations / live streaming of events
- Interactive digital support for formation directors and spiritual assistants

#### F. Submission of Proposals

Grant proposals are submitted to the Administrative Board via a two-step application process.

1. Application Step 1: The applicant sends a brief description of the proposed project to the Administrative Board via email. A Board member will contact the applicant to discuss the merits of the project and the potential cost. After consultation with the full Administrative Board, the Board Member will contact the applicant to discuss next steps.
2. Application Step 2: The applicant completes the DSFF Grant Application form and submits it to the Administrative Board via email.

#### G. Application Deadlines and Notification

There are four funding cycles for DSFF grant awards. Awards will be announced within 30 days of the close of each funding cycle. Funding cycles are:

1. July 1- September 30
2. October 1-December 31
3. January 1-March 31
4. April 1-June 30

#### H. Follow-up Report

Grant recipients will provide a written report to the Administrative Board that evaluates the success of the project and includes a financial report within ninety (90) days of the completion of the funded project.

### **VII. Administrative Board Procedures for Grant Awards**

- A. The Administrative Board will respond to Step 1 applications typically within two weeks of receipt.
- B. DSFF Grant Step 2 applications will be reviewed on a quarterly basis (see Section VI.G., above). Equitable consideration will be given to all grant proposals.
- C. Award notifications will be made in a timely fashion, as described in Section VI.G.

**DUNS SCOTUS FORMATION FUND  
PRINCIPLES AND PROCEDURES  
SCHEDULE A**

From the date of inception in 1997, all of the Duns Scotus Fund has been held in one account, meaning that the 95% of earnings which were available to distribute for grants was left with the original endowment until funds were needed. In determining the amount to establish a value for the base amount (original endowment plus the 5% earnings reinvested over the life of the fund) three different calculations were made. This was necessary because while we have the change in the value of the account for each year since 1997, we do not have the full details of the fund’s activities for each year, i.e. amount of actual earnings and losses, dates and amounts reinvested, dates funds were withdrawn for grants, all of which have an impact in determining the actual base amount and how much of the fund is actually available for grants.

The first calculation was made taking the fund balance as of 12/31/2018 subtracting the original \$500,000 and identified distributions over the life of the fund. The remaining fund is assumed to be the increase from earnings. The 5%/95% ratio specified in the original Duns Scotus documents was applied to this increase. The 5% calculated as \$35,486.

The second calculation was made using the same assumptions in the first calculation, however, in loss years, a loss calculation was factored in the earnings. This lowered the 5% calculation to \$22,818.

The third calculation was made using the same assumptions in the first calculation, but there was no loss calculation factored into the earnings. This increased the 5% calculation to \$53,885.

Since an absolutely accurate calculation for the 5% of earnings to be left with the original endowment and to be the base amount which these Principles and Procedures reference is impossible without the details, we have determined that an average of the above three calculations would be the fairest.

Calculation 1	\$ 35,486
Calculation 2	\$ 22,818
Calculation 3	\$ 53,885
Total	\$ 112,189
Average of 3 calculations	\$ 37,396
Rounded up to	\$ 37,500
Original Endowment	\$ 500,000
<b>Base amount as referred to in V.B.1</b>	<b>\$ 537,500</b>