FAQ: Unrestricted Fund Growth Procedures and Guidelines

Why is the Foundation introducing this allocation?

As the Foundation continues to grow, so does the administrative oversight required to manage restricted gifts responsibly. Tracking, reporting, receipting, compliance and stewardship all take time and resources.

Allocating a small portion of each new restricted gift to the Foundation's unrestricted fund helps ensure these essential functions are supported, strengthening our long-term sustainability and ability to serve students.

Is this a common practice?

Yes. Allocating a small percentage of gifts to support operational costs is a common practice across the charitable and philanthropic sector. It helps ensure organizations can manage donor gifts responsibly while continuing to respond to emerging needs.

What will the allocation be used for?

Funds will support the Foundation's unrestricted fund, which helps:

- Maintain strong stewardship and donor accountability
- Support compliance, reporting and financial oversight
- Invest in systems, staffing and infrastructure
- Respond to emerging needs and priorities
- Strengthen long-term sustainability for the Foundation

A stronger unrestricted fund results in a stronger, more resilient Foundation.

What gifts does this apply to?

The allocation applies to:

- All new restricted gifts of $1,000 or more, including pledges, bequests, life insurance and other planned gifts.

What gifts are excluded?

- Endowment income
  - Gifts of publicly traded securities will be assessed based on either the market value at liquidation or the receipt value.

How much is the allocation?

A one-time allocation of **5%** of the gift or pledge payment will be directed to the unrestricted fund when the gift is received.

Will my gift still support the purpose I choose?

Yes. Restricted gifts will continue to directly support the programs, awards and initiatives donors care about. This small allocation simply helps ensure the Foundation has the capacity to steward the gift responsibly and sustainably.

When does this take effect?

The procedure is effective **October 23, 2025** and applies to all new restricted gifts received on or after that date.

Can I see how the allocation is handled in my gift agreement?

Yes. The allocation will be outlined in all relevant gift agreements. Donors may also review the financial model included in their agreement, if applicable.

Who approved this procedure?

The Foundation's Board of Directors approved the procedure and may review or adjust the allocation scale in the future to support the Foundation's success and sustainability.

Who can I speak with if I have questions?

We're always happy to connect.
Please reach out to us at **foundation@nic.bc.ca**

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