



ICA Endowment Policy

Adopted: 2 November 2023. (Revised: October 2025.)

The principal of all ICA endowments is invested in line with the Board of Directors investment policies and a portion of the fund's value, currently 4.5 percent, is made available each year to support the purpose determined by the donor. To guard against the eroding consequences of inflation, the remaining portion of investment return is then added to the principal. The goal is to ensure that the principal maintains its purchasing power.

Endowments can be created with gifts of cash, securities, and other assets. They can be established through one-time gifts, estate gifts, and multiyear pledges. Although the minimum amount required to create an endowment fund is \$25,000, larger amounts are recommended or required for certain purposes. ICA administers two types of endowment funds.

True Endowment

A true endowment consists of funds entrusted to ICA's care by a donor, with a signed endowment agreement directing the use of the income. The principal is held in perpetuity.

Quasi-endowment

Funds donated to ICA that do not reach "true" endowment level will be invested in an ICA quasi-endowment Award Fund with the expectation that they will reach endowment levels after five years. If they do not reach endowment status, the funds may be spent out as directed by the ICA Executive Committee in line with their committed purpose. Funds contributed to ICA for recurring scholarships or other purposes predating this policy will be treated as quasi-endowments by ICA. If a memorandum of understanding is on file with ICA headquarters establishing the fund as a true endowment predating this policy, an exception to the US \$25,000 threshold will be granted.

Administrative fees and efficiency

ICA is dedicated to efficiency and maximizing the impact of donor gifts. All quasi- and true endowments are managed according to ICA's Socially Responsible Investing Policy with the oversight of the ICA Treasurer and Executive Director.

- **Quasi endowments** incur a one-time setup fee of US \$100 but no annual administrative fee.
- **True endowments**, which each have their own line item within ICA's Royal Bank of Canada (RBC) investment portfolio and are managed by ICA's Treasurer, Executive Director, and RBC Investment Advisor, incur a one-time US \$500 set-up fee and an annual administrative fee of US \$250 to cover the cost of managing the funds and handling disbursements.



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