

Community Fund of North Kootenay Lake Society
P018 Flow Through Funding Procedures

Purpose:

The purpose of this procedure is to define flow through funding and to document how this type of funding will be managed by the Society.

Scope:

This procedure applies to all funds that are indicated by the donor to be for the purposes of flow through funding to qualified charitable organizations. It does not apply to the management of endowment funds or to the administrative funds of the Society.

Definition:

Flow through funds are non-permanent funds destined to be passed through to a qualified charitable organization. Such funds may be intended for a specific recipient(s) or may be regarded as discretionary funds that are to be distributed by the Community Fund of North Kootenay Lake Society, on behalf of the Osprey Community Foundation, to serve philanthropic objectives as set by the donor(s).

Flow through funds accommodate those donors who:

- Wish to have the protection of anonymity for their philanthropic work
- Prefer to have an impartial third party distributing their gifts to the community

Procedure:

1. Flow through funds are non-endowed funds and, as such, are an exception to the rule of investing in perpetuity. They shall only be used when the greater community good is well served by the funds. As such, donors interested in flow through donations shall be asked to discuss their interests directly with a CFNKLS Board member.
2. A donor shall have the opportunity to divide a donation between endowment funding and flow through funding. Flow through donations can be a one-time occurrence or can be recurring.
3. Flow through donations shall be submitted to the Osprey Community Foundation and shall be held by them until grants are awarded. The Osprey Community Foundation shall be responsible for issuing grant cheques, similar to the process for endowment fund grants.
4. At the time of donation, the donor and CFNKLS shall agree on any criteria relating to the distribution of grants based on the funding. Grants can be made to a specified qualified party or can be distributed to qualified organizations on the basis of pre-determined granting criteria set in consultation between the donor and CFNKLS.
5. As a rule, CFNKLS shall make flow through funding grants on the same time schedule as endowment fund grants, with decisions on grants made at the same meeting(s). Exceptions may be made at the discretion of the CFNKLS Board.
6. The donor shall have the option to participate in decision-making regarding the distribution of grants based on the flow through funding.

Date Approved: 18 Dec. 2009