

**ST. JOSEPH'S FOUNDATION OF THUNDER BAY
63 CARRIE STREET, THUNDER BAY, ON P7A 4J2**

POLICY/PROCEDURE

SJF-FND-011

ENDOWMENT FUND WITHDRAWAL POLICY

DATE APPROVED: March 2025

NEXT REVIEW DATE: March 2027

APPROVAL: Board of Directors

St Joseph's Foundation of Thunder Bay Endowment Fund was created in 2001 to provide a future flow of revenue from the earnings on endowed donations. The Foundation places the endowment funds into a professionally managed long-term investment portfolio. All endowment funds, restricted or unrestricted, are consolidated for investment purposes.

The overall goals and principles are:

1. To continually increase the Endowment Fund principal through donations. Donors will be encouraged to make their donation to the endowment fund. Bequests gifts will be allocated to the Endowment fund unless otherwise identified by the donor.
2. Donations to the Fund are held in perpetuity.
3. Endowed gifts will be recognized in an appropriate manner according to the Donor Recognition Program.
4. The Board may from time to time determine that surplus operating revenue be transferred to the Endowment Fund.
5. The Board will invest endowed funds according to the Investment Policy Statement SJF-FND-008.

Annual Spending Guidelines

The annual spending withdrawal from the Endowment fund will be a maximum of 5% (including administrative fees and withdrawal) of the total average value of assets in the Fund over a 3 year rolling average. Additional funds required for large-scale projects or equipment can be covered by a larger Fund withdrawal recommended by the Grants or Finance Committee to the Board of Directors.

The Foundation shall be permitted to recover reasonable expenses for administering the Endowment Fund not to exceed, in any one year, 1.5% of the asset value of the fund at the end of the fiscal year.

Consistent with current Canada Revenue Agency (CRA) requirements, a minimum 3.5% of the value of the foundation invested assets (after administration fees) can be expended each year for the endowment program purposes.

Funds available for use each year will be placed in a reserve account from which the cost of approved projects will be paid. Unused funds may accumulate for up to three years after which time they will be re-invested in the Endowment Fund if not allocated, always keeping in mind adherence to the CRA disbursement quota guidelines.

The money generated by the endowment fund will be used to support capital equipment purchases for St. Joseph's Care Group.

RELATED POLICIES

SJF-FND-008 Investment Policy Statement

SJF-FND-009 Donor Recognition Policy