

TITLE: ENDOWMENT POLICY

APPROVED: January 8, 2003 **REVIEWED:** June 2, 2008
June 24, 2011 (Approved by the
Alumni/Foundation Board of Directors)

NEXT REVIEW: 2013-2014

RESPONSIBILITY: Vice-President External Relations

APPENDICES: Appendix 1: Endowment Agreement

CROSS-REFERENCE: Foundation Investment Policy

POLICY STATEMENT:

In consideration of monies donated for endowment purposes this endowment policy sets out the following guidelines.

PURPOSE:

This policy was developed to guide the establishment and maintenance of endowed funds.

SCOPE:

This policy applies to all GPRC endowed funds. These funds are accounted for in the GPRC Annual Consolidated Audited Financial Statement.

DEFINITIONS:

PROCEDURE/GUIDELINES:

1. Endowment Fund Management

- 1.1. Any amount may be contributed to an endowment.
- 1.2. The suggested minimum amount required to establish a named endowment is \$10,000 with the interest income derived from it to be used as negotiated between the donor and appropriate representatives of the College.

- 1.3 When an endowment fund is created a signed endowment agreement between the donor and the College is required (Appendix 1). Interest earned from the endowment shall be distributed by the College annually, and such income shall be used for the charitable purpose designated by the donors or, if undesignated, at the discretion of the College Investment Committee.

2. General Endowment Funds

- 2.1 Unless otherwise stipulated, up to one hundred percent (100%) of the investment income generated from general endowments may be expended on an annual basis. At no time will the principle value be used.

3. Student Award Endowments

- 3.1 A percentage of the investment income is to be made available for student awards as directed by the College Investment Committee.
- 3.2 Investment income over and above 5% is retained in the fund to cover shortfalls should investment returns drop below 5%.
- 3.3 If sufficient investment income is not generated to cover the value of the award and if sufficient funds are not available in reserve, the value of the award may be modified. At no time will the principle of the endowment be used.

**GPRC
ENDOWMENT AGREEMENT**

Donor Information:

Name of Donor(s)

Address

In consideration of the monies donated and GPRC agreement to apply the donation in the manner described, the parties agree as follows:

1

The amount of <SXXX> **XXX thousand dollars** is specifically designated to endow the **NAME OF THE ENDOWMENT** and shall be credited to this fund and held within the fund permanently.

2

GPRC agrees to make use of the Endowment for the following purposes:

(Examples:)

- *Award = 1 (one) at \$ XXX.00 – with criteria*
- *Establish a fund in support of XYZ project or department*

The criteria for this fund / award may be reviewed and changed by mutual consent of the parties subscribing to this agreement.

3

The Endowment will be administered in accordance with policies of the GPRC. For an endowed award, unless otherwise directed, a cap of 5% of the fund balance will be made available for expenditure. Earnings in excess of 5% of the fund balance will be retained in the form of deferred income to enhance future earnings and to be available in periods when earnings fall below 5% of the fund balance.

4

If at such time funds are no longer required for the purposes outlined in section 2, the Vice-President – External Relations, or his/her designate will, in consultation with the donor, determine some other purpose compatible with the original intent of the donation.

5

If, in the opinion of the Alumni/Foundation Board of Directors, there is no further need for this fund, and GPRC is not successful in its efforts to contact the donor (or representative) to discuss an alternative use of the Endowment, then the Endowment may be wound up and all of the assets may be distributed at the Board's discretion in a manner compatible with the original intent of the donation.

The signature below represents the donor(s) or authorized person(s).

Printed name (s): _____

Date: _____

The receipt of the funds are accepted by the GPRC as Trustee.

Vice-President, External Relations, GPRC

Printed name: _____

Date: _____