

# AGENCY FUND OVERVIEW

January 2018

## Agency Funds at The Winnipeg Foundation

An Agency Fund is a permanent endowment, which provides an annual source of revenue to be used at the discretion of the charitable organization that established it.

To establish an Agency Fund, a charitable organization must have an endowment-building strategy as part of its financial plan, as well as its own registered charity number.

An Agency Fund is a long-term strategy that should be integrated into an agency's operations. Its purpose is to support sustainability or maintain charitable programming (including educational awards) consistent with the agency's mission.

Agency Funds are part of The Foundation's on-going support for local charities; the capital is owned by The Winnipeg Foundation. The Winnipeg Foundation provides matching grants to help build these funds.



**The Royal Canadian Aviation Museum Endowment Fund was launched in 1981.**  
Photo: The Foundation's 2016 Annual Celebration at the Royal Canadian Aviation Museum.

## Spending Policy and fees

The Foundation makes disbursements from Agency Funds in accordance with our Spending Policy, unless an agency elects to set its Spending Rate at 3.5%, the minimum allowable by federal law.

In 2018, the Spending Policy provides an annual disbursement of 4.8% based on the 3-year average market value (previous 12 quarters) of the fund. The Spending Rate is reviewed and set annually. The annual recovery for both administration and investment management expenses is based on The Foundation's Fee Policy. For 2018, the charge is estimated to be 0.85%.

## Additional Agency Funds

After establishing an Agency Fund, an agency may start additional named funds, known as sub funds, with an initial minimum balance of \$10,000 each.

The Winnipeg Foundation directs all gifts to the Agency Fund or sub fund as appropriate, provides tax-receipts accordingly, and pools gifts with all other investment assets in its Consolidated Trust Fund (CTF). On a monthly basis, The Foundation allocates the monthly rate of return to all funds held in the CTF. This means the market value of an Agency Fund will fluctuate on a monthly basis; changing market value will affect Spending Policy calculation in future years.

# Matching grants for Agency Funds

After the September year end, the Board of The Winnipeg Foundation reviews and approves matching grants, after taking into account its ability to award such amounts. Where an agency has an Agency Fund and sub funds, matching grants are deposited into the main Agency Fund.

## 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 will be matched on a \$1 for \$5 basis to a total match of \$15,000.

## Phase II matching grant

After Phase I is complete, the next \$270,000 in gifts will be matched on a \$1 for \$9 basis to a total match of \$30,000.

## Phase III matching grant

Additional \$1 for \$9 matching formula provided for larger endowment building campaigns. The next \$2,700,000 in gifts added to the fund will be matched on a \$1 for \$9 basis to a total match of \$300,000.

Example of a fund that maximizes the matching annually:

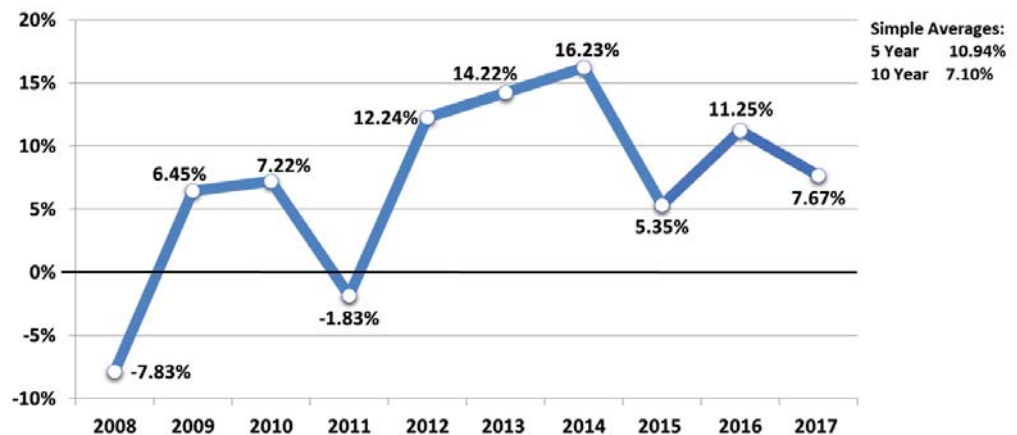
Matching phase	Amount from agency	Matching from The Winnipeg Foundation	Fund balance
Initial gift	\$20,000	\$15,000	\$35,000
Phase I (\$1-\$5)	\$75,000	\$15,000	\$125,000
Phase II (\$1-\$9)	\$270,000	\$30,000	\$425,000
<b>Totals</b>	<b>\$365,000</b>	<b>\$60,000</b>	
Phase III (\$1-\$9)	\$2,700,000	\$300,000	\$3,425,000

Please note:

There is no time limit to complete the matching. Only gifts or capitalized income received into the respective funds by September 30 will be considered for matching. The matching grant will be added to the fund prior to December 31.

The maximum matching grant in any given year is \$15,000. Any unmatched gifts made to an Agency Fund will be carried forward for matching the next year. The Winnipeg Foundation does not match gifts to Agency Funds from any level of government.

## Consolidated Trust Fund Annual Returns



## Agency Fund policies and guidelines

Agency Funds are established by a formal agreement between a Winnipeg registered charity (agency) and The Winnipeg Foundation.

The agency's name must be included in the name of the Agency Fund.

All payments from an Agency Fund go directly to the agency.

The minimum initial contribution to establish an Agency Fund is \$20,000.

To create an Agency Fund, the registered charity must have a physical location in Winnipeg, serve an audience largely made up of citizens of Winnipeg, or be located in a part of Manitoba that is not served by another community foundation.

A national registered charity with a branch or association in Winnipeg may establish an Agency Fund.

Consistent with The Winnipeg Foundation's Community Grants policy, an Agency Fund may not support congregational activity or benefit only those of a specific faith or religion.

The Winnipeg Foundation has the right to decline an Agency Fund.

If an agency ceases to operate or changes its original mission, The Foundation will work with the outgoing Board of the agency to find another registered charity with similar mission and values to benefit from the Agency Fund. If none is found, the Agency Fund will be used as a Field of Interest Fund to support the original charitable purpose.

The agency must submit Board minutes reflecting the approval of the Agency Fund relationship.

## A long-term perspective

The purpose of The Winnipeg Foundation's Spending Policy is to provide a dependable flow of grants, no matter the economic climate. The Spending Policy, along with our Investment Policies, take a long-term view and react gradually to volatility in the markets.

Our spending rate also takes into account the need balance inflation protection with annual spending. Endowments are forever and we take a long-term perspective, constantly monitoring the markets. We make gradual, regular changes and incremental adjustments to find the right balance between stewardship of capital and disbursement of grants to the community.



**The Friends of Dalnavert Museum established its Agency Fund in 2015.**

*Photo: Living History Society, courtesy of Friends of Dalnavert Museum.*

## Agency Fund benefits

### Online giving capability

Donors may give to Agency Funds through The Foundation's secure website, and those who give online immediately receive tax receipts by e-mail. The agency may include a link on its website or e-mail to take donors directly to the online giving page for its fund.

### 24/7 access to fund information

Agency Fund holders have access to a secure website, DonorFirst™, where they can view and download gifts, disbursements and monthly Interim Reports related to their fund. The Foundation updates gifts and grants daily and fund reports are available approximately 4-6 weeks after period end. DonorFirst™ also houses a variety of reports and promotional tips for Agency Fund holders.

### Promotion assistance

The Winnipeg Foundation offers tools to help agencies promote their funds, through presentations at the annual Agency Fund meeting, communications workshops and online resources. On request, The Foundation may produce promotional brochures for Agency Funds, in consultation with the agency. The Foundation regularly promotes Agency Funds in its publications and via social media. Estate and legacy gift information and support is provided as requested through our Legacy Circle program to recognize planned gifts to agency funds.

For more information about Agency Funds, or to watch our Agency Funds video, visit [wpgfdn.org](http://wpgfdn.org).



**The Camp Manitou Fund was established in 2005.**

*Photo: Courtesy of Camp Manitou. Photographer Marcus Hoch*

## Questions about Agency Funds?



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