



**Trustees of the USPS Educational Fund**  
**Report to the Governing Board**

**25 February 2017**

Thank you Chief.

And good afternoon to my fellow Members, families, and our guests.

My name is Fred Mangelsdorf. I'm a member of the Mid-Hudson Squadron in District 2.

It is, however, in my role as Chairman of the Trustees of the USPS Educational Fund that I appear before you today, to present the Annual Report of the EdFund to the Governing Board.

I am pleased to report that the Educational Fund is financially healthy. At the end of the year, that would be 30 November 2016, the Fund had total assets of \$3.8 million. A year ago, I reported that total assets were over \$3-1/2 million dollars. A small increase this year, but still, it was an increase.

In this past year the investment income was \$117 thousand, and contributions to the fund in 2016 were \$43 thousand, almost all from Members such as yourselves. Thank you for your generosity.

Those gifts to the Fund are held in perpetuity; grants are made only from the accrued investment income of the funds.

As a long-standing policy decision, there is a spending limit that the Trustees use as a guideline in deciding how much money will be available in any one year for making new grants. The Trustees reaffirmed that policy in our meeting earlier this week, and the spending limit for this year is \$200 thousand.

The monies donated to the Educational Fund are put to good use. Over the years, more than two-hundred grants have been made by the Educational Fund, ranging in size from a few hundred dollars to almost \$200,000. The total amount of these grants is some

\$2.6 million. All of you should be proud of the role you have played in helping USPS through the vehicle of the EdFund.

Most of the grants have been to USPS, but it is not a requirement of the Trust Declaration that the grants be so directed. As a matter of fact, just earlier this week legal counsel advised the Trustees that a few grants to organizations outside of USPS would be a good thing. You can help in that regard -- if your other boating organization needs some financial support for a project involving boating education, you can go to the EdFund web site and complete a Grant Request. I can not promise you that a grant will be made, but I can assure you the Grant Request will receive serious consideration.

Let me discuss briefly several recent grants that the EdFund has made, to give you a better feel for the ways in which your support of the EdFund has helped new initiatives within USPS.

The Chapman Awards Committee submitted a grant request in 2015 for assistance in revamping the Chapman Awards Program. A grant was made for \$5,000, to enable the Committee to purchase, for the next three years, the awards presented to the squadrons of the Chapman award winners. You saw a piece of that today when the Chapman Awards were made here on the floor.

Another grant, or really a series of grants, that I want to mention is the support that the EdFund has provided for the development of on-line courses. From 2009 to date, the EdFund has awarded six grants to support the development and marketing of on-line courses. These six grants total \$489 thousand. It's been a process for the Education Department, learning how to build effective on-line courses, and then learning how to more effectively market them. The EdFund has believed that this was an important new direction for USPS to take, and the Trustees have been pleased to help support it.

The third grant I want to mention was made a couple of weeks ago, and it has an interesting history.

In 2014 the EdFund Trustees began some internal discussions along the lines of, "Where is EdFund money most needed in USPS? Is USPS really going down the tubes? Can it be saved? Should it be saved? Does the EdFund, with financial resources

available, have a responsibility to try to drive the direction of USPS, or is our only responsibility to respond to grant requests that are submitted?"

Tough questions. Tough answers

It was decided that the EdFund should be quietly proactive; that support should be offered to try to move the organization in new directions. The EdFund Trustees met with the directors of the Century Fund in January 2015, and proposed a major new initiative in marketing and advertising that would be jointly funded by the EdFund and the Century Fund.

The EdFund proposal was well received; and in May 2016 the EdFund granted \$50,000 to the Board of Directors to assist with phases 2 and 3 of the marketing studies being performed by R+M.

That work is expanding and continuing, now under the aegis of the Marketing Committee, and two weeks ago the EdFund Trustees provided a new grant of \$177,500 to help support this work.

The funds that you, the members of USPS, have contributed to the Educational Fund over the years are being well used. Thank you for your contributions, both past and future.

Before leaving I would like to say thank you to you, the members of the Governing Board, for having twice elected me to serve a three-year term as a Trustee of the Educational Fund.

And I would also like to say thank you to my fellow Trustees for having 5-times elected me to be their chairman for a year.

But now, my time is up as a Trustee. It has been an honor and a pleasure to serve USPS in this way.

And, thank you Chief, for the opportunity of presenting this Annual Report of the Educational Fund to the Governing Board.

Fred Mangelsdorf, Chairman

Trustees of the USPS Educational Fund

cc: The Chief, National Secretary, MCB, EdFund Trustees, The Web