

## **B.11 Nunavut Arctic College Endowment Fund**

Governance and Organization

*Nunavut Arctic College*

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### **Nunavut Arctic College Endowment Fund**

#### **Policy Statement:**

The Board of Governors encourages the establishment of endowments that advance the College's Mission and Vision. The management of endowments shall protect their value, provide stability in the distribution of earnings, ensure good relations with donors, and provide accountability.

#### **Principles:**

*Mission:* To strengthen the people and communities of Nunavut by providing life-long learning opportunities for Nunavummiut adults by appropriately delivering quality career programs developed with input from our partners throughout the Arctic, and by making the benefits of Inuit traditional knowledge and southern science more accessible.

*Vision:* Nunavut Arctic College will strive to be the college of choice for the people of Nunavut by offering culturally relevant programs of the highest national standard. In the advancement of their language and culture, our graduates will value education and will be proud to take their place in Nunavut and beyond.

### **Endowment Fund Development and Management Process**

#### **A. Nunavut Arctic College Endowment**

The Board establishes the Nunavut Arctic College Endowment Fund for endowed gifts that benefit the College and its students and the works it undertakes.

#### **B. Execution of Endowment Agreements**

An endowment can be established either by a current or deferred gift, or by bequest. When the donor executes a will containing language directing that a named endowment be established, no other documentation is required.

When an endowment is created by a gift, the President of Nunavut Arctic College and, where possible, the donor will sign an endowment agreement that sets forth the terms of the endowment. All endowment agreements must be reviewed and approved by the College's legal counsel prior to signature.

In all cases, when establishing new endowments or soliciting gifts toward existing endowments, College personnel will advise donors to seek independent personal and professional counsel in planning their gift.

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Approved: First Reading – January 29, 2009; Second Reading – March 5, 2009;

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### **C. Investment Management**

The investment objective is to enhance the value of endowments and, in time, to provide a dependable, increasing source of income that will directly or indirectly support the work of Nunavut Arctic College.

For the purpose of investment, the President shall combine the assets of each endowment to create a pool. Each constituent endowment is assigned a unit value based on the relationship of the assets of the endowment to the total value of the pool. Investment earnings for the pool are distributed or credited to each constituent endowment on a pro rata basis.

Each contribution to the Endowment Fund shall be recorded to the satisfaction of the Office of the Auditor General of Canada.

### **D. Spending Management**

All capital gains, realized and unrealized, shall be allocated to the principal of the endowment and there shall be no encroachment on this principle except as may be necessary to satisfy the disbursement quota from a capital account or as required by law.

The distribution of earnings from endowments is to be determined annually by the President according to the following guidelines:

- No more than 75% of the annual net June 30th market value of the endowment earnings will be distributed for expenditure;
- No less than 25% of the annual net June 30th market value of the endowment earnings will be reinvested into the fund.

### **E. Executive Limitation:**

The President may match donations to the Nunavut Arctic College Endowment Fund provided that the matching ratio is not greater than 1:1 to a maximum of \$50,000 per donation to an annual maximum of \$100,000 and provided that the most recent Board-approved budget variance report projects year-end unspent revenue greater than the matching amount(s) and the previous Annual Report reports positive retained earnings.

### **Reference**

*Nunavut Arctic Colleges Act*

6. Nunavut Arctic College may

- (a) accept a gift, grant, devise or bequest of personal property made to or for the purpose of the College;
- (b) subject to the terms of any trust on which it may be held, invest in those classes of investments and securities in which the Government of the Nunavut may

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invest under the *Financial Administration Act* moneys that are given or bequeathed to or for the purpose of the College;

- (c) subject to paragraph (b) and the terms of any trust on which it may be held, use or dispose of personal property given or bequeathed to or for the purpose of the College.

### **Definition**

*Endowment:* An investment fund set aside for the long-term support of works undertaken by Nunavut Arctic College and its students. The fund principal is protected, and a portion or all of the income is expended. Endowment funds are controlled either by donor restrictions or by the Board.