

## BOARD POLICY

<b>Name:</b> Restricted Funds Policy	<b>Type:</b> Board Policy
<b>Category:</b> Financial Accountability & Transparency	<b>Original Date of Approval:</b> December 18, 2018
<b>Status:</b> FINAL	<b>Date of Last Revision:</b> June 15, 2023

### Purpose

This policy outlines the foundation's approach towards restricted funds and establish controls for such funds.

### Policy

Restricted Funds are monies designated by the donor or the foundation for a specific purpose.

The foundation may establish Restricted Funds, as its discretion for a facility, program or initiative/project.

Restricted fund types that may be established include:

- A) *Donor Designated Fund* – restricted funds that have been designated by the donor for a non-established fund of the foundation. Established funds are those the foundation has identified as priority funding areas and are available on the foundation website. Donors may only designate to non-established funds with the creation of a gift agreement and a minimum gift of \$25,000 payable over a maximum of two years. Donations under \$25,000 may be restricted to a specific site but any further designation requires consultation with the foundation and, if applicable, the establishment of a gift agreement. Any residual funds may be used for the specified facilities greatest needs as determined by the sole discretion of the foundation.
- B) *Endowment Fund* – a principal sum, permanently set aside and invested by the foundation, with only the income used for charitable services. Endowment funds may be created in accordance with Covenant family priorities and require a minimum of \$100,000, payable over a maximum of three years to establish.

### Exceptions

Any exception to the above policy must be approved in writing by:

- the Board delegates authority to the Committee for exceptions pertaining to Endowment Funds, and
- the CEO for exceptions pertaining to Donor Designated Funds.