

Policy and Procedures for Setting up Special Funds within the NCAPA Endowment

The NCAPA Endowment (NCAPAE) has the ability to authorize funds that are overseen by the Board of Directors (“trustees”). The funds that are set up for special purposes must fit within the mission and goals of the Endowment. Funds have two possible financial “homes” for investing: 1) included in the larger NCAPAE assets managed by Winston-Salem Foundation (WSF), or 2) housed within the NCAPA Wachovia account.

Payout Options

For those wanting to set up a Special Fund, they should be advised about several options for distributing payouts:

1. Paying out a recurrent, standard annual amount to recipients.
 - a. If the WSF is the home of the fund, the amount of annual payout will be 5% of the principle of the fund. (Ex: if XYZ Fund has \$20,000, then an annual payout will be \$1000 every year in perpetuity.)
 - b. If the Wachovia account is the home of the fund, any amount can be paid, however that amount will be deducted from the total. (Ex: if XYZ Fund has \$20,000, then the donor group may choose to pay out \$1000 for 20 years, expiring the fund at that time.)

2. Paying out varying amounts to recipients.
 - a. If the WSF is the home of the fund, no payout can exceed 5% of the principle of the fund in any calendar year. Otherwise, there are no limitations.
 - b. If the Wachovia account is the home of the fund, any amount can be paid at any interval, as long as the fund is still viable. (Ex: if XYZ Fund has \$5000 in it, the responsible group may elect to pay out \$2000 in year one, \$2000 in year two and \$1000 in year three, thereby expiring the fund.)

Note: For these Special Funds, it is suggested that a fund that has or is expected to maintain a relatively small balance be housed within the Wachovia account so that there is flexibility. Larger funds should be managed through the WSF account.

Fund Application

In the event that an NCAPA member wishes to set up a Special Fund, he or she must contact the Treasurer of the NCAPA Endowment for initial feasibility and planning **prior to communicating with the deceased family members or coworkers.**

In the event that the project moves forward, a fund name, along with the fund’s purpose, and an official fund contact must be presented. (See application form.) The Fund must be approved by the NCAPAE Board of Directors.

Fund Considerations

Several issues are relevant in the setting up of special funds:

1. It is strongly suggested that a memorial fund be established with the input of a decedent's family member(s).
2. The "life-span" of donations to a special fund must be realistically considered. (Ex: a memorial fund usually has a flurry of donations shortly after a person dies, and then the donations tend to dwindle over time, thereby limiting the "power" of the fund to stand on its own for any extensive duration.)
3. A frank discussion should occur to assist the interested party in considering all of the aspects of setting up a donor fund (i.e. who will be establishing the fund and coordinating and communicating with others; who will be making decisions regarding how and to whom money is paid out from the fund; what is the desired outcome of the fund and will it have an indefinite or a definite purpose; what is the likely duration of the fund.)
4. When approached for advice about setting up a fund, the Endowment officials should offer multiple options, including: encouraging donations to the "General Fund" of the Endowment; or suggesting the interested party approach an outside community foundation (especially if the fund purpose is complex or if the likely donors will be varied and made up of agencies and non-profits, or in the event that other complicated issues are involved.)

Fund Recipient Determination Options

Special Funds that are set up through the NCAPA Endowment must have one of the following options for determining the recipients of the money to be paid out:

1. "Donor-Advised" fund: the interest group determines who the recipients shall be and informs the Endowment official (treasurer) so that checks can be prepared and sent to the appropriate parties (directly to the recipients or to a representative of the interest group so that the check(s) can be personally awarded.)
2. "Endowment Determined" fund: the interest group establishes the philosophical purpose and guidelines for the fund and then allows the Endowment Board of Directors to make the appropriate award(s) based upon those guidelines.

Time Limit for Inactive Funds

Any Special Fund that goes more than three years from its inception without activity (defined as awarding a recipient or receiving donations) will expire as a named fund under the NCAPA Endowment. The full assets of that fund will then be earmarked for the General Fund of the NCAPA Endowment.

If at any time a Fund balance falls below \$500, the NCAPA Endowment Board of Directors may dissolve that Fund and authorize the assets to be transferred into the General Fund.

Application Form for Special Fund of the NCAPA Endowment

Submit to: Sue Reich, PA-C

Treasurer, NCAPA Endowment

suzreich@wakehealth.edu

office: 336-716-2035 fax: 336-716-4432

Name of Fund: _____

If Memorial, include full name of the decedent: _____

Purpose of Fund: _____

Expected Recipient(s): _____

(Example: PA students; Community Service providers, Practicing PAs, PA seeking higher education, Regional Chapters, etc.)

Contact Name for Fund: _____

Best contact information: _____

How and from whom will donations be requested? _____

What is the amount of donations you expect to receive? _____

How will recipients of the fund's resources be determined? _____

(Example: by a committee of the NCAPA; by a Steering Committee for the fund who chooses a recipient based upon applications; by Steering Committee choice without application, other...)

What is the expected frequency of pay outs from this fund? _____

(Example: one-time award; annual award until fund is depleted; annual award for a perpetual fund; others...)