



Sustainability Allocation FAQ

Context

The mission of the St-Boniface Hospital Foundation is to raise funds to support excellence in health care and research at St-Boniface Hospital in a manner that embodies the legacy of the Grey Nuns. In keeping with this legacy, we believe that transparency and accountability are essential to our success. So, too, is a sustainable flow of funds for Hospital, Research and Foundation operations.

The Sustainability Allocation initiative is an opportunity to remind donors that all gifts to St-Boniface Hospital involve fundraising and operational expenses. With the adoption of the policy, a portion of all restricted gifts will be used to support these costs. Ultimately, it will ensure that the Foundation has the capacity to pursue its mission for years to come.

1. WHAT IS THE SUSTAINABILITY ALLOCATION?

Under the Sustainability Allocation Policy, St-Boniface Hospital Foundation will assess a one-time seven per cent sustainability allocation on all donor-restricted gifts, including testamentary gifts, and all donations in support of endowed funds. A ceiling of \$1.5 million for any given donation will apply for the allocation. This policy came into effect on January 1, 2014.

2. WHY NOW?

The reality is there is a cost to raise funds and maintain strong, fulfilling relationships with donors. It is the professional delivery of gift receipting, fund accounting, granting, donor reports, recognition, stewardship and donor relationship management that ensures the St-Boniface Hospital Foundation is an organization of choice for informed donors.

Generally, most foundations sustain their operations through unrestricted revenue, generated, in part by donors who do not restrict their giving. In recent years, a trend has emerged among donors across the country: more and more donors are designating their gifts. That is, they wish to direct their dollars to specific funds or projects.

Unfortunately, it leaves insufficient unrestricted funds to cover core operations. The status quo is not sustainable.

3. IF I GIVE A RESTRICTED GIFT, HOW MUCH WILL STAY WITH THE FOUNDATION?

Seven percent of the restricted gift will go to the Foundation to assist with its costs, including processing, investment management, stewardship and granting.



4. WHAT IMPACT WILL THIS ALLOCATION HAVE?

As a result of the professional operations of the Foundation, St-Boniface Hospital and its Research Centre receive funding crucial to providing outstanding health care and supporting innovative research advances in medicine. Ensuring the sustainability of the Foundation will secure the future growth and innovation at St-Boniface Hospital and Research.

5. WHEN IS THE ALLOCATION TAKEN OFF?

The one-time assessment of the allocation will take place upon receipt of the gift and will be allocated to a separate line item within the financial tracking system.

6. ARE ANY DONATIONS NOT COVERED BY THIS POLICY?

The following will not be subject to the Sustainability Allocation Policy:

- Testamentary gifts and pledged donations that **predate** the implementation of the Policy (including payments on such pledges);
- In-kind donations to be retained by the Foundation; such as gifts of equipment, works of art, etc. In-kind donations that are normally sold upon receipt by the Foundation (such as real-estate or securities) will be subject to assessment upon liquidation;
- Donations toward pre-approved planned giving instruments such as: life insurance policy premiums; donor annuities with existing life-interest commitments, etc.

7. ARE THERE ANY EXCEPTIONS?

It is essential to apply a no exception policy to ensure consistency and to be fair to all of our donors. In short, all donor-directed donations received after the implementation date will be subject to the Sustainability Allocation.

8. WHAT ABOUT THE EXISTING ADMINISTRATIVE ALLOCATION FOR ENDOWED FUNDS?

The existing, annual administrative allocation of half of one percent (.5%) on the current market value of each endowed funds will not change.

This new policy reflects our sound financial management and the strong commitment of the St-Boniface Hospital Foundation Board of Directors to keeping administrative costs as low as possible. The Board establishes and monitors the allocation of the sustainability fund as part of the annual budgeting process.



9. ARE YOU CONCERNED THAT SOME DONORS MAY NO LONGER GIVE BECAUSE OF THE ALLOCATION?

St-Boniface Hospital Foundation's partners are sophisticated philanthropists who are highly passionate and committed to our mission of hope and healing. We are confident that our donors of restricted funds will understand and appreciate that we must ensure sustainable funding for the projects they care deeply about by sharing some of the indirect costs with our donors.

It is important to note that an increasing number of Foundations across Canada, both in health care and other sectors, are implementing this type of policy. Some of our donors may have already had experiences with an allocation or fee.

10. GENERALLY SPEAKING, WHERE ELSE DOES MONEY FOR THE FOUNDATION'S OPERATIONS COME FROM?

St-Boniface Hospital Foundation relies on several sources of unrestricted revenues to fund its operations. Some of these include: lotteries, events and generated interest revenue.

11. I STILL HAVE QUESTIONS. WHO CAN I SPEAK TO?

Please contact Lisa Green, VP, Capital Campaign & Development at 204-237-2067 or lgreen@stbhf.org.