



## MEMO

To: ACF Board of Trustees  
From: Rebecca Harrington, Governance Committee Chair  
Date: December 13, 2022  
Re: Variance Power – Heights Healthcare Foundation Fund for Osteopathic Education Designated Organizational Endowment Fund

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The above-referenced fund (*the “Fund”*) was established in 1984 as an organizational endowment fund for Heights Hospital.

Heights Hospital closed in the 90s and the fund became a designated organizational endowment fund to support the New Mexico Foundation for Osteopathic Education and Professional Development (*the “Beneficiary”*).

ACF was alerted in 2016 that the Beneficiary had renamed itself the Southwest Foundation for Osteopathic Education and Research (“SWFOER”). SWFOER affiliated itself with the Burrell College of Osteopathic Medicine.

SWFOER has requested ACF to transfer the assets of the Fund to SWFOER where it will be combined with a scholarship fund at Burrell College of Osteopathic Medicine (“*Burrell*”). Burrell is the primary professional development opportunity for osteopaths in the state of New Mexico. SWFOER believes the combination of funds will be more efficient and save administrative costs on the distribution of funds.

SWFOER has provided ACF with a letter of support for this request from Mr. Ralph McClish, an original member of the New Mexico Foundation for Osteopathic Education and Professional Development Foundation at the time the fund was converted to a designated organizational endowment fund.

SWFOER confirms the funds from ACF will remain permanently endowed, providing one to two scholarship per year for students who will remain in practice in New Mexico.

This is the third formal request from SWFOER. ACF previously denied this request in 2011 and 2017. In 2011, ACF denied the request as the funds would have left the state of New Mexico. In 2017, the denial was based on the request to liquidate the fund to support the first class of Burrell College.

The current fund balance is \$142,313. The fund provided an annual management fee to ACF of \$2,244 in 2021 (1.5%).

The Governance Committee unanimously moves the Board of Trustees to use its variance power to release the Fund to SWFOER, a 501(c)(3) nonprofit, for its permanently endowed scholarship fund.