



POLICY: Funds, Fund Types, and Criteria for Naming Policy

Preamble

The Foundation gives individual donors, family Foundations, businesses and charitable organizations a number of ways to fulfill their philanthropic objectives while supporting the well being of our community.

We believe that by strengthening the gifts, assets and capacity of individuals and groups, we strengthen our community. The Foundation specializes in building endowment funds, where the capital is not encroached, and uses the funds' earnings to support the ever-changing needs and opportunities of our community.

The Foundation has a number of types of funds available for donors. Many of them are open funds where gifts may be made by any interested contributor thereby allowing even modest contributions to be joined with others' gifts for maximum charitable benefit.

Donors may name the fund that they endow – for themselves, a family member, a company or a valued friend. Some funds have names that convey specific goals or purposes, or hold special meaning to the donor. The criteria for naming and establishing funds are identified below in each fund definition.

Funds – General Guidelines

All funds are open funds, meaning that any donor can make a gift at any time, once the fund is opened.

Donors to designated and advised funds will be provided with an annual fund statement, reflecting additions to the funds, administrative and investment fees charged against the funds, grants from the fund and the determination of annual distributable earnings for the subsequent year.

Annual distributions from the fund will be identified as having come from the fund, unless the donor wishes the distribution to remain anonymous.

Fund agreements will be required to establish all funds other than Named Funds. The board will approve templates for fund agreements for each type of fund. The board must approve any changes to the clauses of these templates. The Board will pass a resolution confirming the terms of each fund agreement.

Fund agreements can be amended during the lifetime of the donor.

Community Endowment Fund

This fund will consist of donations, large and small, from a variety of sources – individuals, corporations and Foundations. Donations to this fund give the Foundation the greatest flexibility to respond to current community needs through the provision of grants to charities. The minimum donation to establish a Named Fund within the Community Fund is \$5,000.

Field of Interest including Scholarship and Bursary Funds

These funds work much like the Community Fund, except that donors will identify an area of interest that they would like to target their support (ex. heritage, children and youth, relief of poverty, education (scholarship/bursary), etc.). The donor empowers the Foundation's Committees to select independent recipients to support based on fair and legitimate eligibility criteria suggested by the donor. Scholarship funds award high academic performance while bursary funds concentrate on financial need and satisfactory academic progress. The minimum donation to establish a Field of Interest or Scholarship or Bursary Fund is \$30,000.

Each new Scholarship & Bursary Fund will have 5 years from the date of the initial donation to reach the minimum balance level until which time no annual awards will be made (subject to CRA requirements from year to year). Scholarship & Bursary Funds not reaching the minimum balance level within the stipulated 5 year period will automatically revert to the Community Endowment Fund. If, at that time, the value meets or exceeds the amount required for a Named Fund, the option will exist to establish a Named Fund within the Community Endowment Fund

The scholarship and bursary awards must be made at arm's length, the recipient cannot be related to the donor and the selection of the award is made in a fair and transparent process. The Foundation will have a selection committee, with at least one board member, of which the donors can be a part of. The donor can participate providing they don't represent more than 50% of the selection committee. The selection committee recommends the recipients to the Foundation, and the Foundation accepts or rejects the recommendation of the committee.

Donor Advised Funds

Donor Advised Funds enable a donor to have ongoing participation in the selection of charities that will benefit from their gift. Donors can choose this type of fund instead of creating a family trust or private Foundation. Existing Foundations are able to transfer their assets to the Foundation to achieve higher returns or reduce administrative costs while still remaining involved in allocating grants. A minimum donation of \$30,000 is required to open a Donor Advised Fund.

Agency Agreement Funds

Agency Funds can be created on behalf of registered charities. The fund allows the charity freedom from investment responsibility and gives donors the confidence of knowing that a permanent Foundation is in place to professionally administer the charity's endowment. Once established, the charity will encourage their donors to contribute to their endowment fund. The minimum donation to establish this type of fund is \$10,000.

Monitoring

This policy will be reviewed and amended as needed.


Exceptions to the policy may be considered by the Board on a case by case basis.

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SIGNATURE(s):



President



Vice-President