

# Your Centre for Community Philanthropy



## Agency Funds Overview

An Agency Fund is created by a formal agreement between The Winnipeg Foundation and a particular charitable organization that has an endowment building strategy as part of its financial plan. The Agency must have its own registered charity number and the name of the Agency is included in the fund name.

As of October 1, 2008, the minimum contribution to establish an agency fund is \$20,000.

Agency Funds are permanently established endowments where the annual disbursement of the fund is used at the discretion of the Agency in pursuit of its particular mandate. The Agency Board may determine, for example, to use this money as an annual discretionary resource or to earmark it for some specific purpose within its mandate – such as building maintenance. All payments of the spending policy from an Agency Fund are directed to the agency.

All disbursements to the charitable organization are made in accordance with the approved Spending Policy of The Winnipeg Foundation. In 2011, the Spending Policy provides an annual disbursement of 4.6% based on the 3 year average market value (previous 12 quarters) of the fund. The spending rate for 2012 will be 4.4%. The annual recovery for both administration and investment management expenses can be 1%. For 2011 the charge has been set at 0.80% (For more information, please refer to the “Spending Policy” document on our website).

Once the main Agency Fund is established then we can add named sub funds with a minimum balance of \$10,000 each. The spending policy of these funds will go directly to the agency. The money raised in the sub fund can only be matched when the creation of the sub fund has met the defined purpose of the original agency fund which is to create discretionary funds for the agency. The matched portion is allocated into the main Agency Fund.

All gifts received for the Agency Fund will be deposited to the appropriate fund; tax receipted accordingly, and will be pooled with all other

investment assets of The Winnipeg Foundation in its Consolidated Trust Fund (CTF). On a monthly basis all funds held in the CTF are allocated the monthly rate of return. This means that the market value of the Agency Fund will fluctuate on a monthly basis. This changing market value will affect the Spending Policy calculation in the following years.

The Agency has access through a secure website to view and download all gifts made to the fund, all disbursements paid and the monthly Interim Fund Report. Gifts and grants are updated daily and the fund reports are available approximately 4 weeks after period end.

### Special Policies that apply to Agency Funds

Annually the Board of The Winnipeg Foundation receives a report listing all agency funds and highlighting those where there were contributions for a potential matching grant. The Board will review and approve matching grants after taking into account its ability to award such amounts. Maximum matching grant in any given year is \$15,000.

#### • Initial Gift Matching

Start the fund with an initial gift of \$20,000 and The Winnipeg Foundation will add \$15,000 to the main fund.

#### • Phase I Matching Grant

After the initial gift, the next \$75,000 in gifts added to the fund will be matched on a \$1 for \$5 basis for a total match of \$15,000.

#### • Phase II Matching Grant

After Phase I is complete, the next \$270,000 in gifts added to the fund will be matched on a \$1 for \$9 to a total match of \$30,000. (Maximum match per year is \$15,000 but excess donations will be carried forward).

#### • Phase III Matching Grant

By application only, an additional \$1 for \$9 matching formula may be provided for larger endowment building campaigns.

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### The Winnipeg Foundation

1350 One Lombard Place Winnipeg MB R3B 0X3 p: 204.944.9474 ff: 1.877.974.3631 f: 204.942.2987

e: [info@wpgfdn.org](mailto:info@wpgfdn.org) [www.wpgfdn.org](http://www.wpgfdn.org)