

## Income Designation Policy

---

### Preamble

In accordance with the Income Tax Act all Canadian registered charities are subject to follow the “disbursement quota” rules. One of the rules is that endowments must disburse a minimum of 3.5% of the value of all their capital that is not used directly in charitable activities or administration. This rule ensures that charities do not accumulate funds without putting them to charitable use.

The Ottawa Jewish Community Foundation meets this “disbursement quota” rule through its allocation process of disbursing the available income from each endowment fund to beneficiary agencies annually.

### Allocation Process

The allocation process begins in the month of November of each year and is completed at the end of February when cheques are prepared and distributed to beneficiary agencies.

### Designation of the Available Income

Fund Advisors may provide the OJCF with their allocation instructions in writing by October 31<sup>st</sup> each year. It is understood between the Fund Advisor and the OJCF that if new instructions are not provided by the deadline date, the instructions remain the same as the previous year and will be disbursed in the same manner as calculated in that year.

If a fund does not have any allocation instructions, the Foundation Associate will attempt to contact the Fund Advisor three times to notify and obtain the Advisor’s instructions. The first two attempts will be by telephone and the third and final attempt by letter.

If the Fund Advisor does not respond back to the Foundation Associate the Board of Directors will act as the Fund Advisor and the Fund will be classified as “undesignated” (where the Board will continue to act as the Fund Advisor) until the Fund Advisor contacts the Foundation Associate.

As charities must abide by the disbursement quota rules, each fund must participate in the allocation process.

### Change of Address

It is the responsibility of the Fund Advisor to report their change of address and/or telephone number. In situations where a Fund Advisor has not provided the OJCF with their current contact information and the OJCF is unable to locate the Fund Advisor, a grace period of five (5) years will be given whereby the last allocation instructions provided will be honoured. After the five year period, if contact with the Fund Advisor has not been re-established, the Board of Directors will temporarily act as the Fund Advisor and the Fund will be classified as “undesignated” until contact is re-established with the donor.

---

The initial policy was approved by the Board of Directors on August 25<sup>th</sup>, 2009 and was amended and re-approved by the Board of Directors on October 4<sup>th</sup>, 2010.