

# Setting up a Fund at the Yellowknife Community Foundation



The Yellowknife Community Foundation offers various fund types, each designed to address specific community needs and support causes that matter to you. Whether you want to make an immediate impact or leave a lasting legacy, our fund options provide flexible ways to support in Yellowknife and the Northwest Territories.

## Fund Group A:

- Northern Legacy Fund
- Yellowknife Community Fund
- Administration Fund

## Fund Group B:

- Field of Interest Funds
- Student Award Funds
- Charitable Designated Funds

At the Yellowknife Community Foundation, our work is guided by our charitable purposes, which include:

- Providing financial support to other registered charities as defined by Canadian law
- Supporting social services that help those in need and work to reduce poverty and suffering
- Promoting the arts and cultural activities, including theatre, dance, literature, film, music, and visual arts
- Advancing education by funding scholarships, student awards, bursaries, and specific educational projects
- Enhancing medical services through the funding of healthcare facilities and medical research
- Supporting other community-based charitable activities, as outlined by the CRA

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Fund Category		Fund Format			
		Sub-Fund	Spend Down Fund	Endowment Fund	Flow Through Fund
		Can be established first as an Emerging Fund with \$1,000, with 5 years to meet the minimum			
Fund Group A	Yellowknife Community Fund	Yes		Yes	
	Northern Legacy Fund	Minimum: \$5,000 for families / individuals	No	Pooled with all other donations within the parent fund	No
	Administration Fund	\$15,000 for businesses			
Fund Group B	Field of Interest Fund				
	Student Award Fund	No	\$12,000 minimum	\$60,000 minimum	\$1,000 minimum
	Charitable Designated Fund				

## Definitions

**Sub-Funds** can be created within parent funds and are pooled together with other sub-funds and donations to that parent fund. For example, the Yellowknife Community Fund is an endowment built from hundreds of donations since 1993. These combined contributions allow the Yellowknife Community Foundation to distribute around \$100,000 annually (and growing each year) in grants to Yellowknife-based organizations addressing diverse community needs.



**Spend Down Funds** can be established in two ways. Option 1 allows you to establish a fund with a minimum donation of \$12,000. Unlike permanent endowed funds, this type of spend down fund operates until the funds are fully distributed, giving the minimum of \$1,000 per year, as per the Foundations policies.

#### Example

A donor creates the John Doe Memorial Fund with a \$12,000 initial gift. Each year, the Fund grants out \$1,000. Considering investment income and administration fees, and assuming there are minimal donations in addition to the initial gift, this Fund will likely close down after about 16 years.

Option 2 gives you the option to spend down your fund over a shorter period with the goal of closing it. Distributions are set at a fixed amount, with the intention to fully distribute both the capital and investment income within a specific timeframe.

#### Example

A donor creates the Jane Doe Memorial Fund, with an initial gift of \$100,000. The donor wants to disburse \$10,000 per year via two scholarships for \$5,000 each. Considering investment income and administration fees, and assuming there are minimal donations in addition to the initial gift, this Fund will likely close down after 13 years.

#### Example

A donor creates the Smith Family Fund, with an initial gift of \$500,000. The donor wants to disburse \$40,000 per year via one grant to a organization that supports and promote the arts, and the organization is eligible to apply for up to three years of funding at a time. Considering investment income and administration fees, and assuming there are minimal donations in addition to the initial gift, this Fund will likely close down after 18 years.

**Endowment Funds** can be established with a minimum of \$60,000. An Endowment Fund holds the capital (the initial gift) long-term, and generally the investment income is distributed as grants or student awards. While the capital can be accessed or distributed under the Foundation's policies, the goal is to preserve it for the future. Most Funds set up with the Foundation are Endowment Funds.

#### Example

A donor creates the Jim Smith Memorial Fund with a \$75,000 initial gift. The annual disbursement is expected to be between \$2,000 and \$3,000. With investment income and minimal additional donations, the Fund will last indefinitely.

**Flow Through Funds** can be established with an initial gift of \$1,000, and are expected to be distributed within a short period of time. Flow through funds are not held as investments.

#### Example

The local 100 Knifers group meets four times a year. 100 members donate 100 dollars each, and at their meeting, they select a local charity to donate their collective gift to. These donations are flowed through the Yellowknife Community Foundation to the selected charity in a short period of time, four times a year.

**Emerging Funds** can be established with an initial gift of \$1,000 and a commitment to meet the minimum required amount within five years. Once established, you can contribute monthly or annually and/or host fundraisers to help reach the minimum goal. Fundraising for your fund is also a great way to raise awareness for the cause it supports.



## Key Considerations

When you establish a new Fund, the Yellowknife Community Foundation will enter into a Gift Agreement with you. Within the agreement, you will be able to consider the following:

### Naming the Fund

What will you name the Fund? This can honour your family, a loved one, your business, or a specific cause.

### Purpose

One of the following:

- Yellowknife Community Fund - a Named contribution within the Yellowknife Community Fund is pooled to support a wide range of charitable projects and initiatives in the Yellowknife area.
- Northern Legacy Fund - a Named contribution within the Northern Legacy Fund is pooled to support a wide range of charitable projects and initiatives across the Northwest Territories.
- Administration Fund - a Named Contribution within the Administration Fund is pooled to fund the operations of the Yellowknife Community Foundation.
- Field of Interest Fund - granted to community projects and initiatives with a specific field of interest that you care about. For example: supporting housing projects, youth programs, literacy workshops, environmental education, etc.
- Student Award Fund - awarded to students who achieve academic excellence, indicate financial need, or otherwise are pursuing a specific area of study.
- Charitable Designated Fund - these are funds that are designated to go to a specific charity in the Northwest Territories, doing work that you care about.



# Key Considerations

## Eligibility

For Fund Group B funds, you can advise who is eligible to apply.

- For example: If it is a student award, what level of education should applicants have, and is it open to all NWT students, or specific to one or a few communities?
- For example: If it is a field of interest fund, can organizations throughout the territory apply or is it Yellowknife only? What type of project or initiative must the organization be pursuing?

## Annual Disbursement (Award) Amount

Is there a certain annual award amount that you would like to disburse from the fund? If not, annual disbursements must meet the minimum as per Yellowknife Community Foundation policies, which is currently \$1,000 annually, and must meet the Yellowknife Community Foundation's disbursement quota for the year. This will range from 3.5% - 5% annually.

## Initial Gift

What will be the size of your gift? The size of your gift will determine if this will be a(n):

- Sub-Fund
- Spend Down Fund
- Endowment Fund
- Emerging Fund

# Contact Us

We are here to help you explore how the Yellowknife Community Foundation can meet your giving needs. We're dedicated to Yellowknife and our territory's future and are ready to assist you in creating the legacy you envision. Please contact our team to discuss further.

