

Number:	ADM-123
Title:	Endowment Management
Person responsible for enforcement:	Rector
Entered into force:	February 28, 2018
Approved:	February 28, 2018 by the Board of Governors <i>This document replaces all previous regulations on this subject.</i>
Exception:	No exception to this regulation without prior written authorization from the Board of Governors

In this document, the masculine form is used without prejudice and for conciseness purposes only.

1. Objective

This policy serves to establish the manner in which Endowed Funds are managed, communicate fund management requirements and provide the template for Endowed Fund Agreements.

2. Definitions

2.1 Capital allocation rate

A rate set by the Board of Governors.

2.2 Endowed funds

The individual endowment funds established by donors. They include the capital value of all donations and any capitalized amounts.

2.3 Endowed fund agreement

A document which sets out the management and administration procedures of each donor endowed fund.

2.4 Endowment minimum

The endowment minimum is the minimum donation amount required to establish an endowed fund. In 2015, the minimum has been set at \$20,000.

2.5 Investment income

The dollar value of all investment income earned or received in a specified period of time. These earnings are calculated net of investment management expenses.

2.6 Pooled endowment fund

The pooled endowment fund is an investment pool composed of funds that have been designated to University endowment accounts.

3. Regulation

3.1 Establish an endowment and an endowed fund agreement, which must be signed both by the donor and the University. This agreement is legally binding and outlines how the endowed funds are to be administered. The Office of Alumni and Development is authorized to approve and sign an endowed fund agreement.

3.2 The minimum amount required to establish an endowed fund must be attained within two years of the initial contribution.

- 3.3 If the minimum amount required is not reached within the agreed time frame, all donations received for the specified endowment account may be:
- a) transferred to an existing endowed fund account; or
 - b) transferred to an annual award account for disbursement over a period of time in the name of the donor.

In these circumstances, the University will make all reasonable attempts to contact the donor to amend the original endowed fund agreement and will ensure that any changes that are made reflect the original intent of the endowed fund agreement. Final decision to dissolve and merge an endowed fund will require the approval of the Board of Governors.

4. Endowed fund investment income

- 4.1 The capital allocation rate is established annually by the Board of Governors based on a recommendation from the Finance Committee. The rate is based on the average investment earnings of the previous year. At the end of each fiscal year, spending allocation is determined and an amount is deposited into each endowment spending account.
- 4.2 All investment income above the capital allocation rate will remain in the endowed fund to both recapitalize the fund and provide a contingency against market fluctuations.
- 4.3 The Finance Committee of the Board of Governors will invite the Chief Advancement Officer for all discussions pertaining to the pooled endowment fund.

5. Dissolution and merger of an endowed fund

There are circumstances when it may be prudent to dissolve an individual endowed fund. Examples of such situations include when the endowment balance is not large enough to support the minimum award disbursement or where a program designated by the fund is cancelled. In circumstances warranting the dissolution or merger of an endowed fund, the University will make all reasonable attempts to contact the donor to amend their original endowed fund agreement and will ensure any changes made will reflect the original intent of the fund. The final decision to dissolve and merge an endowed fund will require the approval of the Board of Governors.