

**Learn.  
Lead.  
Legacy.**



**Endow  
Manitoba**



**Learn.  
Lead.  
Legacy.**

COMMUNITY FOUNDATION CONFERENCE  
APRIL 24 • 26, 2026



# How an Endowment Works: Sustainable Fund Strategy (SFS)

## Finance & Administration

Sunday, April 25, 9:00 a.m., Magellan





# Your Facilitators

**Kim Metcalfe, CPA, CA**

The Winnipeg Foundation  
Vice President of Finance

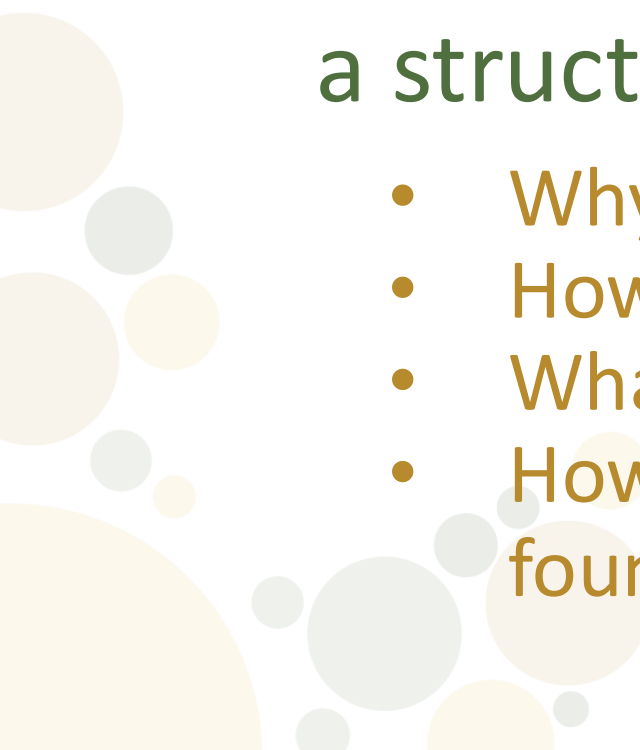
**Lindsay Auld, CPA, CGA**

The Winnipeg Foundation  
Manager of Finance



# Our approach

- Fundamentals: cellphones and washrooms.
- Goal: create a fun, safe and engaging space.
- Format: share knowledge and experience using a structure of:
  - Why is this important?
  - How do you do it?
  - What is the outcome?
  - How can I apply this learning with my community foundation?





# Our philosophy

- *You* are the expert of your community and your community foundation.
- Please share your *thoughts, knowledge,* and *experiences* so that we can call learn from each other.





# What does access to stable and predictable funding, forever, mean for your community?

Instructions:

Individually reflect and write a response

Share with the person next to you



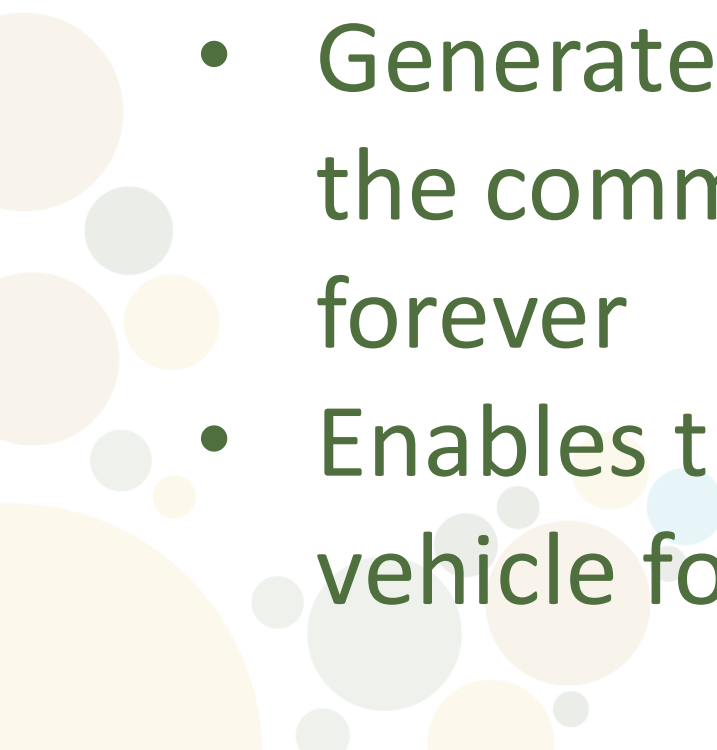
# Definition: Sustainable Fund Strategy

- Investment strategy, Spending Policy, and Fees Policy **combined** - ensuring there is sufficient income for:
  - **Disbursement** (grants at or above DQ rate)
  - **Administrative expenses** (community foundation operational costs)
  - **Passive fund growth** ("inflation" protection)
- **Critical:** To protect the capital of the original gift (contributed capital)




# Why is the sustainable fund strategy important?

- "Hallmark" of Manitoba community foundation business model
- Generates **predictable** and **stable** funding for the community foundation to provide grants, forever
- Enables the foundation to become a **trusted** vehicle for charitable giving

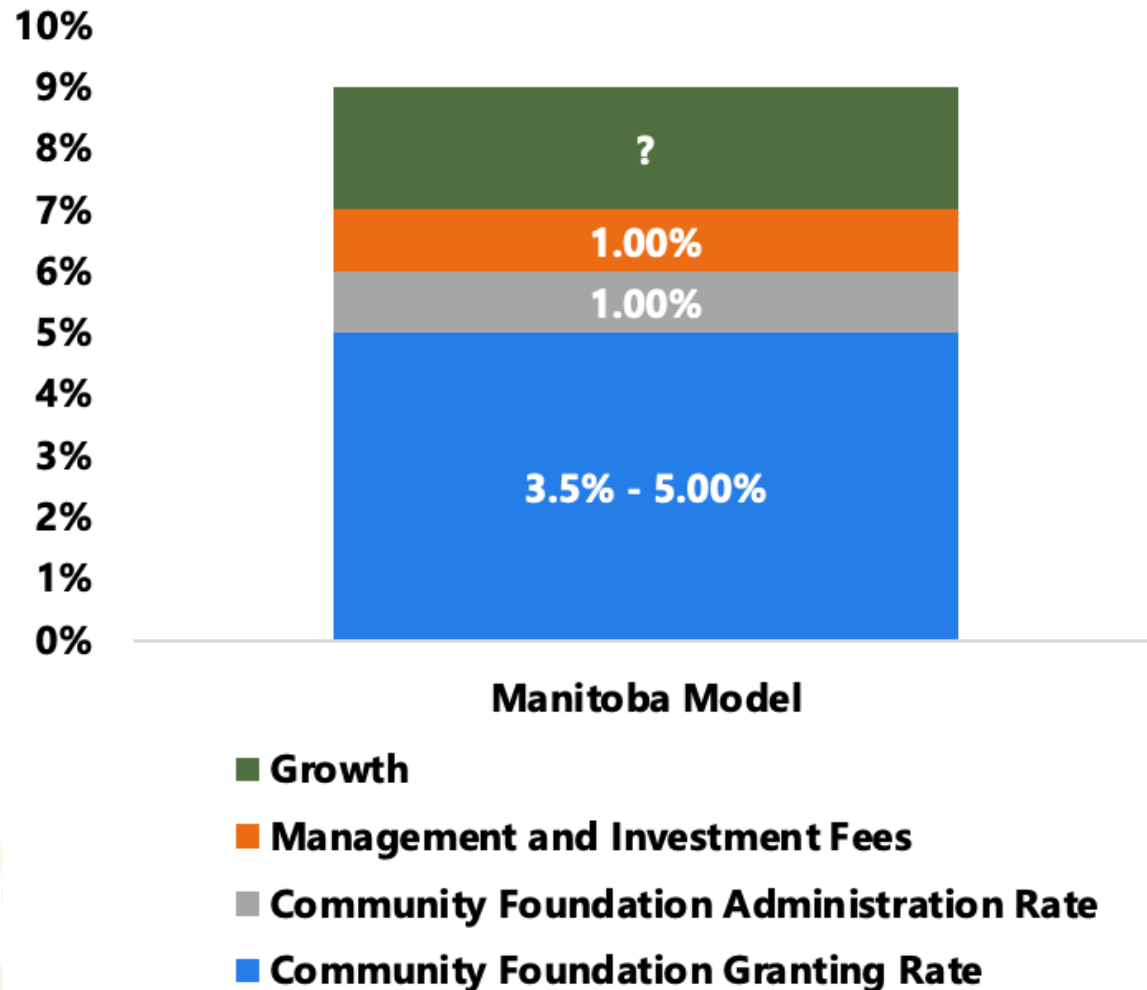




# Why is the sustainable fund strategy important? *(continued)*

- Builds the **administrative capacity** for a foundation to function independently
  - Ensures your funds **AND** your community foundation's **current and future impact**
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# The Sustainable Fund Strategy



# How the *investment policy and process* works

- What are investments (conceptually) and the market
  - Pooled together in the consolidated trust fund
  - Diversified portfolio at a reduced fee
  - Investment managers
  - **Long term** investment portfolio

# How the *granting rate* works

- Set by the foundation
- Granting must meet CRA DQ requirements
  - 3.5% of average value of assets up to \$1 million
  - 5.0% on the amount that exceeds \$1 million



# How the *administration rate* works

Set by your foundation, it is the income generated by invested assets to:

- Support operational expenses
  - Must be sufficient to cover all expenses (can be offset by other funding)
- Aid your foundation in building for its future
  - Build capacity
- Enables you to connect and engage with your community (marketing, outreach, events) so that you can enhance your community impact



# How *investment management fees* work

- Required by the investment managers/financial institutions for their services
- This professional service supports the management and **performance** of the invested assets while meeting a **standard of service** supported by **transparent** reporting

# How *passive fund growth* works

- The "remainder" - portion of INCOME that does not go to granting, administration, or investment fees
  - Will fluctuate each year given the market and rate of return
- These funds are reinvested (capitalized) into your endowed assets
  - This passive growth helps protect against "inflation" and market turmoil (2008, 2014, Now)
    - i.e. Build up in good years, so not to dip into capital in down years
    - i.e. A \$500 scholarship in 1980 vs a \$500 scholarship in 2020 will hold different value

# Outcomes of the sustainable fund strategy

- **Consistent granting** available to the community
- Continued financial resources for the foundation to **meet its administrative and operational requirements**
- **Passive growth** of invested funds will result in greater capacity to undertake your **mission** and fulfill your **vision**

Note: It is all **MEASURABLE** - you will know over time whether your sustainable fund strategy is working for you



# Discussion questions

**How does your board determine administrative fees, and do those fees fully cover all administrative costs?**

Instructions:

Designate someone to report back  
5 minutes of table discussion



# Discussion question

**How would you describe the sustainable fund strategy (a permanent endowment) to your community?**

Instructions:

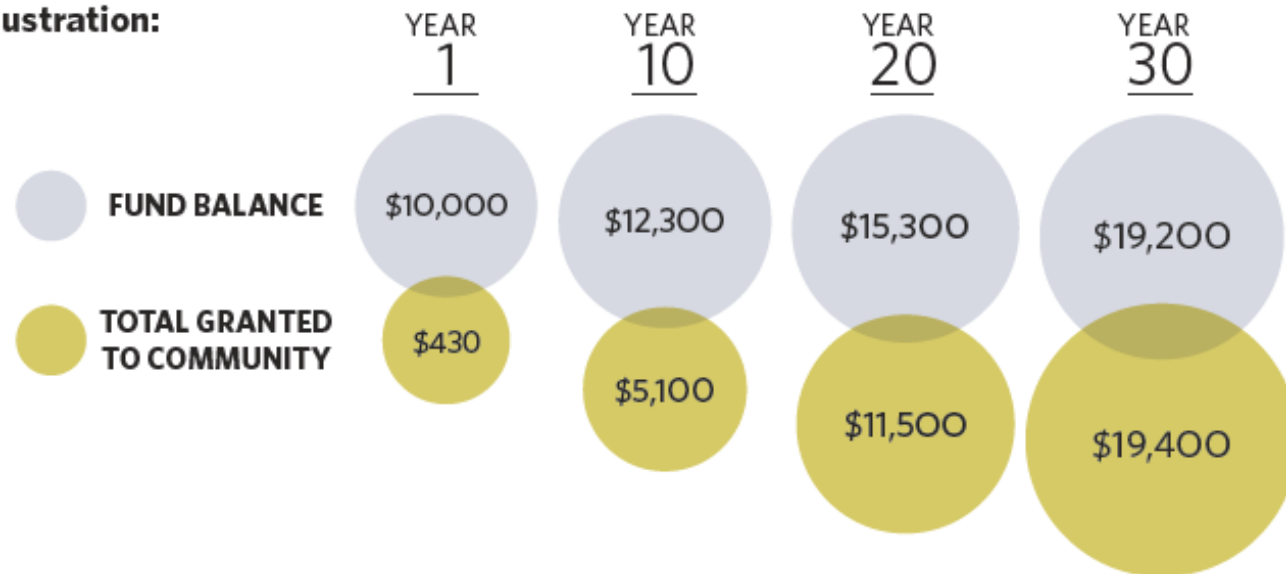
Designate someone to report back  
5 minutes of table discussion

# THE POWER OF ENDOWMENT

BECAUSE AN ENDOWMENT FUND LASTS FOREVER, A GIFT TO YOUR COMMUNITY FOUNDATION IS A POWERFUL CHOICE FOR SUPPORTING YOUR HOMETOWN OVER THE LONG TERM.

Consider this: if you make a one-time \$10,000 gift to a charitable organization, it will be spent on immediate needs. If you make a gift of \$10,000 to an endowment at a community foundation (of course, you can make a gift of any size!) its impact will snowball over time.

**Here's an illustration:**





# Discussion question

## Exploring YOUR challenges

**What is your greatest challenge with respect to the sustainable fund strategy?**

Instructions:

Designate someone to report back  
10- minutes of table discussion



# Shared reflections

What's one key takeaway or "AHA" that you want to remember?  
What are you curious about now?

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## Individual Reflection

What tools & ideas can you take back to your community foundation board?



**Thank you**



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