



## SECTION 2.2 ONTARIO 4-H FOUNDATION BOARD OF TRUSTEES POLICIES

### B-TO-01- Board of Trustees Roles and Responsibilities

#### *Role of the Ontario 4-H Foundation Board of Trustees*

1. Governance of the Ontario 4-H Foundation's activities
2. Fiduciary responsibilities as Trustees of Foundation funds
3. Evaluation of board effectiveness, recruitment
4. Policy development and maintenance

#### *Responsibilities of Individual Trustees of the Ontario 4-H Foundation*

A Trustee is a governance volunteer who is entrusted with the collective responsibility for the Ontario 4-H Foundation. In joining the Ontario 4-H Foundation, a Trustee accepts the following responsibilities:

- Be an advocate and ambassador for 4-H Ontario using every opportunity to inspire others to support by giving and volunteering.
- Participate in the cultivation and solicitation of donors, sponsors and partners.
- Lead by example, including making a meaningful financial contribution annually.
- Regularly attend board meetings and all special meetings of the board.
- Take an active role on Committees.
- Actively promote tickets to special events and attend functions in an ambassador capacity whenever possible.
- Use personal and professional skills, expertise and networks to enhance the fundraising programs of the Ontario 4-H Foundation.
- Maintaining the confidentiality necessary within the Foundation's fund raising efforts and activities.

#### *Term of Office*

Trustees shall be elected for a two (2) year term and may be reappointed for succeeding terms not exceeding 3 consecutive terms. Following a break in the continuous service of at least one year the same person may again be nominated for re-election

#### *As a Trustee of the Ontario 4-H Foundation Members will:*

- Attend meetings out of genuine interest in the work of the Foundation
- Understand the Foundation's mandate and annual objectives
- Understand his/her role on the Foundation and the expectations of the Chair

#### *Before meetings Trustees will:*

- Recommend agenda items to Foundation Chair
- Review previous minutes
- Review additional background information and support materials
- Review agenda
- Arrive on time
- Notify the 4-H Ontario office if unable to attend or if he/she will be arriving late



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- Maintain contact with Foundation staff liaison (if Chairing a Committee of the Foundation)

### ***During meetings Trustees will:***

- Present a community-wide rather than an individual perspective
- Participate, speak up, bring forth issues
- Focus feedback on ideas rather than persons
- Ask questions in order to gain a clearer understanding of an issue before voting
- Keep discussion to relevant subject and issues

### ***After meetings Trustees will:***

- Collect information and feedback, if required, for next meeting (do any 'homework' as necessary)

### ***Within the community Trustees will:***

- Promote and be supportive of 4-H Ontario, the Ontario 4-H Foundation and the Ontario 4-H Council
- Attend events in support of 4-H Ontario
- Realize that issues discussed at regular Foundation and Committee meetings are confidential and must not be discussed at other meetings unless there is appropriate and sufficient information and the Trustees of the Ontario 4-H Foundation are aware that a matter will be raised elsewhere
- Not act on information discussed at Foundation or Committee meetings unless the appropriate questions have been asked and all necessary information is available

## **B-TO-02 -Terms of Reference of Foundation Committees**

### **A) Audit and Finance Committee of the Ontario 4-H Foundation**

The Audit and Finance Committee (the Committee) shall exist as a standing committee of the Ontario 4-H Foundation. Its purpose is to develop and, following approval of the Trustees, to execute policies pertaining to the financial planning, management and reporting of the organization. The Trustees shall review these terms of reference at a minimum once every three years.

### ***Composition and Terms of Office***

*The Committee membership shall consist of:*

1. **Trustee Members:** a Committee Chair and a minimum of two additional members. These members are appointed by the Foundation Trustees at the first regular meeting following the annual meeting. The term of office shall be normally one year, completing with the Ontario 4-H Foundation's Annual General Meeting (AGM). **Ex Officio Members:** The Chair of the Ontario 4-H Foundation and the Executive Director or designate, will be ex officio members of this committee.
2. **Staff:** as designated / required.

### **Activities of the Committee**

There are two primary areas of responsibility, the first being the overall financial management of the Foundation and the second being the portfolio management of the investments/endowments of the Foundation.

### **Financial Management**

1. Annually recommend to the Board at their last fall meeting the appointment of auditor for the coming financial year to be voted on at the Foundation's AGM.



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2. Annually review and recommend to the Board the budget for the coming financial year to be presented at the last fall meeting of the year.
3. Conduct a review quarterly of the year-to-date financial statements of the organization against budget and report to the board any deemed variances and action plans required to managing them.

### **Portfolio Management**

1. Annually (or more frequently as necessary) review the Portfolio Management relationship and suggest changes if/as necessary. The review should encompass analysis and reporting on 1) the investment guidelines and the adherence to same; 2) the performance (annual and rolling) as compared to a variety of benchmarks (i.e. relative to all Canadian Foundations, or relative to the Balanced Mutual Fund Index for example); and 3) the governance/service of the portfolio management company.
2. Annually ensure that the Committee and subsequently the Board are in receipt of the audited financial statements of the portfolio management company which encompasses the Foundation's investments.
3. Quarterly ensure that the Committee and subsequently the Board are in receipt of the quarterly fund statements and report package from the portfolio management company and provide comment and report to the Board at the next regularly scheduled Board meeting.

### **B) Nominating Committee**

***The Nominating Committee shall exist as a standing Committee of the Ontario 4-H Foundation. Its purpose is to ensure the continuity of quality leadership and further development of Trustees.***

*The Committee membership shall consist of:*

- a) **Trustee Members:** The Committee shall be chaired by the Past-Chair of the Ontario 4-H Foundation, or in the absence of a Past Chair, a Trustee to be appointed by the Board. Other members include the current Board Chair, Vice Chair and the President of the Ontario 4-H Council. These members are appointed by the Foundation Trustees at the first regular meeting following the annual meeting. The term of office shall be normally one year, completing with the Ontario 4-H Foundation's Annual General Meeting (AGM).

### **Activities of the Committee**

- ***Solicit nominations for the Chair position (if applicable)***
- ***Solicit nominations for Trustee positions***
- ***Shall present a slate of candidates to the Trustees 90 days before the anniversary of the previous Annual General Meeting.***

### **B-TO-03 - Investment Policy Statement**

- 1.1. The purpose of the Ontario 4-H Foundation Investment Fund (the 'Fund') is to invest capital for the purposes of generating income to fund various programs as identified and endorsed by the Board of Trustees (the 'Board'). The funds to be invested will originate from:
  - 1.1.1 Endowment funds donated to the Foundation for specific grants or purposes (in accordance with the wishes of the donor under a Gift Agreement);
  - 1.1.2 Non-specific uses, funds received from donors relating to capital campaigns;
  - 1.1.3 Short-term excess operating funds which will be invested to optimize short-term returns within the specified parameters; and



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- 1.1.4 Local associations or other entities investing their funds in the Fund for improved returns than available in their local market or for the size of their investment.

Please see Appendix I for the complete “Statement of Investment Policies & Procedures”.

## **B-TO-04 - Local Association Investment Account (LAIA)**

Ontario 4-H Foundation will provide a service to local 4-H Associations by offering an investment vehicle in which their surplus funds could be invested. The investment philosophy for this vehicle will be minimal risk. It will be accessible to the local 4-H Association Executive Committee within a reasonable time frame when required to fund 4-H activities/projects. The Ontario 4-H Foundation (through Leith Wheeler Investment Counsel Ltd.) aims to be able to provide a rate of return that is superior to the GIC rates currently being offered by conventional financial institutions. The Local 4-H Association Investment Account (LAIA) would be administered by the Ontario 4-H Foundation for local 4-H Associations.

A LAIA Deposit Form (#6.46) is used to describe the arrangements of the investment and lay out the responsibilities of both the Foundation and the local 4-H Association. It will ensure the investment is appropriately managed and used for the purpose agreed to and that there is a routine accounting of its performance and use.

Additional details regarding the LAIA process can be found within Ontario 4-H Foundation LAIA Deposit Form #6.46, and the accompanying Frequently Asked Questions (FAQs)

### **Contributions to the Local Association Investment Account**

1. Local 4-H Association can contribute funds between April 1 and May 31. The Ontario 4-H Foundation would receive and accumulate local 4-H Association funds in the LAIA until such time as the funds would be transferred to Leith Wheeler Investment Counsel Ltd.
2. Funds are housed and recorded with Leith Wheeler as an investment for a minimum of 1 Year (July 1 – June 30). Management fee charges are allocated to this account similar to those management fees paid to Leith Wheeler by the Ontario 4-H Foundation endowment funds.
3. The minimum start-up amount required is \$5,000 with increases being \$5,000 increments thereafter.
4. The funds are viewed as a “flow through” and managed by Leith Wheeler and subject to the normal management fees.

### **Withdrawals**

1. Annually, the local 4-H Association will be asked if they wish to withdraw or add to the LAIA. If a local 4-H Association requests that their funds remain with Leith Wheeler, the Ontario 4-H Foundation is obliged to fulfill the local 4-H Association's request.
2. Local 4-H Association funds can be withdrawn upon filing a request in writing between April 1 and May 31 which is **at the same time** using the Ontario 4-H Foundation Fund Withdrawal Form (#6.47) the local 4-H Association requests withdrawals of the interest from their Local Association named Endowment funds.
3. When a withdrawal is requested, the local 4-H Association will receive principal plus accumulated interest, less management fees.
4. Local 4-H Associations must spend the funds withdrawn on local activities that benefit 4-H Ontario volunteers and/or members

### **Communication and Reporting**

1. Each local 4-H Association's balance would be individually identified however the funds would be managed as a group.



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2. For the purposes of this policy, an inactive/dormant Association Account is defined as one without activity or communication from the Local Association Executive for ten (10) consecutive years. The act of determining if an Association is deemed inactive should be documented in the Ontario 4-H Foundation Board minutes. In this case, the funds will be transferred to a Deferred Contribution Account within the Ontario 4-H Foundation. These funds could be awarded to the Ontario 4-H Council to fund a project that fits the core values of 4-H.
3. Annually, the Ontario 4-H Foundation will report to the local 4-H Association on the details of the fund.
4. The procedure for calculating each Association's pro-rated share of the investment income and management fee will be as per the named Association Endowment Fund calculations.
5. An agreement will be signed between the local 4-H Association and the Ontario 4-H Foundation outlining details of the investment contributions, withdrawals and reporting.

Implementation date of the LAIA is April 1, 2014.

### **B-TO-05 - Withdrawals from Local Association Endowment Funds**

The Local 4-H Association Endowment Funds were created in 2008 when the Ontario 4-H Foundation allocated \$5,000 to each Association to establish their own Endowment Fund. Interest Earned and internal donations to the Fund can be used to support 4-H volunteer and /or 4-H member Activities. However a minimum of \$5,000 must be maintained as an account balance at all times as these funds belong solely to the Ontario 4-H Foundation.

Therefore only funds in excess of \$5,000 can be spent on 4-H Activities. Unlike, the Local Association Investment Account which was set up to enable investments for shorter terms (5-10 years), the Local Association Endowment funds were set up to promote further long term investments from local Associations. The intention of contributions over and above the original \$5000 was to build a safety net for emergency purposes of Associations or for strategic initiatives.

For Associations with Registered Charity status, funds in excess of \$5,000 can be utilized on any worthwhile project including 4-H activities, 4-H building projects or any initiative agreed upon by the relevant 4-H Association.

Each year, in conjunction with the 4-H Conference and Annual General Meeting, each Association Representative at the local 4-H Association receives a copy of their Endowment Fund Report from the Senior Manager Finance. This report is a multi-year summary containing information such as the Balance, External donations received during the previous 12 months, Leith Wheeler Investment Counsel Ltd. gains or losses on the account from the previous year, fees deducted for administration, the interest earned on the Audited Balance credited to the account, any disbursements to the 4-H Association for the year and a year-end balance.

The interest rate to be paid for the successive year is reviewed annually in November by the Ontario 4-H Foundation.

#### **This Withdrawal Form is used to make withdrawals as outlined below:**

1. The Local 4-H Association submits a request using the form outlining the amount and the purpose of how the funds will be used. For example the funds must be used for 4-H member or volunteer activities only.
2. Provide an outline/plan detailing how the funds will be spent. (Optional for those with registered charitable status).
3. Where a gift agreement is in place for all or part of the funds, the terms in the gift agreement must be honoured. Where a gift agreement is in place, the Foundation will transfer the funds if



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the local Association was a signatory on the original gift agreement or signs the application to withdraw indicating they will honour the original gift agreement.

4. Funds can be spent any time during the year but the request should be received by May 31.
5. A signed copy of the minutes of the Local Association meeting where the decision was made indicating the approval of the amount requested and the purposes of the request is required to be sent with the form.

Additional details regarding the endowment withdrawal can be found within the Ontario 4-H Foundation Fund Withdrawal Form #6.47.

### ***Gift Acceptance Policy***

Please refer to Appendix A - Gift Acceptance and Guideline of Procedures within the policy manual for complete gifting specifics.