



The Karinya House Endowment Fund

An Invitation to Invest in the Lives of Women

About the Karinya House Endowment Fund

Introduction

The Karinya House Committee has determined future financial sustainability is paramount in ensuring Karinya retains its ability to be flexible and adapt to change in how it delivers services.

The Karinya House Strategic Plan 2021-2025 identifies that our ability to support women is underpinned by our ongoing financial sustainability. In response to this contextual statement, the Strategic Plan states "Karinya House must continue to pursue strategies and initiatives to help provide it with the future financial certainty it needs to sustain its service delivery at current levels".

One of the strategies identified in the Strategic Plan to support future financial certainty is the establishment of a Committee-Designated Karinya House Endowment Fund (KHEF). The KHEF is partnered with a Gifts In Wills (GIW) program, which seeks to invite our Friends to consider a lasting gift to Karinya House.



The Committee recognises the significance of donor revenue in the ordinary course of operations. Donor revenue supports 30% of the annual operating costs of the Association.

The KHEF will operate separately to ordinary operations and is developed to deliver strategic outcomes above and beyond ordinary operations. It is hoped Karinya Friends who contribute to the KHEF will continue to also support Karinya House general operations through regular annual donations.

The Karinya House Endowment Fund (KHEF) – Terms of Reference

Purpose

The purpose of the KH Endowment Fund (KHEF) is to broadly support the Objects of Karinya House and specifically to both

- support Karinya House programs with a certain and flexible funding stream from year to year and
- raise funds to further the strategic development of Karinya House services and provide independent long-term sustainability of these services.

The Committee has an initial (aspirational) goal of raising **\$10,000,000**.

Sources of the KHEF

The KHEF will only accept donations \$10,000 or above which are made specifically to the KHEF and according to these rules.

Donations to the KHEF could be received in the ordinary course of business as living gifts, or they could be received as bequests arising through the GIW program.

Donations cannot be accepted:

1. If the donor places any restriction on their use outside of these rules; and
2. Where the sources of funds or Donor Organisation values do not align with Karinya House values.

Duration of the KHEF

The Fund will commence on 01 Dec 2021 and is intended to operate in perpetuity.

Use of KHEF resources

Donations to the fund will be recorded as principal and will be preserved into perpetuity over the life of the KHEF except in exceptional circumstances (refer exceptional uses of funds below).

The real value of the principal will be preserved into perpetuity with an annual transfer of funds based on the 10 year bond rate.

Investment earnings above this rate will provide Karinya House programs with a certain and flexible funding stream from year to year.

Exceptional Uses of funds

Only in exceptional financial circumstances shall the Committee of Karinya House use the principal of the KHEF. These circumstances include but are not limited to:

- a significant investment that furthers the Objects which represents a major opportunity of Karinya House and which increases its financial sustainability;
- extreme deficiency in operating funds such that the achievements of the Karinya House Objects would be jeopardised;
- a major disaster (such as fire, flood tempest etc) requiring significant injections of principal that has not been covered by insurances or other sources of funding; or
- some other event of sufficient gravity and concern requiring access to the funds.

The full support of the Committee is required prior to any use of the principal of the KHEF and in cases where more than 10% of the principal is proposed to be used, the Committee will call a special general meeting to confirm the proposal by the Committee by majority vote.

All funds expended in this manner shall be replenished as soon as practical.



Management of the KHEF

Initially funds will be managed by Karinya House, invested in low-risk high interest or term deposits provided by an Australian-owned authorised deposit taking institution (ADI) as listed by the Australian Prudential Regulation Authority (APRA). The funds are not to be invested in speculative or high-risk investments such that more than 25% is at risk.

Once sufficient principal has been accumulated in the fund, the committee shall consider the value in outsourcing the management of the fund to an ethical Funds Manager, ensuring the potential additional return more than compensates for the cost of this service.

Accounting for the KHEF

Funds donated to the KHEF would be transferred to a Special Reserve in Equity.

The value of the KHEF would be held in Cash and Equivalent Assets (Term Deposit, Community Reward Account).

The annual investment earnings of the KHEF would be part of annual operating revenues

Donor Recognition

A digital "**Honour Board**" on the Karinya House website has been established and will display the names of donors to the KHEF, where anonymity is not requested.



Living Gifts and Bequests

You may be considering a living gift or remembering Karinya House in your will.

We thank you for considering the making of a long-lasting contribution to Karinya House.

Every woman who is pregnant or parenting a new baby should be surrounded by the support she needs. Your legacy will help.

Living Gifts can be made at any time. Gifts of any value are welcome to support Karinya's day to day operations. 30% of annual operating revenues comes from donor generated funding. This funding directly supports services to women.

Living Gifts of \$10,000 or more can be directed to the KHEF.

For **Gifts in Wills (Bequests)**, it is advisable to seek qualified legal advice to ensure you achieve all you wish for your family and others, through your Will. Solicitors, Lawyers, estate planners or trust companies are best placed to provide advice on how to represent your wishes for leaving gifts to family, friends and charities. You may wish to advise Karinya House that you are leaving a bequest gift, however there is no obligation to do so.

Wording for your Will

If you do decide to leave a gift to Karinya House in your Will, here are some suggestions for wording:

I give devise and bequeath to the Karinya House Endowment Fund [Cash Contribution or Property Item as specified to a value of \$10,000 or above as required for the KHEF, or any other amount to be given as a general donation].

Or

I devise to give and bequeath [percent] of the value of my entire estate to the Karinya House Endowment Fund. [Note: this should represent a value of \$10,000 or above as required for the KHEF, or any other amount to be given as a general donation]

Or

I devise and bequeath [the remaining balance], [..... percentage of the remaining balance] of my estate (after all of the specified requests in my Will have been honoured) to the Karinya House Endowment Fund for for its general purposes and benefit absolutely, and I declare that the receipt of bequest by the Executive Director and/or Committee Treasurer shall be a full and sufficient discharge to my Executor or trustee for the transfer or payment of any property or monies under this clause of my Will. [Note: this should represent a value of \$10,000 or above as required for the KHEF, or any other amount to be given as a general donation].

Information about Karinya House

Karinya House Home for Mothers & Babies Inc.

Australian Business Number:
19 764 870 539

Australian Capital Territory Associations Incorporation Act 1991
Incorporated Association Registered Number: A02875

Public Officer: Margaret O'Donovan ACNC-
Australian Charities and Not for Profit Commission

Endorsed as a Public Benevolent Institution
Endorsed as a Deductible Gift Recipient
(DGR 900 432 569)
Gifts of \$2 and over are allowable deductions to donors



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