Report of the
CALA Outstanding Library Leadership Award in Memory of
Dr. Margaret Chang Fung Committee

RE: 2015-2016 CALA Mid-Year Report Form

DATE: December 15, 2015
TO: CALA Executive Committee and the Board

Your Name: Sally C. Tseng
Email: sctseng888@yahoo.com
Committee Name: CALA Outstanding Library Leadership Award in Memory of Dr. Margaret Chang Fung Committee

Committee Roster:
Sally C. Tseng (Chair) sctseng888@yahoo.com;
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Committee Charge:
Committee Charges
1. Work on Action Plans for 2015/16;
2. Work on unfinished issues: Investment of the Fung’s Endowment Fund;
3. Call for nomination for the 2016 Outstanding Library Leadership Award in Memory of Dr. Margaret Chang Fung;
4. Evaluate nominees and select the award recipient; and
5. Prepare mid-year and annual reports.

AGENDA/ACTION ITEMS on the Fung’s Endowment Fund for the 2016 CALA BOARD MEETING (II) on Jan. 9, 2015 during ALA Midwinter in Boston: Three Options:

Option 1: Diversified the Investments of Fung’s Endowment Fund in PCM Fund and VEIPX: This option is the first choice of the donor and the Committee.

The Committee, on behalf of the donor, requests the Board to approve and authorize Hong Miao, the Treasurer, to immediately purchase 1,000 shares of PCM Fund by selling some VEIPX shares to cover the cost so that the combined annual dividends will have enough to pay for the annual Fung’s Award in the amount of $1,000.00 with additional income to be saved in the Fung’s Endowment Fund. We expect this transaction to be complete no later than Jan. 31, 2016.

Or, Option 2: Approve the attached October 24, 2015 - Amendment to the Agreement Between Mr. John Fung and the Chinese American Librarians Association (CALA). We
expect the signatures signing to be completed no later than Feb. 15, 2016.

Or, **Option 3:** If Option 1 or Option 2 does not work out. CALA returns the balance of the donated principal in the amount of $19,932.00 to Mr. John Fung, the donor. We expect Mr. Fung to receive the check no later than Jan. 31, 2016.

**WORK IN PROGRESS**

1. The Committee submitted our 2015/16 Action Plans to the President on September 15, 2015.

2. July to Dec. 15, 2015: We follow up and work with Dr. Lian Ruan, CALA President, and the Board on unfinished items on the Investment of the Fung’s Endowment Fund:

   a. Sent detailed information again to Dr. Ruan, per her request, on the advantages of investing in the PCM Fund on Aug 12, 2015.

   b. Received the Board’s approval of the Investment of the Fung’s Endowment Fund in the PCM Fund on Sept. 3, 2015.

   c. Following up on the investment in PCM Fund for the Fung’s Fund with Ms. Hong Miao, CALA Treasurer, from September to mid-October 2015, together with the able assistance of Carol Gee, Maria Fung and Esther Lee who have helped working with AmeriTrade on CALA’s investments. May be because of Ms. Hong’s personal reasons there is NO progress.
d. Unexpectedly, on October 19, 2015 we were told by Dr. Ruan that the Board had approved to invest the Fung Endowment Fund in the Vanguard Equity Income Fund (VEIPX). Hong Miao, CALA Treasurer will set up the account.

No CALA officer has contacted nor has consulted Mr. John Fung, the donor and members of the Committee regarding the abrupt changes in investment from PCM to VEIPX for the Fung’s Fund. The Board’s action is an evidence of CALA’s violation of the Fung-CALA Agreement and its Amendment which stated the requirement that “CALA officers will invest the endowment, in consultation with the donors … for investment of the Fung’s Endowment Fund”.

Furthermore, we discover that the dividends income from VEIPX only generate $554.8742 per year. It is approximately 25% of the annual dividends income ($2,200.00+) if PCM Fund were brought on the same date with the same money in the amount of $19,932.00, on October 23, 2015.

VEIPX’s annual dividends are drastically lower compared with that of the PCM Fund. It does not generate adequate money to cover the Fung’s annual monetary award in the amount of US$1,000.00 for the Outstanding Library Leadership Award in Memory of Dr. Margaret Chang Fung.

On the contrary, investment in the PCM Fund will bring in dividends $2,200.00 easily pay for the annual monetary award in the amount of $1,000.00 to a recipient of the Fung’s Award
and will have more than $1,200.00 annual income to be saved in the Fung’s Endowment Fund every year. Based on our fact findings we have confidence in the PCM Fund as a long-term investment for its solid high dividends paying to investors for more than 22 consecutive years. The PCM Fund would also increases the potential long-term total returns of the Fung’s Fund. Therefore, we call for those few CALA officers not to listen to hearsay. **For the sake of continuing our sincere support for CALA, we shall make compromise again with CALA officers to invest part of the Fung’s Fund in the PCM Fund so that CALA can pay the $1,000.00 annual monetary Award. Please see under Agenda/Action Items, Option 1 at the beginning of this report.**

e. On November 16, 2015, we sent our latest email correspondence to the CALA Executive Committee with copy to the Board on the investment of the Fung’s Endowment Fund. As of today, December 15, 2015, we have not received a response from our President, the responsible CALA official. That is why we have the above Agenda/Action Items with three options for the Board.

f. CALA needs to fulfill CALA’s commitments to invest the Fung’s Fund in the PCM Fund as approved by the Board so as to generate dividends for the annual monetary award of the Fung’s Award. Mr. Fung and the Committee are strong supporters of CALA with an enormous love and care for CALA and its members. The Fung’s Fund is one of the largest donations in CALA’s history. Our sincere intentions are in support of CALA and its members for enhancing CALA’s national and
international status. We sincerely hope current CALA officers do not disappoint us any further for our original goals.

The Committee, therefore, requests the Board to discuss and approve one of the three important options listed under the Agenda/Action Items in the beginning of this report for the Fung’s Endowment Fund. We hope the Board will make a wise decision.

g. Once the diversified investments are done, or the Amendment is signed, the Committee will be able to move to the next step of our Action Plans, such as Call for nomination for the 2016 Outstanding Library Leadership Award in Memory of Dr. Margaret Chang Fung.

We look forward to hearing from the President on the Board’s decision immediately after the CALA Board Meeting (II) in Boston. Thank you.

BUDGET REQUIREMENTS OR REIMBURSEMENT REQUESTS (IF ANY):

Our Committee members will gladly donate to CALA our time and expenses in working and in travelling for the business of the Committee.

QUESTIONS/COMMENTS/SUGGESTIONS TO THE BOARD

Please see also the attachments.
Respectfully Submitted by,

Outstanding Library Leadership Award in Memory of Dr. Margaret Chang Fung Committee

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Attachments:

1. Fung’s Investment-Emails to the Board; and
2. Fung-CALA Amendment-10242015