

COMMUNITY FOUNDATION OF OTTAWA

POLICY

POLICY: MANAGED FUNDS

Description:

A managed fund is a fund held on behalf of another organization, recognized by CRA as a registered charity, which has not been permanently endowed with the Community Foundation (CFO). The donor organization retains ownership of the fund and can recall the funds, with proper notification, in accordance with a separately negotiated agreement between the two organizations. CFO provides investment management, administration, monitoring and reporting services, for which the organization pays a fee.

Statement:

As a general rule, CFO discourages managed funds but, under certain circumstances, as a service to its permanent endowment fund holders or committed endowment fund prospects, may accept such funds.

Each managed fund is subject to the provisions of a written agreement which sets out such things as the terms and purposes of the fund, variance on use or beneficiary of income, investment powers, receipting of gifts and dispute resolution. Managed funds remain on the books of the donor organization and are not assets of CFO. Gifts to such funds are retained for a minimum of ten years by CFO and are subject to CFO's Financial Management Policies.

Fees are charged to managed funds according to the fee schedule established by the Board of Governors. In addition, a withdrawal fee of up to 3% may be assessed at the time of each withdrawal. Any costs specific to a fund will be borne by the fund directly.

EFFECTIVE DATE: January 29, 2002

LAST REVISED OR REVIEWED: February 2009

SUBJECT TO REVIEW: January 2010