

Policy No GOV-PO-016
Policy Name **Gift Allocation**



Created November 2010
Approved by the Board March 28, 2018
Last Revised March 2, 2018
Effective Date March 29, 2018

PURPOSE

To outline the Foundation's approach to the appropriate and equitable distribution of expense allocations across all giving to maintain a strong position in the general fund. The general fund is used to:

- provide funding for prioritized Hospital needs which are not met through restricted giving, and
- cover approved Foundation costs.

GUIDING PRINCIPLES

Respect donor intent and Hospital priorities

Maximize flexibility to achieve our mission

Share Foundation costs across all revenue streams

Ensure sustainability in our general fund

Ensure policy is practical to apply and transparent to our donors and the Hospital

POLICY

A gift allocation will be applied to all incoming restricted gifts. The gift allocation will be directed to the general fund. A gift allocation charge will be transferred to the general fund as a care and management fee. The Foundation Board will annually set these gift allocations during the annual budget process.

Any interest investment gains earned on restricted funds can be transferred to the general fund unless otherwise stated in a gift agreement.

When appropriate, management will allocate specific and identifiable expenses against restricted funds. For example, donor walls and plaques related to a specific campaign may be charged directly to the related restricted fund.

A reserve will be created and maintained in the general fund to ensure operational sustainability. A minimum balance will be recommended to the Board via the Finance Committee and reviewed annually as part of the budget process.

A statement regarding the Foundation's commitment to the equitable sharing of costs across all gifts be included in all restricted and endowed gift agreements, and/or the original acknowledgement letter.

The Foundation will discuss the gift allocation with any donor inquiring about this matter.

Strategic messaging will be implemented across all revenue programs to promote unrestricted giving.

EXCEPTIONS

Sponsorships secured by Hospital staff will be exempt from the gift allocation.

The President/CEO can approved exceptions up to and including \$50,000, however; any exception above this amount must be approved by the Board.

CONTROLS

The Board will approve the gift allocations amount as part of the annual budget process.

The Board will be notified by the Finance & Investment Committee if the balance in the general fund falls to a level below the minimum balance approved for the fund.

Grants to the Hospital, will only be issued from the general fund if they will not result in the balance falling below the minimum approved for the fund per the Minimum Balance Policy.

IMPLEMENTATION

These changes to this policy will be made retroactively to April 1, 2017.

RELATED POLICIES

GOV-PO-015 Gift Acceptance Policy

GOV-PO-018 Granting Policy

GOV-PO-017 Minimum Balance Policy