

Memorandum of Understanding: Donation of PIF Funds

This Memorandum of Understanding sets out the understanding which exists between the English Chess Federation and the Chess Trust Trustees in relation to the recommendation by the Board of the ECF that the British Chess Federation resolves to authorise the donation of assets from the Permanent Investment Fund (PIF) to the Chess Trust.

It is agreed that, without fettering the discretion of the Trustees, the following shall apply:

1. The Trustees will consult with the ECF Board on the appointment of non-ECF appointees as trustees (but with the Trustees having the final right of appointment).
2. The ECF Board will consult with the Trustees on the appointment of ECF appointees (but with the ECF Board having the final right of appointment).
3. The PIF funds (and any investment return on those funds) should be used for the benefit of English chess (i.e. consistently with the ECF's objectives) (i) in support of strategic/developmental initiatives in areas such as the general promotion of the game, the British Championships, social and community-based chess activity, encouraging more women to play chess, assisting our best amateur female players, accessible chess outreach, and capital projects undertaken by the ECF such as IT and Office infrastructure; and (ii) as an emergency fund of no less than £100,000 should the ECF's financial position require it.
4. Consistently with this, the Trustees will expect any proposals for disbursements from PIF assets to be consistent with the objectives set out in 3 above and for any proposals for disbursements from PIF funds to be submitted to them by the ECF Board after due review and approval by the ECF Board. The ECF Board understands that ultimate responsibility for disbursing PIF funds vests in the Trustees.
5. It is recommended that following the donation of PIF assets, the PIF and Chess Trust Trustees seek to liquidate Chess Centre Ltd and apply the resulting proceeds as part of the overall investment and application of those assets.
6. The Trustees will establish a separate sub-fund to receive the transferred PIF assets and any additional non-hypothecated donations or bequests that can be clearly identified as having been stimulated by ECF support for the Chess Trust.
7. The Trustees will adopt similar investment principles and policies for the PIF assets to those adopted for non-PIF assets held by the Chess Trust.
8. The Trustees appointed by reason of their positions as Chief Executive Officer and Finance Director shall inform the ECF Board of matters discussed by the Trustees in meetings with the other Trustees and shall communicate the views and recommendations of the ECF Board to the other Trustees.

Mike Truran
Chief Executive
The English Chess Federation

Ray Edwards
Chairman
The Chess Trust