

Yarmouth Hospital Foundation

Policy # ____ Acceptance and Disbursement Process for Donated Funds

1.00 Purpose

To outline the process to consider a proposal to administer funds on behalf of a donor.

2.00 Application

This policy applies to all donated funds including those funds arising out of planned giving.

3.00 Definitions

- 3.1 Foundation means Yarmouth Hospital Foundation.
- 3.2 General Funds – All funds or donations that are not restricted
- 3.3 Restricted Funds- Monies designated by the donor or the Foundation for a specific purpose
- 3.4 Established Funds- Restricted funds approved by the Foundation and listed in associated documents
- 3.5 Donor Specified Funds- Restricted funds that have been designated by the donor for a non-established fund of the Foundation
- 3.6 Internally Restricted Funds- Endowment funds that have limitations placed on the use of the principal by the Foundation.
- 3.7 Solicited Funds - monies solicited by the Foundation by way of annual giving specific campaigns or sanctioned fund raising events.

4.00 Scope

4.1 General Funds

It is acknowledged that many gifts to the Foundation are unsolicited and unconditional. These gifts are considered general in nature and may be disbursed at the discretion of the Foundation in such manner as the Foundation may from time to time approve for the area of greatest need. Notwithstanding anything herein contained the disbursement of General Funds is subject to the provisions of the Income Tax Act of Canada.

4.2 Restricted Funds

Donors who want to restrict their donations for a specific purpose must consult with and receive approval from the Foundation. Such approval will not be unreasonably withheld. Although the Foundation does not encourage restrictive giving, the Foundation recognizes that such gifts are in response to a deeply personal need or experience and therefore every effort should be made to accommodate the donor provided the restrictive purpose is within the bounds of acceptability by the South West Nova District Health Authority. Should the conditions stipulated by the donor not be acceptable to the South West District Health Authority, then the Foundation shall work with the donor to find an appropriate alternative.

It shall be agreed in writing between the donor of restricted funds and the Foundation, should the Foundation not be able to give effect to the donor's original intent within two years then the restricted funds shall be disbursed in accordance with the memo of agreement subject to all statutory requirements.

4.3 Established Funds

From time to time the Foundation may approve separate funds for a designated purpose. These are known as Established Funds. Donors may donate to Established Funds without previous approval from the Foundation.

Each Established Fund shall be managed by individuals who have been designated by South West District Health Authority and shall be accounted for separately. The finance department of South West District Health Authority will invoice the Foundation semi annually for monies approved and funded through its department by the officials as designated.

4.4 Donor Specified Funds

- (a) The Foundation will consider a proposal from a donor (s) to manage funds consistent with objectives of the Foundation
- (b) The Foundation retains the right to decline any proposal if it cannot manage the request within the capacity of the Foundation
- (c) The Executive Committee will evaluate each proposal
- (d) Upon completion of the evaluation, the Executive committee will make a recommendation to the Foundation and will report the decision of the Foundation in writing to the prospective donor (s) or representative of the donor(s)
- (e) The donor(s) or the donor's representative must provide the following :
 - e(i) purpose statement and proposal name
 - e(ii) the role, both short and long term, of the donor(s) or representative of the fund
 - e (iii) a plan detailing the intentions for fundraising, principal management, allocation of donations, investment considerations, duration of the fund.
 - e(iv) criteria for disbursement of funds and the identity of those parties required to approve disbursements
 - e(v) alternate use of funds should the fund become inactive for two years or should the Foundation be unable to affect the original intent or purpose.
 - e(vi) such other pertinent information that may be reasonable required by the Foundation
- (f) The Foundation will provide
 - (i) Purpose and function of the Foundation
 - (ii) Administrative fee as determined by the Finance Committee
 - (iii) Foundation's investment policy and practices as required
 - (iv) Statutory requirements for charitable organizations
- (g) If the Foundation approves a proposal, the Foundation and the prospective donor(s) or donor's representative must sign a letter of understanding which will provide detailed guidelines for administering the Donor Specified Fund before the Foundation accepts any funds. If the Board does not approve a proposal, the

Foundation will provide a letter to the donor(s) or donor's representative explaining the Foundation's position.

- (h) Notwithstanding anything contained in Paragraph 4.4, where a gift of a Donor Specified Fund sometimes also referred to as a Named Endowment Fund arises from the execution of a Will containing language directing that a named fund be established, then no other documentation is required but the bequest is subject to Paragraph 4.4(b) herein.

4.5 Endowment Funds

From time to time the Foundation may establish Endowment Fund(s) which have limitations placed on the use of principal as established by the Foundation.

The purpose of the Endowment Fund (s) is to provide a dependable and increasing source of future income for the Foundation and to assist with the mission of the Yarmouth Hospital Foundation, i.e. to "support and enhance our hospital as a community and regional centre of excellence in health care".

From time to time the Foundation shall transfer from their general funds such amount of unrestricted, undesignated or deferred gifts as in its discretion it may consider advisable to the Endowment Fund (s).

Endowment Funds shall be operated within the statutory requirements for charitable organizations and the investment policy and practices as determined by the Foundation.

The Foundation is empowered to employ such fund managers as may be required for the management of the funds at such fees as may from time to time negotiated by the Foundation.

The Endowment Fund (s) shall be monitored by the Finance Committee of the Yarmouth Hospital Foundation which, with the approval of the Foundation, shall develop management regulations and strategies with an intent to provide a predictable and reliable return from the Endowment Fund (s).

Disbursements from the General Endowment Fund (s) shall be determined by the Foundation in accordance with Statutory Requirements and recommendations from the Finance Committee as approved by the Board from time to time.

Disbursements from Named Funds shall be in accordance with statutory requirements and the Donor's Agreement.

4.6 Solicited Funds

Funds solicited by the Foundation by way of annual giving, specific campaigns or designated fund raising events shall be used in a timely manner for the purpose stated in the fund raising documentation or materials. In the event funds raised exceed the amount required to achieve the objective then any excess funds shall be considered general funds.

A statement to this effect should be included in the documentation and materials.

4.7 Approved Software

All funds accepted and disbursed by the Foundation shall be managed with the assistance of software approved by the Foundation.

4.8 Associated Documents

- (1) Executive Committee Terms of Reference
- (2) Memorandum of Association
- (3) Donor Bill of Rights
- (4) Fund Guidelines
- (5) Letter from Foundation's auditor defining YHF's compliance process to meet statutory requirements for charitable organizations including 3rd party liability
- (6) List of Foundation Established Funds
- (7) Donor Agreements
- (8) Established minimums for Named Funds.