

---

ENDOWMENT AND INCENTIVE FUND

---

ADMINISTRATIVE  
GUIDELINES

DECEMBER 1986

*Kae Speliscy*

**ADVANCED EDUCATION**

**ENDOWMENT AND INCENTIVE FUND**

**ADMINISTRATIVE GUIDELINES**

**Table of Contents**

	<u>Page</u>
OBJECTIVE .....	1
FUNDING .....	1
ELIGIBLE RECIPIENTS .....	1
ELIGIBLE DONORS .....	1
DONATION REQUIREMENTS .....	2
MATCHING GRANT REQUIREMENTS .....	2
TYPES OF MATCHING GRANT .....	3
- Matching Grant for Endowment Purposes .....	3
- Matching Grant for Operating Purposes .....	4
- Matching Grant for Capital Purposes .....	5
APPROVAL PROCESS .....	6
MATCHING GRANT PAYMENTS .....	8
TIME FRAME .....	8
TRANSITIONAL PERIOD .....	9

## **ADVANCED EDUCATION ENDOWMENT AND INCENTIVE FUND**

(During the term of this Program circumstances may arise which will require changes in these Administrative Guidelines)

### **OBJECTIVE**

- To encourage the private sector to share in the learning experiences available to students in Alberta public post-secondary institutions.

### **FUNDING**

- \$80 million --- for a period commencing April 1, 1986 and ending March 31, 1994.

### **ELIGIBLE RECIPIENTS**

- All Alberta public post-secondary institutions: universities, The Banff Centre, public colleges, technical institutes, the provincially-administered institutions and the hospital-based schools of nursing.
- Donations can also be made to the Crown for the general support of post-secondary education.

### **ELIGIBLE DONORS**

- Individuals, corporations, private community organizations, foundations, etc.

- Contributions from Alberta municipalities may be eligible for capital purposes as long as those contributions are funded through the municipal tax base.

#### **DONATION REQUIREMENTS**

- The donation should benefit an institution's teaching, research and/or community service activities.
- The donation is expected to be irrevocably given to and become an asset of an institution.

#### **MATCHING GRANT REQUIREMENTS**

- The matching grant is to be used to benefit the institution's teaching, research and/or community service activities.
- The matching grant, other than for an endowment, is expected to be spent by the institution within a year.
- The matching grant approved as a result of a specific donation from a donor cannot be used to confer a commercial benefit on that donor.
- Institutions will be expected to submit to the Department on an annual basis, the following:
  - a statement of earnings and expenditures for endowments funded by matching grants; and,
  - a statement of expenditures for projects, other than endowments, funded by matching grants.

## TYPES OF MATCHING GRANT

### - Matching Grant for Endowment Purposes

- For the purpose of this Fund, an "endowment" is defined as:

"A cash donation or group of cash donations made to an institution for an operating or a capital purpose where the donation or group of donations will be held by the institution for at least 25 years and where only the income generated will be used for that purpose."

- The purpose of an endowment may be changed with the mutual consent of the donor or his legal representative, the Minister and the institution.
- The grant paid to match a donation for "endowment purposes" will not exceed twice the amount of the donation.
- In general, the grant paid is expected to be used for the same endowment as the donation. However, where the institution can show that the donation plus matching grant will generate an excessive amount of income for the intended purpose, it may request that part of the grant paid be used for either of the following:
  - to add to the capital of other endowments that have already been approved by the Minister through the Endowment and Incentive Fund or the 1980's Advanced Education Endowment Fund; or,
  - to establish new endowments in areas of specific need.

**- Matching Grant for Operating Purposes**

- The grant paid to match a cash donation for operating purposes will not exceed the amount of the donation and must be used for operating purposes.
  
- A grant can be paid to match a donation for:
  - annual general scholarships and bursaries that are administered by the institution;
  
  - specifically approved teaching projects;
  
  - specifically approved research projects, where other research grants are not available; and,
  
  - professorships or special projects that are funded annually for a specific period of time.
  
- It is expected that the matching grant will be used for the same purpose as the donation. However, where the institution can show that the donation plus the matching grant is not all needed for the same operating project, it may request that part of the grant be designated for other operating projects.

**- Matching Grants for Capital Purposes**

- A grant paid to match a cash donation for capital purposes will not exceed the amount of the donation and must be used for capital purposes.
  
- A grant can be paid to match a donation for:
  - the purchase of furnishings and equipment; and/or,
  
  - the construction or renovation of facilities, provided that the facilities are owned and controlled by the institution and are part of the institution's capital construction plan as approved by the Minister.
  
- It is expected that the matching grant will be used for the same purpose as the donation. However, where the institution can show that the donation plus the matching grant is not needed for the same capital project, it may request that part of the grant be designated for other capital projects.
  
- A grant paid to match a donation for a capital gift-in-kind can be as follows:
  - for a book or a work of art the grant will not exceed the value of the donation;
  
  - for a capital gift-in-kind, other than a book or a work of art, the grant will not exceed one-half the value of the donation.

- A grant can be paid to match a donation of:
  - land and/or a building; and,
  - a capital furnishing and equipment provided that the life expectancy is more than one year, formal accountability is practical and the capital item is designated for the benefit of a specific Faculty or Department.

#### **APPROVAL PROCESS**

- A request for matching must be officially submitted by the institution through the Office of the President or his/her designee.
- In some cases, approval-in-principle of a request for matching may be considered prior to the donation being received by the institution.
  - a request for approval-in-principle should include:
    - reason for request;
    - amount of donation;
    - if a gift-in-kind, a description of donation, including its value;
    - intended purpose or use of donation;
    - if the donation, in addition to the matching grant does not fully cover the cost of the proposal, a statement of total cost and additional sources of funds.



- A fund-raising campaign should receive approval prior to commencement to ensure the availability of a matching grant, and if required, the appropriate program approval, the appropriate capital project approval and the availability of future government funds.

- a request for approval of a campaign should include:

- purpose of campaign;

- amount of funds to be raised;

- length of campaign and anticipated cash flow of donations;

- in the case of a capital facility, the anticipated ongoing funding requirements for maintenance and additional or expanded programs.

- A request for a matching grant must be accompanied by a fully completed application form including the appropriate attachments.

For donations over \$1,000, a separate application form is required. Donations under \$1,000 for the same purpose can be combined on one form but must include a list of donors and the value of their donations.

It is expected that in general, the donor will be aware of the benefits available to the recipient institution from the Endowment and Incentive Fund at the time of donation.

- A request for matching of a capital gift-in-kind will require a statement of value as follows:

- for a new and currently marketable item -- the price normally charged to an Alberta educational institution (including normal educational discounts) as confirmed in writing by the individual responsible for institutional purchases;
  - for a used item or an item where the value is not readily apparent, independent appraisals should be provided.
- Matching grant applications will be reviewed on a quarterly government fiscal year basis.

#### **MATCHING GRANT PAYMENTS**

- For a donation for operating purposes, a matching grant will normally be paid after there are sufficient funds (donation plus matching grant) to commence and complete the proposed activity.
- For a donation for a capital facility, a matching grant will normally be paid after an institution has confirmed full funding of the project and the Minister has given approval to tender the project for construction.
- For a donation for a capital purpose, other than a capital facility, a matching grant will normally be paid after the donation has been received by the institution and the transfer of ownership has been completed.

#### **TIME FRAME**

- An eligible donation received after April 3, 1986 may be considered for full matching.

**TRANSITIONAL PERIOD**

- For the period April 1, 1985 to April 3, 1986 donations may be considered for matching as follows:

- Donations to endowments 1:1
- Cash donations for capital purposes 1:1