



<b>SUBJECT:</b> Fund Administration Fees Policy		
<b>EFFECTIVE DATE/APPROVED:</b> January 1, 2024	<b>REVISED/REAFFIRMED:</b>	<b>SUBJECT TO REVIEW:</b> As required.

## Policy Objective

The Community Foundation of Newfoundland and Labrador (the Foundation) will charge each fund under its care an administration fee to cover the costs of fund administration, investing, reporting and granting. The fee will be a percentage of the market value of the fund (or flow through gift/fund) or a set minimum amount. Fees are subject to change from time to time by action of the Foundation's Board of Directors.

Fees on endowment and spend-down funds will be charged at the end of each quarter (March, June, September, December). This fee will commence in the first full quarter of the fiscal year that the fund is established.

Fees on flow through gifts/funds will be charged at the time of the gift.

Fees will be charged according to the schedule set out below. If there are special services required that make for additional staff work or costs to the Foundation for managing a particular fund, appropriate additional fees may be charged. The Executive Director has the authority to negotiate fees within the guidelines of the fee schedule below, in consultation with the Treasurer.

The Foundation's administrative fee will be charged in addition to the investment management fees charged by the Foundation's investment management firm. The fees will be reported separately on donor fund statements.

## 1.0 Definitions

### Fund Vehicles

- 1.1 Endowment Funds: Funds that are established with the intention of only the earnings from the funds being granted.
- 1.2 Term: A term fund is similar to an endowment but a fund's capital can be fully disbursed after an agreed-upon period.
- 1.3 Spend-down Funds: All donations (or capital/principal) are invested with the intent to grant the entire amount in agreed-upon intervals until it is fully depleted. This type of vehicle may benefit donors who are interested in granting during their lifetimes, who wish to have their funds have enhanced impact on urgent causes now and in the near future and who want to avoid potential inflationary impacts on their granting in the future.
- 1.4 Flow Through Gifts/Funds: Donations that are received by the Foundation and meant to be distributed via grants within a 1-3 year period.

### Fund Types

- 1.5 Community Fund: Funds are earmarked to help improve the overall wellbeing of Newfoundland and Labrador communities and to respond to grant applications, emergency requests and

emerging opportunities. You can give directly to the Community Fund or have a named fund that contributes to the Community Fund.

- 1.6 **Field of Interest Fund:** Funds where donors give the Foundation discretion over the allocation of grants, according to a general theme or specific interest area.
- 1.7 **Donor Designated:** Allows donors to specify particular charitable organizations as the ongoing beneficiaries of their gifts.
- 1.8 **Organizational Fund:** Allows registered charitable organizations to establish a fund and benefit from the Foundation's professional endowment management expertise.
- 1.9 **Donor Advised Fund:** These funds enable donors to advise on grants from their fund while the Foundation handles all the administrative, operating, and governance matters. Often used as an alternative to a private foundation.
- 1.10 **Regional Funds:** Can be established by municipalities in Newfoundland and Labrador that wish to support local charities and causes without incurring the costs and resources required to establish individual community foundations.

## 2.0 Fee Schedule

<b>Type of Fund</b>	<b>Annual Fee</b>	<b>Fund Minimum</b>
Named Fund for the Community Fund (any type)	2%	Minimum fund balance \$5,000
Endowment Funds	2%	Minimum fund balance \$10,000
Spend Down Funds	2-10%	Minimum fund balance \$10,000
Flow through Gifts/Funds	2-10% or a minimum of \$250	