

<b>CAMPION COLLEGE BOARD OF REGENTS</b> <b>POLICY: Endowment Policy</b> <b>CODE: 6.1.9</b>	<b>Standing Committee</b> <b>Date Initially Approved: May 11, 2005</b>  <b>Date Revised: September 25, 2013</b>
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Date Initially Approved: May 11, 2005  
Date Revised: June 25, 2013

## **1. PURPOSE**

The purpose of this policy is to provide guidelines for the segregation of funds held as various types of endowments held by the College. This policy also provides direction about the requirements, which must be met before an endowment can be accepted.

## **2. DEFINITIONS AND PARAMETERS**

### **2.1 Donor Endowment Fund (Externally Donated and Endowed)**

Donor Endowment Funds consists of funds received and invested for the purpose of financing an ongoing scholarship, bursary, award or other commitment from annual earnings. These types of endowments consist of external, non-operating sources of funding such as donations (, e.g. a donation designated to provide a scholarship award out of the earnings derived from investment of the donation money). As well, these endowments are funds with provisions that prohibit encroachment on the donors' capital contribution.

### **2.2 College Endowment Fund (Quasi-Endowed)**

These are funds received and invested from general revenues, capital, or other sources for purposes determined by the Board of Regents (e.g. prior accumulation of excess College capital monies designated for future building needs and purposes). The College maintains a program to encourage and proactively solicit donations and bequests to the College Endowment Fund.

### **2.3 Investment of Endowment**

All Endowment Funds shall be invested as received to maximize earnings from the investments within the parameters of the Campion College Board of Regents Investment Policy 6.1.7. Endowment funds are invested as a single pool in order to optimize net return and the diversification of risk. For donor reporting purposes, however, each endowment donation is accounted for individually, though Campion's finance and accounting system.

## **2.4 Oversight of Policy**

Management will report adherence to this policy, through the Board of Regent's Finance and Audit Committee, on an annual basis.

### **3. DONOR ENDOWMENT GUIDELINES**

#### **3.1. Establishing a Donor Endowment Fund**

Endowments shall have a written agreement in place between the donor and the College, including the following criteria:

- 3.1.1 Specific guidelines detailing the purpose of the endowment.
- 3.1.2 Specific agreement details how the principal of the endowment will be provided to the College.
- 3.1.3 Direction is given on how the investment income generated from the endowment is to be used.
- 3.1.4 Parameters are provided for selecting scholarship recipients and default criteria.
- 3.1.5 A method for gaining the approval of any changes in the endowment guidelines is provided in the event of changes in circumstances which make it impractical to continue to use income from the endowment for the designated purpose. Amended terms shall adhere as closely as possible to the donor(s) original intent for this fund.
- 3.1.6 The College will seek changes to any bequeathed endowments through probate when the College is unable to fulfill the donor's guidelines.
- 3.1.7 Donors will not be permitted to have control over the investment of endowment funds or the use of the income beyond the initial restrictions. Endowed funds will be invested in accordance with the College's Investment Policy (6.1.7).
- 3.1.8 The economic value of the endowments will be protected by limiting the amount of investment income that may be spent to a maximum of 5% of the 4 year rolling average market value of the principal gift. Investment income earned in excess of this amount is added to the endowment principal. In the event earnings are not sufficient to maintain the 5% rolling average, payments will be decreased accordingly. Under no circumstances will the original principal be spent, unless authorized by the Board of Regents and the donors through a change in the endowment guidelines.
- 3.1.9 Investment fees charged by the fund Manager (as approved in accordance with the College's Investment Policy) will be deducted from the earnings of the endowment fund. The College will not allocate any of its other administrative costs to the endowment fund.

- 3.1.10 The Executive Director of Finance and Administration is responsible for ensuring the continued use of the income according to the specified donor guidelines.

### **3.2 Further Guidelines Regarding Donor Endowments**

- 3.2.1 A minimum of \$20,000 is required to establish a named, restricted endowment fund. This minimum applies to all types of endowments designated to pay out scholarships, bursaries and other awards in perpetuity.
- 3.2.2 All criteria for endowed scholarships or bursaries must be outlined prior to approval and acceptance by the College.
- 3.2.3 Guidelines must be flexible enough to alleviate any potential difficulties, which would make it impossible to administer the scholarship or bursary in any one year.
- 3.2.4 Donors are not allowed to choose recipients.
- 3.2.5 Recipients will be encouraged to communicate appreciation to donors of scholarships or bursaries.

### **3.3 Chairs, Professorships and Research Programs**

- 3.3.1 Proposals for the establishment of any endowed chair, named professorship, visiting professorship or lectureship, or research program will be subject to applicable academic review processes and require the approval of the President.
- 3.3.2 Endowment principal will be sufficient to provide salary and benefits for the recipient from annual earnings, and such support staff, travel and other expenses as this may permit in perpetuity.

## **4. College Endowment Fund**

The College maintains various quasi-endowed funds that are managed and invested to pay-out scholarships, bursaries and awards as in section 3 above and/or provide revenue for specific operational and special project needs. All effort is given to preserve the initial investment capital. Any extraordinary pay-outs, however, may be done so at the recommendation of the Board of Regents (e.g. withdrawing in excess of any investment return).