



NATIONAL GRANGE

OF THE ORDER OF PATRONS OF HUSBANDRY

1616 H St. NW, Washington, DC 20006 | 888-4-GRANGE
www.nationalgrange.org | information@nationalgrange.org

June 20, 2017

Steven Coye, Master
New York State Grange
100 Grange Place
Cortland, NY 13045

Dear Worthy Master:

Thank you for writing to request a ruling on the question of whether a Grange can deposit the proceeds from the sale of its hall into a scholarship fund.

One of the original purposes of the Grange is education, and this Subordinate Grange should be applauded for establishing a scholarship fund for local high school graduates from their current treasury.

The Digest of Laws Chapter 4, Article XI, Section 4.11.1 (I) clearly states that the State Grange shall hold the net proceeds of the sale of Grange property. Therefore a local Grange would seem to be prohibited from having control or possession of the sale proceeds. In this case the Grange would not have access or control the funds, as their plan is to add the funds to the current scholarship fund which is deposited with and under control of a Community Foundation that determines the investment strategy as well as the awardees.

While the Digest states that the State Grange shall hold the net proceeds, it also provides for use of the funds in several ways. In addition to purchase of property or construction of a hall, the Digest also states in Section 4.11.1 (I)(4) that the funds can be "For use in accordance with the general purposes of the Order." As stated in the National Master's ruling, published in the 2010 Journal of Proceedings, page 270, education definitely fits in the criteria of use in accordance with the general purposes of the Order.

Any use of funds from the sale of property must be approved by the Executive Committee of the State Grange. If your Executive Committee wishes, it could approve granting the proceeds, (or a portion of them,) to the Subordinate Grange for the purpose of increasing the scholarship fund. This would be similar to approving a donation to another community group, which I believe is often requested by a Subordinate Grange and approved in these cases.

Therefore, while the Digest states that the State Grange must hold the net sale proceeds on behalf of the Subordinate Grange, I believe that your Executive Committee has the authority to determine what action would be in accordance with the general purposes of the Order. Sometimes the ongoing good publicity that could be gained from an annual scholarship could be more beneficial to the Grange than invested funds sitting in an account.

S. Coye
June 20, 2017
Page 2

I believe giving the sale proceeds to the scholarship fund would be allowable under the Digest if the New York State Grange Executive Committee approves it as the best action for the good of the Order. Perhaps a compromise could be reached by depositing a portion of the sale proceeds into the scholarship account and State Grange holding the remaining funds in trust for the Subordinate Grange. This would still allow the Grange to have some interest income for the future as well as increasing their scholarships for the betterment of the youth of their community.

Fraternally,

Betsy E. Huber
Master