

Policy Statement

Make-A-Wish Alaska and Washington

Number 4

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Establishment of a Wishing Well Board Designated Fund to Accompany the Board Designated Reserve Fund

1. The Foundation will utilize three financial accounts to conduct its business- a checking account for day to day operations; a Board Designated Reserve account to give the Foundation flexibility in meeting future, changing needs; and a Wishing Well Board Designated Fund account with a goal of generating income that meets all fundraising and administration expenses so that 100% of funds raised annually are dedicated to program expense.
2. The Wishing Well Board Designated Fund account and Board Designated Reserve account will be managed by current Foundation investment advisors at Smith Barney with oversight by the treasurer and finance committee.
3. The finance committee will establish separate investment guidelines to apply to the Wishing Well Board Designated Fund and Board Designated Reserve accounts.
4. Of the existing \$2.6 million reserve balance on July 23, 2009, \$450,000 was allocated to the 2010 budget, \$1,075,000 allocated to Board Designated Reserve and \$1,075,000 designated for the establishment of the Wishing Well Board Designated Fund.
5. Use of Wishing Well Board Designated Fund.
 - a. Income from the unrestricted portion of The Wishing Well Board Designated Fund will be distributed at the recommendation of the Finance Committee of the Board of Trustees.
 - b. Income from any donor-restricted portion of The Wishing Well Board Designated Fund will be distributed as specified by the donor.
 - c. The Wishing Well Board Designated Fund is a restricted fund. By majority vote, the Board of Trustees shall be authorized to apply the principal of the fund as the Foundation may require to fulfill its mission.
6. Funds may be added to Wishing Well Board Designated Fund by:
 - a. Donor designation

- b. Majority vote of the Board of Trustees at the recommendation of the finance committee
- c. all planned gifts \leq \$100,000 received by the chapter are to be distributed 50% to the Wishing Well Board Designated Fund and 50% to the checking account earmarked for wish expense. Planned gifts \geq \$100,000 are to be distributed 50% to the Wishing Well Board Designated Fund, \$50,000 to the checking account earmarked for wishes, and the balance to be distributed to replenish the Board Designated Reserve Fund, grow the Wishing Well Board Designated Fund, or invested in wish granting or outreach capacity building initiatives at the recommendation of the finance committee, unless otherwise restricted by the donor.

7. Use of Board Designated Reserve.

- a) The target balance of the Board Designated Reserve Fund is three months operating cash on hand.
- b) When the balance of the Board Designated Reserve Fund is + or – 20% from the target balance, the finance committee will take action by providing a recommendation to bring the fund balance back to within 20% of the target balance.
- c) The Board Designated Fund's target balance will be reviewed on a yearly basis and can be reset at the finance committee's discretion.
- d) Income from the unrestricted portion of The Board Designated fund will be distributed at the recommendation of the finance committee of the Board of Trustees.
- e) Income from any donor-restricted portion of The Board Designated fund will be distributed as specified by the donor.
- f) The Board Designated Reserve is a restricted fund. By majority vote, the Board of Trustees shall be authorized to apply the principal of the fund as the Foundation may require to fulfill its mission.

8. Funds may be added to the Board Designated Reserve by:
- a. Donor designation
 - b. Majority vote of the Board of Trustees at the recommendation of the finance committee
 - c. all planned gifts \leq \$100,000 received by the Foundation are to be distributed 50% to the Wishing Well Board Designated Fund and 50% to the checking account earmarked for wish expense. Planned gifts \geq \$100,000 are to be distributed 50% to the Wishing Well Board Designated Fund, \$50,000 to the checking account earmarked for wishes, and the balance to be distributed to replenish the Board Designated Reserve Fund, grow the Wishing Well Board Designated Fund, or invested in wish granting or outreach capacity building initiatives at the recommendation of the finance committee, unless otherwise restricted by the donor.