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# Foundations and Fundraising

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# “Parallel” Hospital Foundation

- Separate foundation is most common model for hospital fundraising
  - Foundation staff - fundraising expertise
  - Foundation’s Board’s focus is on fundraising
- Run capital campaign
- Hold restricted gifts, manage endowed funds
- Build long-term funding base
  - Apart from operating funds

# Hospital Foundations

- Maintain other (gov't/LHIN) sources of funding
  - “healthy balance sheet”
- Protection from liability
  - *Christian Brothers case*

## *Bloorview Case (2002)*

- Foundation established in 1980s to transfer out and hold excess funds
- \$10M transferred
  - little documentation
- Initially, close connection between boards
- Following amalgamation with Hugh Macmillan Centre, Foundation refused hospital's request for funds to build new hospital

# Other Public Disputes

- Cambridge Hospital
- Glengarry Hospital
- Toronto Zoo
- Ottawa Hospital and Ottawa Regional Cancer Foundation
- Effects on fundraising, costs

# Lessons – Balancing Protection and Benefit

- Protection of assets requires separation of the two entities
  - Separate corporate entity
  - Separate boards, members
    - Separate meetings
  - Separate employees
    - Share admin?
- BUT, must ensure common mission and vision

# Maintaining Alignment Between Hospital and Foundation

- Donor expectation
- Clear communication, transparency
- Clear statement of relationship and roles
- Some cross-membership
- Protocols for requesting funds
- Dispute resolution mechanism

# Amalgamating Hospitals

- Will the foundations amalgamate?
  - Community support
- Restricted gifts, endowments of original foundations
  - Letters Patent should deal with prior funds
  - Must maintain any restrictions on use
- Bequests to prior entities

# Fundraising Issues

- Excess funds raised
  - Cy-pres doctrine
- Endowments
- Pledges

Questions?

Thank you!

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