

C. Types Of Endowment Funds

A donor can make a gift to the Foundation of any size either to an existing open endowment fund, or by establishing a new endowment fund. The threshold requirement for the establishment of a fund varies depending on the type of fund. The Foundation will work with a donor to establish a mutually agreeable time period for the threshold to be in place.

Funds can be earmarked in a number of ways:

- ◆ **Community Fund** permits the Foundation to decide where the income can be used most effectively each year to meet community needs as they change from generation to generation.
- ◆ **Designated Funds** are Funds under which the donor has specified one or more charitable organizations to be the perpetual beneficiaries of the annual income from the Fund. The minimum for this type of fund is \$5,000.
- ◆ **Field of Interest Funds** are those where the donor can direct the earnings from a Fund to a particular area of interest such as mental health, performing arts, children-at-risk, etc. The minimum for this type of fund is \$10,000.
- ◆ **Donor Advised Funds** are those where the donor retains the right to advise the Foundation each year which charitable organizations are to benefit from the fund's earnings. The minimum for this type of fund is \$15,000. Canada Revenue Agency policy requires that the final decision rest with the Foundation, however, the Foundation will honour the donor's wishes as long as the organization is registered as a Qualified Donee with Canada Revenue Agency.
- ◆ **Named Funds** are Funds established to honour a person or a family. They can be established within the Community Fund, as a Field of Interest Fund, as a Designated Fund, or as a Donor Advised Fund. The minimum for this type of fund is \$1,000.
- ◆ **Pledged Funds** will become named funds once the donor as reached the minimum fund threshold. A pledge agreement is drawn up with the donor to establish the length of time needed to reach the respective threshold. The minimum for this type of fund is \$500.

