

Endowment Policy

Approval date: October 2013
Review date: November 2022
Amendment date: May 2023

PURPOSE

To provide clear, transparent and accountable guidelines for the acceptance of endowments and the maintenance of endowment funds in a way that is consistent with PWRDF's vision, mission and values and in accordance with the objects of the Corporation.

APPLICATION

This policy applies to all directors, members, employees and agents involved in management of PWRDF's endowments.

POLICY

- Before accepting a restricted or designated gift, the Executive Director will
 - a) Review the proposed gift and its conditions in light of capacity and administrative considerations; and
 - b) if approved, have the gift reviewed by a legal professional before final acceptance.

PWRDF will

- Consider establishing endowment funds from bequests included in a donor's will or endowments comprised of outright cash donation or the redemption value of stock, bonds, or other marketable securities
- where possible, work with the donor in advance to state the gift in general terms so that the language allows for the possibility of changed circumstances in the future and provides for a more enduring long-term benefit
- make certain the any endowment agreement includes the following minimum terms:
 - a) definition of the purpose of the endowment
 - b) donor and funding information
 - c) the conditions and treatment of capital and income from the endowment and the distribution of funds
 - d) a provision allowing PWRDF to vary the terms or the purpose of the endowment if it becomes impossible or impractical to carry out the stated purposes or to operate under the terms
 - e) a provision allowing PWRDF to encroach on the capital of the endowment. In order to meet the charitable purposes of the designated purposes of the fund and/or in furtherance of the mission of PWRDF
 - f) a provision allowing the donor and PWRDF to amend any executed agreement by mutual consent
- ensure the endowment funds are managed according to the agreement between PWRDF and the donor or as laid out in a donor's will
- manage the endowment funds effectively, prudently and in material compliance with all applicable legal requirements
- invest endowment funds in accordance with the PWRDF Investment Policy
- hold each donor-restricted fund separately from other restricted funds
- inform donors of the minimum amount set by the board from time to time to establish an endowment.

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ADMINISTRATION

The PWRDF Investment Committee will provide to the Board of Directors an annual written report of endowment funds held as part of the overall Investment portfolio.

DEFINITIONS

An **Endowment** is a long-term fund invested to produce an annual payout to support the charity's mission. "Endowment" is not a legal term and is not found in Canadian law but is commonly used to describe long-term, sometimes even "perpetual", investment funds held by charities.

Endowment Funds are generally established by donor restricted gifts and bequests to provide a term endowment, which is to fund income for a specified period. The portion of a term endowment that must be maintained for a specified term is classified as temporarily restricted net assets, and is called the Endowment Fund for a given endowment.

AMENDMENT

This policy may be amended by the PWRDF Board.