



POLICY: Flow Through Funds		NUMBER: 3.04	PAGE: 1 of 2
CATEGORY: Finance			
APPROVED: Dec 12, 2016	REVISED/REAFFIRMED: Feb 8, 2021	SUBJECT TO REVIEW: February 2023	

PREAMBLE:

Flow-through funds are non-endowed donations where the principal is distributed to one or more charitable beneficiaries.

RATIONALE:

While the Winkler Community Foundation (WCF) does not promote flow-through donations, situations may arise to warrant consideration of such administration:

- Where the WCF is already holding an endowed fund for a donor who wishes to channel some additional charitable funding through the WCF;
- Where there is a desire on the part of WCF to provide special service to an existing donor or one who has made a planned irrevocable gift;
- Where there is a strong possibility of a subsequent permanently endowed gift;
- Where there is a significant opportunity to profile support for either the WCF (as the intermediary) or the designated beneficiary(ies);
- Where there is a new community or broader partnership opportunity that ultimately benefits WCF.

In reviewing the desirability of accepting a flow-through fund, consideration will be given to the number of beneficiaries, the total amount of funding to be flowed through the Foundation, the amount of administration required, the philanthropic intent of the donor, the desire to provide such a service to the particular donor and the opportunity for future gifts. Care should be taken to ensure that advantage is not being taken of the Foundation, nor precedent set, in agreeing to such arrangements.



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POLICY:

1. WCF may accept flow-through funds on a case by case basis;
2. Flow-through donations are treated as deferred revenue until disbursed;
3. Flow through funds can be invested in redeemable investment certificates, government treasury bills or money market mutual funds through the corporation's banking institution. Adequate cash is to be retained in the corporation's current account to meet the current month's operating expenses and grant disbursements;
4. All flow-through donations are to be recorded on the endowment fund income statement;
5. WCF will be entitled to charge an Administrative Recovery Charge on flow-through funds on a case by case basis. This charge will be set out on an agreement between WCF and the Principal.