



## MEMORANDUM OF AGREEMENT

**BETWEEN:** Canadian Rugby Foundation (the "Foundation")

**AND:** XXXXXXXXXXXXXXXXXXXXXXXXXX

WHEREAS: The Canadian Rugby Foundation is a Canadian Not-for-profit Corporation incorporated under the Canada Not-for-profit Corporations Act, registered with the Canada Revenue Agency as a public foundation, registration number 869159186, and has within its mandate the ability to create endowed funds or student award funds to promote and support rugby activities, including but not limited to, players, clubs, coaches, match officials and rugby organizations.

WHEREAS: The parties to this agreement agree to establish a fund within the Foundation mandate.

Now therefore, the parties agree as follows:

### NAME OF FUND

1. The name of the fund shall be XXXXXXXXXXXXXXXXXX Capital Fund (the "Fund", and together with all other funds created by the Foundation to promote rugby activities, shall be hereinafter collectively referred to as the "Funds".)

### MINIMUM FUND TERM

2. Subject to Section 3 of this agreement, the monies accumulated in the Fund will be held for a minimum term of fifty years from the date of each gift and shall not be removed except as permitted in accordance with this agreement.

### REMOVAL OF FUNDS

3. The monies accumulated in the Fund can be removed prior to the minimum term contained in Section 2 of this agreement on the following conditions: (i) they are removed in accordance with this agreement as specified in Schedule A.

### DEMISE OF ORGANIZATION

4. Upon the demise of the organization which is a party hereto or the purposes of such organization no longer exists, or the purpose of the Fund is no longer valid, the Fund may be transferred to another Foundation fund or an organization specified by the representatives of the Fund with a rugby-related purpose consistent with the purposes of the Foundation and failing such designation, may be transferred to the Unrestricted Fund within the Foundation.

### MINIMUM FUND CAPITAL

5. The minimum accumulated contributions to the Fund will be \$20,000. Funds with less than the minimum contribution must be actively continuing to receive additional contributions. For any Fund with total contributions less than the minimum required, and not receiving any new contribution in the past thirty-six months the accumulated balance in the Fund may be transferred to the Unrestricted Fund within the Foundation. The Foundation agrees to notify the



representatives of the Fund in writing, giving them reasonable notice to solicit new contributions to the Fund, before transferring the accumulated balance of the Fund to the Unrestricted Fund under this section.

## **RETURNS FOR FUNDS BELOW \$1,000,000**

6. The Foundation pools contributions to all Funds established within the Foundation for investment purposes. Annually the Foundation will allocate a portion of net returns after administration costs on investment from pooled funds to the Fund (the "Allocated Return"). The Allocated Return initially will be 3.5 percent of the total accumulated value of the Fund, including matching amounts. From time to time on an annual basis, the Allocated Return may be increased to 4.0 percent for assets over \$100,000 based on anticipated market returns and following Board approval. Interest is calculated quarterly based on the balance at the beginning of each quarter. In the initial year, interest will be accrued from the date the funds are transferred into the Foundation's account. Though it is the intention of the Foundation to pay 3.5 percent annually the Allocated Return may be subject to periodic adjustment to reflect the approximate average yield on investments of the pooled investments of the Foundation after all administrative expenses and an allocation to programs of the Foundation, provided any such allocation to the programs of the Foundation will only be made if the Allocated Return is a minimum of 3.5 percent.

## **MATCHING**

7. As the purpose of the Fund is to disburse the total of the assets accumulated in the fund towards the **XXXXXXXXXXXXXXXXXX** project, no matching of funds will be granted.
8. Changes in the market value of marketable securities together with income and dividends generated from investments, less distributions through the Allocated Return to all Funds and less expenses will be allocated to all Funds.

## **NO INVESTMENT PERFORMANCE REPRESENTATION**

9. The Foundation makes no representation with respect to investment performance and the Fund accepts the risk associated with investments made by the Foundation. The Foundation will manage investments prudently in accordance with its investment policy from time to time.

## **FOUNDATION'S RIGHT TO ENCROACH ON CAPITAL**

10. The Foundation reserves the right to encroach on invested capital of the Foundation as a whole, if necessary, to satisfy its CRA 3.5% disbursement requirement.



## **FUND REPRESENTATIVES**

11. The Fund will appoint two representatives with full authority to act on behalf of the Fund and to communicate, jointly, with the Foundation for all matters related to the Fund. Notification in writing will be provided by the authorized individuals associated with the Fund if the representatives of the Fund are to be changed.

## **FUND MERGER**

12. With the mutual agreement of the parties in writing, the Fund may be combined with other Funds.

## **INVESTMENT POLICY**

13. The Fund acknowledges receiving a copy of the investment policy of the Foundation.

## **FUND PURPOSE AND CAPITAL WITHDRAWALS**

14. Disbursements from the Fund, once permitted, shall be for legal purposes consistent with the objectives of Rugby Canada and the Foundation, permitted under CRA regulation and subject to Rugby Canada and Foundation approval, which shall not be unreasonably withheld. If the Rugby Canada or the Foundation does not give approval for a particular disbursement requested by the representatives of the Fund, it shall provide such representatives with written reasons why such request was denied, and Rugby Canada and the Foundation and Fund representatives will use their best efforts to rectify the request for disbursement to meet the requirements of Rugby Canada and the Foundation. The complete details on the process for disbursing funds are in the "Grant Manual" included as Schedule C.
15. The stated intentions of the Fund are as follows on Schedule A and form part of this agreement. The name and contact information for the representatives for the Fund will likewise be provided on Schedule A and form part of this agreement and will be updated from time to time, as necessary.
16. Any changes in the intended purpose of the Fund will be provided in writing and be subject to Foundation approval, acting reasonably.
17. The Fund may request a capital withdrawal in any given year on a minimum of 3 months' notice. In the case of capital withdrawals more than \$100,000, six months' notice will be required. The Fund acknowledges and accepts that the timing of the withdrawal may result in losses due to market changes to their investments with the Foundation. The annual capital disbursements referenced in Schedule A. will provide approval for the disbursement, but the payments from the Foundation will only be made upon receipt of a written request from the Authorized Fund representatives.

As the payment will be made by Rugby Canada, the Foundation's "qualified donee", the Fund Representative will submit a "Grant Request" form to Rugby Canada for the amount required and providing the grant amount and the intended use of the grant. The complete details on the process for disbursing funds are in the "Grant Manual" included as Schedule C.

In the event that Rugby Canada relinquishes its role as qualified donee for the Foundation, or it is no longer a qualified donee with the CRA, the Foundation shall appoint a replacement qualified



# CANADIAN RUGBY FOUNDATION

PO Box 8003, Victoria, British Columbia, V8W 3R7, Canada

donee, on similar business terms as the current arrangements, and in any event, not detrimental to the Fund.

## FUND REPORTING

18. The Foundation will provide an updated Fund balance every quarter within 30 days of the period end, and an annual report following the year-end within 60 days.

## UPDATES TO MEMORANDUM OF AGREEMENT

19. The Foundation may from time to time, acting reasonably, require amendments to this Memorandum of Agreement in order to update the Memorandum of Agreement to the then-standard terms of the Foundation. Any such changes shall not affect the calculation of the Allocated Return. Amendments will require the mutual agreement of the parties in writing, acting reasonably. If the Fund does not give approval for a particular request by the representatives of the Foundation, it shall provide such representatives with written reasons why such request was denied, and the Foundation and Fund representatives will use their best efforts to rectify the request to meet the requirements of the Foundation and Fund. Any such changes shall not affect the calculation of the Allocated Return. Notice of updates must be sent to the listed contacts for the Fund at least 30 days prior to any amendments being enacted.

## DISPUTE RESOLUTION

20. In the event that a dispute arises as to the interpretation of this agreement or determination of any manner herein, and after the parties have made good faith efforts to resolve such dispute through direct negotiation, and where possible, non-binding mediation, such dispute shall be resolved by a single arbitrator, if the parties can agree upon one; or failing agreement, by three arbitrators, one selected by the moving party, one selected by the responding party, and a 3rd to be selected by two aforesaid arbitrators, and a decision of a majority of them shall be binding.

## LIABILITY INSURANCE

21. The Foundation will provide proof of Directors and Officers liability insurance in an amount equal to or greater than the largest individual Fund balance under the Foundation's administration and will provide written notice 60 days in advance of any changes to the policy or coverage. The Foundation will, at all times, maintain adequate Directors and Officers liability insurance, as determined by a licensed, independent insurance broker on an annual basis.

Dated on (month/day/year): \_\_\_\_\_

For the Foundation:

For the Fund:

\_\_\_\_\_

\_\_\_\_\_

Authorized signature:

Email:  
Mailing Address:  
709 Yates St.  
P.O. Box 8003

Email:  
Mailing Address:



Victoria, BC  
Canada  
V8W 3R7

## SCHEDULE A.

### Fund Purpose:

*EXAMPLE to be customized*

The XXXXXXXXXXXX Capital Fund is intended to provide funding from interest earned and capital withdrawals for the construction of a new clubhouse for the XXXXXXXXXXXX Rugby Football Club.

Construction is not scheduled to begin immediately. The preliminary project plans call for the beginning of construction, and other major expenses or expenditures to commence XXXXXXXXXXXX, 20XX. Disbursements to the XXXXXXXXXXXX Rugby Football Club will begin at that time and will be scheduled over an approximate XX-year period.

Should the construction project not go ahead as planned, or be cancelled, the XXXXXXXXXXXX Rugby Football Club Board of Directors may decide to repurpose this Fund towards another project or convert the Fund into an endowment fund that supports the growth and development of rugby in Canada, a specified area, or the XXXXXXXXXXXX Rugby Football Club specifically, consistent with the Mission of the Canadian Rugby Foundation. In this event, the authorized Fund representatives must notify the Canadian Rugby Foundation in writing so that the appropriate amendments are made to this MOA.

Other details TBD...

- Project Completion date
- Total cost estimate
- Other sources of funding

### Designated Fund Representatives:

1. (Name, Email) \_\_\_\_\_

2. (Name, Email) \_\_\_\_\_



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## SCHEDULE B.

### INVESTMENT POLICY

Canadian Rugby Foundation Investment Policy received

## SCHEDULE C.

### GRANT MANUAL

Rugby Canada - Canadian Rugby Foundation Grant Manual received