

Title: MANAGEMENT OF ENDOWMENTS
Policy No. B1011
Category: Administration
Effective Date: February 14, 2012

1. PURPOSE

To establish principles for the creation and management of endowments held by the College.

2. DEFINITIONS

Endowment: A donation or series of donations that is retained by the College in perpetuity or as otherwise indicated by the applicable Terms of Reference, for the purpose of funding a specified educational endeavour from investment earnings on the retained amount.

Terms of Reference: A document that specifies the terms and conditions governing the administration of an endowment.

Inflation Reserve: Investment income earned by the Endowment that is used to mitigate the effects of inflation.

Spending Allocation: The amount of money available each year to fund the objectives of the Endowment according to its Terms of Reference.

Stabilization Reserve: Investment income earned by an Endowment that is used to mitigate the effect of fluctuating investment returns

3. AUTHORITY

3.1 Related Acts and Regulations

[B.C. College and Institute Act](#)
[B.C. Financial Administration Act](#)
[Income Tax Act, Canada](#)

3.2 Related Policies

[A1013 - Investments](#)
Donation Acceptance Policy (in process)

4. RELATIONSHIPS WITH COLLECTIVE AGREEMENTS

None.

5. POLICY

- 5.1. An endowment may only be established to fund a specified educational purpose.
- 5.2. Each endowment is administered according to the applicable Terms of Reference document, which must be finalized before an endowment can be established.
- 5.3. Each Terms of Reference document will include clauses that provide for:
 - a) The wind-up or amalgamation of an Endowment with one or more other Endowments when the College determines that the specified use of the gift is impracticable or inadvisable;
 - b) The ability to vary the amount and number of awards according to the accumulated investment earnings of the Endowment; and
 - c) The creation of Inflation and Stabilization Reserves.
- 5.4. Each endowment must be self-sustaining with respect to its financial obligations as provided in its Terms of Reference.
- 5.5. The minimum amount required to establish an Endowment is \$25,000. This threshold may be met by a single donation or a series of donations over an acceptable period of time. Matching funds may also be used to meet the minimum amount.
- 5.6. All donations are subject to the Donation Acceptance Policy.
- 5.7. The College will have sole discretion in determining whether a donation will be matched in whole or in part with College funds, when the donation will be matched, whether the donation will be matched over time or at one time, and the form of funding for the matching amount.
- 5.8. Endowment funds will be invested in accordance with College policies.
- 5.9. The Director, Financial Services is responsible for the financial administration of each endowment including, but not limited to:
 - a) Determination of the Spending Allocation;
 - b) The creation and management of Stabilization and Inflation Reserves; and
 - c) Investment of endowment funds, including the use of investment counsel.

6. RESPONSIBILITY

Executive Director, College Advancement

7. GUIDELINES/STANDARDS

None.

8. REPORTING

None.

9. EXCEPTIONS

None.

David Ross
President

Adopted By: Langara Council – February 14, 2012