Alfred Bader fonds

Correspondence

Friends of the Royal Society of Chemistry 1987-1994

SPC/0294:04

MEMORANDUM

To : Dr. T. Inch
BH

From : John Johnson
TGH

Date : 18 January 1994 Ref: MJJ/jr

SUBJECT : **Friends of Royal Society of Chemistry Inc.**

Enclosed please find:

Attachment to Form 1023 - this is a brief outline of the Organisation. I do not have any other documentation - I presume this must be in your files.

A letter from Foley & Lardner

This sets out clearly the current situation and classification. As you will see, Dr. Bader is aware of the new classification.

A summary of transactions since the inception of 'Friends' shows:-

Grants from Dr. Bader	188,567
Other Donations - see list	1,811
Interest received	25,973
Total Receipts	$216,351
Grants to Universities etc.	136,668
Legal Costs and Bank Charges	15,451
	152,119
Balance in hand at 30/11/92	64,232
	$216,351

Attachment to Form 1023

Friends of the Royal Society of Chemistry, Inc.
c/o R. S. Gallagher
777 East Wisconsin Avenue
Milwaukee, Wisconsin 53202

Part III, Item 3:

Friends of the Royal Society of Chemistry, Inc. (the "Organization") is a Delaware nonstock corporation. It was organized to support scientific research projects at educational institutions in the United Kingdom. The principal activity of the Organization will be to provide funding for scientific research activities conducted at universities and educational institutions in the United Kingdom, particularly in the field of chemistry. The Organization will support only research which is carried on in the public interest. The Organization itself does not plan to conduct research activities.

The need for funding of academic research projects in chemistry has come acute in recent years. The Organization intends to identify projects where "leading edge research" is in need of funds to be continued effectively and will offer grants to scientists and educational institutions conducting such projects. In addition, it intends to give an annual prize, which will be known as the Bader Award, to a top scientist at an educational institution engaged in such leading edge research. The number of grants to be awarded and the amount of each grant will vary depending upon the funds available to the Organization through contributions and investment income. Research grants will be made only to scientists conducting their work at universities or other educational institutions, rather than commercial or industrial enterprises.

The By-laws of the Organization provide (section 1.02) that the approval of all grants and contributions made by the corporation shall be within the exclusive power of the Board of Directors of the Organization. All requests and proposals for grants or contributions to be made by the Organization shall be reviewed by the Board of Directors or a committee of directors established for that purpose. The Board of Directors may, in its sole discretion, refuse to make any grants or contributions or otherwise render financial assistance to or for the use of any person or organization requesting funds from the Organization.

The Organization is independent from, and not controlled by, the Royal Society of Chemistry. It shares many of the same goals and scientific purposes pursued by the Royal Society of Chemistry.

FOLEY & LARDNER

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ORLANDO, FLORIDA
TALLAHASSEE, FLORIDA
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A MEMBER OF GLOBALEX
WITH MEMBER OFFICES IN

LONDON, ENGLAND
PARIS, FRANCE
BERLIN, GERMANY
STUTTGART, GERMANY
DRESDEN, GERMANY
SINGAPORE
TAIPEI, TAIWAN

September 23, 1992

Mr. P.G. Barragry
Chief Accountant
Royal Society of Chemistry
Thomas Graham House
Science Park, Milton Road
Cambridge CB4 4WF

Re: Friends of the Royal Society of Chemistry, Inc.

Dear Mr. Barragry:

The Directors of Friends of the Royal Society of Chemistry, Inc. should be aware that the private foundation status of the organization is likely to change in 1993. I will explain the current status and the implications of the change in this letter.

At the time Friends of the Royal Society of Chemistry, Inc. received its determination of tax-exempt status from the Internal Revenue Service, the IRS granted what is called an advance ruling. Under the advance ruling, the organization is considered to be a public charity, rather than a private foundation, until the end of November 30, 1992. After that date, the IRS will require the organization to submit a report concerning all of its sources of income for its first five years of existence. The IRS will then make a final determination of the organization's private foundation status.

Based on the information in the annual Form 990 filed by Friends of the Royal Society of Chemistry, Inc., it appears that the organization will, in fact, be classified by the IRS as a private foundation after its current fiscal year, which ends November 30, 1992. The reclassification of the organization as a private foundation will not affect its exemption from U.S. income taxes nor its ability to accept deductible contributions from U.S. taxpayers.

In order to be classified as a public charity, rather than a private foundation, the organization would need to receive

more than 10 percent of its support from contributions from the general public and other public charities (so-called "public support"). If its total public support were less than 33 percent, the organization would need to meet certain other tests as well. In computing the percentage of public support, the organization is only permitted to count a small portion of the amount contributed by each person. The result is that an organization which receives most of its support from a handful of big contributors cannot pass the test for public charity status.

From the date of its incorporation (December 18, 1987) through November 30, 1991, Friends of the Royal Society of Chemistry, Inc. received contributions totalling $140,305 (pounds sterling converted to dollars). Of that total, Dr. Alfred Bader contributed $135,500. Based on the IRS' peculiar formula for computing "public support," Friends of the Royal Society of Chemistry, Inc. is considered to have received only 5 percent of its support from the general public.

To avoid private foundation status, Friends of the Royal Society of Chemistry, Inc. would need to receive a number of contributions from different individuals or organizations by November 30, 1992. The exact amount needed would depend on how much Dr. Bader has contributed to the organization since last November. The organization would also need to demonstrate to the IRS that is has conducted a real fundraising drive in its own name (<u>not</u> in the name of the Royal Society) and that it intends to continue its fundraising efforts in the future.

I have discussed this situation with Dr. Bader and he is not concerned about the change of status which will occur barring any unforseen contributions to the organization occurring before November 30.

Assuming that Friends of the Royal Society of Chemistry, Inc. is reclassified as a private foundation, the following consequences will result:

(1) The organization will be required to file Form 990-PF each year, instead of Form 990.

(2) The organization will be required to pay a 2 percent excise tax on all investment income, including capital gains. This tax is reported and paid with Form 990-PF each year. The tax will be applied retroactively to all investment income earned since the date of incorporation.

(3) Beginning December 1, 1992, the organization may no longer make grants to individuals (other than for the Bader Prize) but must make all of its grants to educational institutions. In addition, grants to institutions may not be earmarked for a particular individual. If the organization wishes to make scholarship, fellowship or research grants to specific professors or students, its selection procedures must be submitted to the Internal Revenue Service for approval before any such grant is made.

(4) The Bader Prize must be awarded primarily in recognition of past achievement; there may not be any condition or requirement to be met by the recipient after receiving the prize. If past recipients have been required to contribute an article to Aldrichimica Acta, that requirement must be eliminated.

Beginning December 1, 1992, the organization may place obligations on prize recipients only if the grant program is submitted to the IRS for approval before such prizes are awarded.

(5) Private foundations must receive an opinion of counsel each time a grant is made to a non-U.S. charitable or educational institution. As long as Friends of the Royal Society of Chemistry, Inc. make grants to established universities, these opinions will not pose any problem.

(6) As indicated above, Friends of the Royal Society of Chemistry, Inc. will still be exempt from U.S. income tax and will be able to receive deductible contributions from U.S. residents.

Please let me know if you have any questions.

Sincerely yours,

Marsha E. Huff

Marsha E. Huff

cc: Dr. Alfred Bader
Jere D. McGaffey, Esq.

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Friends of the Royal Society of Chemistry Inc.

Secretary and Treasurer
Dr J.S.Gow

Incorporated in the State of Delaware

Burlington House
Piccadilly
London W1V 0BN
Tel +44 1 437 8656
Fax +44 1 437 8883

March 1990

Dear Colleague,

The Friends of the Royal Society of Chemistry Inc was set up in 1987 in the State of Delaware as a Non-taxable, Non-Profit Company. Its objective is to support chemical research in UK academic institutions. As you probably are aware, fundamental research in the UK currently suffers from under-funding, and initial donations to the Company have been used to support such research being undertaken by leading UK chemists.

Since the Company has tax exempt status in the USA, it was felt that you might wish to mark the Royal Society of Chemistry's 150th Anniversary by making a donation to the Friends of the Royal Society of Chemistry Inc rather than by responding to the Anniversary Appeal itself.

Donations by cheque may be made to:

Friends of the Royal Society of Chemistry Inc
P O Box 14082
Church Street Station
New York City
New York 10249-0011.

Direct-to-bank wire transfers may be made to:

Friends of the Royal Society of Chemistry Inc
Account number 2982003851
National Westminster Bank, USA
North American Service Centre
175 Water Street
New York City
New York 10038.

Yours sincerely,

J M Ward

J M Ward

From Gerald King.

SCHEDULE

Donations paid to the Friends of the Royal Society of Chamistry to be repaid to the Royal Society of Chemistry's 150th Anniversary Appeal Fund.

	$
Miklos M. Breurer 88 Stanley Road Newton MA02168	25
E. I. Becker 32 Oxford Road Newton MA02159	15
R. A. Condrate New York State College of Ceramics Alfred University Alfred New York 14802-1296	10
Dr. J. Cymerman Craig University of California San Francisco California 94143	50
James C. French 3150 Rumsey Dr Ann Arbor Michigan M148105	50
Albert C. Holler 3205 Wendhurst Ave N.E. Minneapolis Minnesota 55418-1727	50
Dr. C. P. Ramaswamy 19-1 Interval Gardens 3579 RT 46 Parsipanny N.J. 07054	51
Dr. G. R. Sanderson 2813 El Rastro Lane Carisbad CA92009	10
J. T. Stock 21 Meadowood Road Storrs Connecticut 06268	50

Dr. R. Stuart Tipson 10303 Parkwood Drive Kensington Maryland 20895-4041	100
Dr. J. M. Tyler 1010 Hammond Drive 279-2737 N. Augusta SC 2984	100
K. C. Wong 5118 W. Davit Santa Ana CA 92705	150
Warner Lambert Company Pharmaceutical Research Div 2800 Plymouth Road Ann Arbor Michigan 48105	500
Dr. A. F. Turner 8 Manchester Close The Highlands Berwyn Pensylvania PA19312	50
G. Roberts 167 South Oak Knoll Avenue N.15 Pasadena CA 91101	100
	* 50
	*200
	*250
	1811

*Details of payers incomplete - being investigated

CONFIDENTIAL SPC/0294:05

STRATEGIC PLANNING COMMITTEE

CONSTITUTION OF COUNCIL

The Strategic Planning Committee will wish to consider possible changes to the constitution of Council. Working Party 2000 was asked in June 1992 by SCC (minute 11.1, 25.6.92) "to give consideration to the composition of Council, in the light of its expected responsibilities at the turn of the century, and bearing in mind a suggestion that there might be a need for greater flexibility in representation on Council". The Working Party gave an interim response saying that the matter would be considered after certain other issues had been resolved, including the discussions with the SCI and the Board and Committee restructuring.

The current constitution of Council as set out in the By-laws is attached.

The current membership of Council (as from 1 January 1994) is also attached.

An appropriate timescale might be to prepare a preliminary report for Council in July 1994, with a final proposal for approval by Council in December 1994. The approval of the AGM in July 1995 would be sought, the agenda paper being circulated with Chemistry in Britain in May.

E K McEwan
January 1994.

the publications available to members without charge since the first day of January in that year.

Part IX

THE CONSTITUTION OF THE COUNCIL

32. The Council shall consist of the following:

Officers

(a) The President.

(b) The Immediate Past President, *or*

(c) The President Elect.

(d) The Honorary Treasurer.

who shall be *ex officio* Members of the Council.

Elected Members of the Council

(e) Nine National Members elected after nomination in accordance with By-law 40 or 41.

(f) Six Divisional Members elected after nomination in accordance with By-law 42 or 77.

(g) Twelve District Members elected after nomination in accordance with By-law 43 or 80.

Ex Officio and Appointed Members of the Council

(h) The Divisional Presidents elected by the members of the Divisions established in accordance with By-law 75, who shall be *ex officio* Members of the Council.

(i) Up to six Chairmen of the Boards appointed by the Council in accordance with By-law 68(i), who shall be *ex officio* Members of the Council.

(j) The Chairman of the governing Board or Committee of the Trust constituting the Benevolent Fund of the Society.

(k) Up to six other Representatives of Boards or Committees appointed by the Council in accordance with By-law 68. Each such Representative shall be appointed as a Member of the Council on nomination by a Board or Committee at the invitation of the Council.

(l) Such Additional Members, if any, as may be appointed by the Council in accordance with By-laws 33 and 34.

33. The Council may at any time appoint any member as an Additional Member of the Council to serve for such period not exceeding three years as the Council may at the time of the appointment determine, but so that at no time shall there be more than four Additional Members of the Council pursuant to any such appointment. One such Additional Member of the Council may be appointed for the specific purpose of representing members who live outside the United Kingdom and the Republic of Ireland.

34. Notwithstanding the limitation in By-law 33, if as a result of appointments or elections made under the provisions of By-laws 32 and 33 the number of Members of the Council who are Professional Members shall at any time fall below forty-five, the Council shall be required to appoint such number of Professional Members to be Additional Members of the Council as will bring the number to forty-five, and they shall serve until the Annual General Meeting next following their appointment.

35. If an *ex officio* Member of the Council under the provisions of paragraphs *(h)*, *(i)* and *(j)* of By-law 32 is unable at any time to attend a meeting of the Council, another member of his Divisional Council or Board or Committee shall at the discretion of the Council be permitted to take his place at that meeting provided that the member shall have been nominated and been given permission to attend the meeting in accordance with Regulations with regard to the nomination and rights of alternates which shall be prescribed in a Standing Order of the Council made in accordance with By-law 72.

36. (i) The persons holding the offices listed in paragraphs *(a)*, *(b)*, *(c)* and *(d)* of By-law 32 shall so long as they hold such offices be the Officers of the Society and are herein termed "the Officers".

(ii) An Officer shall, while in office, be eligible for election as a Divisional President or for appointment as the Chairman or representative of a Board or Committee set up in accordance with By-law 68(ii), and in the event of such election or appointment shall serve on the Council in a dual capacity but shall have one vote only in accordance with By-law 65.

(iii) Unless he has been appointed in accordance with By-law 54 to fill a casual vacancy no retiring Officer may be re-elected or reappointed to any office within one year after ceasing to hold that office, except that, in the event of the death or retirement of the President during his first year of office, the Immediate Past President shall be eligible for appointment as President in accordance with the provisions of By-law 56.

Part X

THE ELECTION OF THE COUNCIL

37. (i) An election to fill vacancies on the Council shall be held annually in the manner hereinafter provided, and the result of the election shall be declared at the Annual General Meeting.

(ii) Any member shall be eligible for election as a Member of the Council.

(iii) Only Fellows shall be eligible for election as an Officer of the Society as defined in By-law 36.

38. (i) In the month of November in each year a list shall be prepared by the Secretary giving the names of all Officers and Members of the Council and indicating those who are due to retire at the next Annual General Meeting. The list shall be published as soon as practicable, but in any event not later than the fifteenth day of Janaury in each year, in a publication which is issued without any charge to members whose annual subscriptions are not in arrear. If publication on or before the said date is impracticable a copy of the list shall be sent, in the manner provided in By-law 88, to each member entitled to receive notices. The Council shall at the same time and in the same manner nominate persons to fill vacancies occurring in the offices listed in paragraphs *(c)* and *(d)* of By-law 32 and shall state the names of any persons nominated in accordance with the provisions of By-law 77 and of any persons nominated in accordance with the

THE COUNCIL OF THE ROYAL SOCIETY OF CHEMISTRY
Following the Annual General Meeting 1993

	POSITION	NAME	TO RETIRE
1.	President	Professor C W Rees	1994
2.	President-Elect	Professor J H Purnell	1994
3.	Honorary Treasurer	Dr R A Jeffreys	1995
	National Members		
4.		Dr M E Farago	1994
5.		Professor G F Phillips	1994
6.		Dr D Simpson	1994
7.		Dr J W Nicholson	1995
8.		Dr M J Snowden	1995
9.		Professor J F J Todd	1995
10.		Professor J A K Howard	1996
11.		Mr H R Jones	1996
12.		Dr P Thornton	1996
	Divisional Members		
13.	Analytical Division	Professor J D R Thomas	1995
14.	Dalton Division	Professor B T Heaton	1994
15.	Education Division	Mr M H Coles	1995
16.	Faraday Division	Professor M J Pilling	1996
17.	Industrial Division	Dr P H Ogden	1994
18.	Perkin Division	Professor R J Stoodley	1995
	District Members		
19.	Eastern England	Dr L J Rigby	1995
20.	Ireland	Professor N M D Brown	1994
21.	Manchester & North Staffs	Professor J C Tebby	1996

	POSITION	NAME	TO RETIRE
22.	Midlands	Dr A J Waring	1994
23.	North West England	Professor J D Hepworth	1995
24.	Scotland	Professor A R West	1996
25.	South East England	Dr S R Challand	1994
26.	South West England	Dr W O Davies	1996
27.	Tyne and Tees	Professor D Booth	1995
28.	Upper Thames & Middlesex	Dr M J Almond	1995
29.	Wales	Professor H G Heller	1994
30.	Yorkshire & Humber	Mr D T Smith	1996
	Divisional Presidents		
31.	Analytical Division	Dr E J Newman	1994
32.	Dalton Division	Professor J J Turner	1995
33.	Education Division	Dr M Goldstein	1995
34.	Faraday Division	Professor J P Simons	1995
35.	Industrial Division	Mr B D Joyner	1995
36.	Perkin Division	Professor S V Ley	1995
	Board and Committee Chairmen		
37.	Benevolent Fund Committee	Mr T F McCombie	
38.	Education and Qualifications Board	Professor M I Page	1995
39.	Professional Affairs and Membership Board	Professor J H Holloway	1997
40.	Publications and Information Board	Miss A R Haygarth Jackson	1995
41.	Scientific Affairs Board	Professor E W Abel	1994
42.	-		

	POSITION	NAME	TO RETIRE
	Representatives of Boards and Committees		
43.	IC Representative	Professor J A McCleverty	1994
44.	PIB Representative	Professor H M Frey	1994
45.	PMB Representative	Professor J J Monaghan	1997
46.	PMB Representative	Dr D H Grayson	1996
47.	CBEB Chairman	Professor A G Davies	1997
48.	-		
	Additional Members, By-law 33		
49.		Lord Lewis	1995
50.		Dr P Doyle	1995
51.	-		
52.	Representing overseas interests	Professor R F Kempa	1995

Average age:

FOLEY & LARDNER

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TAMPA, FLORIDA
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WITH MEMBER OFFICES IN

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BERLIN, GERMANY
STUTTGART, GERMANY
DRESDEN, GERMANY
SINGAPORE
TAIPEI, TAIWAN

February 18, 1993

VIA FACSIMILE

Mr. S.S. Langer
International Affairs Officer
The Royal Society of Chemistry
Burlington House, Piccadilly
London W1V 0BN
ENGLAND

Dear Mr. Langer:

Dr. Alfred Bader referred your inquiries concerning Friends of the Royal Society of Chemistry to me. The organization was formed in December, 1987. I would be happy to supply you with copies of any documents you may need concerning Friends of the RSC. However, I believe your colleague, Mr. P.G. Barragry, may have a file on the organization as well. He is in the Finance Department of the Royal Society of Chemistry, in Cambridge.

I do not know whether any solicitation of funds has occurred on behalf of Friends of the RSC, nor whether a U.S. bank account has been established. Mr. Barragry will have information on that subject.

In order for individuals and corporations in the United States to receive a tax deduction for contributions to Friends of the RSC, the following procedures must be observed:

1. The appeal for contributions must be made by Friends of the RSC and not by the Royal Society of Chemistry. For example, the appeal should not be prepared on stationery of the Royal Society and should be signed by an officer of Friends of the RSC, rather than an officer of the Royal Society. The solicitation

cannot be made by the Royal Society with directions merely to "make your check payable to Friends of the RSC."

2. Checks should be made payable to Friends of the RSC. Friends of the RSC must have its own bank account, separate from the Royal Society.

3. The appeal may state that contributions to Friends of the RSC are fully deductible for U.S. income tax purposes.

4. The appeal for contributions may indicate that donations will be used to assist research conducted in Britain, but it cannot state that the funds will be given to the Royal Society of Chemistry.

5. Contributions must be under the control of the officers and directors of Friends of the RSC, rather than officers of the Royal Society.

I would be happy to review your draft of a solicitation letter or notice before it is published.

If these formalities are followed, it is permissible for the solicitation to be sent to members of the Royal Society of Chemistry in the United States or printed in an appropriate publication sent to U.S. members.

Please let me know if you have any questions.

Sincerely yours,

Marsha E. Huff

cc: Dr. Alfred Bader
Mr. P.G. Barragry