



MEMORANDUM OF AGREEMENT (HYBRID UNIVERSITY RUGBY FUND)

BETWEEN: Canadian Rugby Foundation (the “Foundation”)

AND: XXXXXXXXXXXXX (RFC/University Team/Alumni Support Group/etc.) (the Party, or Fund Sponsor)

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: XXXXXXXXXXXXXXX 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

1. Subject to Section 3 of this agreement, the monies accumulated in the Fund will be held for a minimum term of twenty-five (25) years from the date of each gift and shall not be removed except as permitted in accordance with this agreement. The Fund may be renewed before or at this time for a further twenty-five (25) year term.

REMOVAL OF FUNDS

2. 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: they are removed in accordance with this agreement.

DEMISE OF ORGANIZATION

3. Upon the demise of the organization which is a party hereto or the purposes of such organization no longer exist, the Fund may be transferred to an organization specified by the representative of the Fund with a rugby-related similar 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

4. The minimum accumulated contributions to the Fund will be \$20,000, excluding the Foundation “Matching Funds” referred to below. 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 and give 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

5. 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 is set at 3.5% of the total accumulated value of the Fund, including matching amounts for assets under \$100,000. For assets at or above \$100,000, the Allocated Return rate is set at 4.5% so long as a minimum total Foundation (excluding the Fletcher's Fields Funds over \$1 million) return of 6.5% is met on a rolling 3-year average and shall always be subject to the Board's discretion in the case of extraordinary market conditions. In this regard, interest is calculated quarterly based on the balance at the beginning of each quarter and though it is the intention of the Foundation to return these rates 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 allocation to programs of the Foundation.

All endowment funds within Canadian Rugby Foundation have the option to adopt a market-based return subject to the following criteria and conditions:

- a) Minimum endowment size \$500,000 on December 31st of the previous calendar year (referred to hereinafter as "Qualifying Fund"). This includes the 50 percent portion of a Hybrid University Rugby Fund.
- b) The Qualifying Fund must sign a new memorandum of agreement (MOA) containing the following provisions:
 - An acknowledgement of the risk associated with market returns.
 - Agreement to pay an administrative fee of 2.0 percent of the year end value of the Fund regardless of market return. (1.75 percent for Qualifying Funds over \$1,000,000)
 - Agreement to abide by the standard investment policy set from time to time by the Board of the Canadian Rugby Foundation
 - In the event a Qualifying Fund falls below the minimum threshold of \$500,000 due to poor market returns, the Qualifying Fund will have 3 years to reach such threshold prior to reverting to a non-market-based return.

MATCHING AND FUND RETURNS

6. Once the \$20,000 minimum Fund balance is reached, the Foundation will match donations with 25% of total donations to the endowment portion of the Fund, up to a maximum of \$20,000 (the "Matching Funds").

NO INVESTMENT PERFORMANCE REPRESENTATION



7. 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

8. The Foundation reserves the right to encroach on invested capital of the Foundation as a whole, if necessary, to satisfy its CRA 5.0% disbursement quota requirement.

FUND REPRESENTATIVES

9. 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

10. With the mutual agreement of the parties in writing, acting reasonably, the Fund may be combined with other Funds. If the Foundation does not give approval for a particular request by the representatives of the Fund, 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.

INVESTMENT POLICY

11. The Fund acknowledges receiving a copy of the most current investment policy of the Foundation. The Foundation agrees to provide any updated Investment policy to the fund within 15 business days. The Foundation acknowledges that the investment policy is a part of this agreement.

FUND PURPOSE AND RELATED DISBURSEMENTS

12. Disbursements from the Fund, once permitted, shall be for legal purposes consistent with the objectives of the Foundation, permitted under CRA regulation and subject to Foundation approval, which shall not be unreasonably withheld. If 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 the Foundation and Fund representatives will use their best efforts to rectify the request for disbursement to meet the requirements of the Foundation.
13. 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.

Donations and contributions to Hybrid University Rugby Funds consist of two parts. The first is intended to address the long-term needs of the rugby team or program through an endowment funded by 50% of the donations and fundraising. These monies are invested in perpetuity, and only disbursements as described in Section 17 are permitted. The second 50% of donations and



CANADIAN RUGBY FOUNDATION

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fundraising are intended to address the short-term needs of the team or program through annual disbursements towards annual operating expenses.

14. Any changes in the intended purpose of the Fund will be provided in writing and be subject to Foundation approval, acting reasonably.
15. Annual payouts (disbursements from the Fund) including minimum payouts as may be determined by Board resolution, and/or to comply with CRA requirements may be required to be paid from the Fund. Notice of such changes in payout amounts will be emailed to the Fund Representatives on record at the time. As of March 6, 2023, Fund payouts for the endowment portion of the Fund are as follow:
 - a. For Funds over \$1 million, a mandatory 5.0% annually
 - b. For Funds between \$100,000 and up to \$999,999 a minimum 4.0% up to 5.0% annually
 - c. For Funds between \$25,000 and up to \$99,999 a minimum of 3.5% up to 5.0% annually
 - d. For Funds below \$25,000: No minimum payout and up to 5.0% annually

There is no maximum payout for the non-endowment portion of a Hybrid University Rugby Fund.

As universities are treated as “qualified donees” by the Canada Revenue Agency, the Foundation may make payments directly to the university. The designated Fund Representative will submit a “Grant Request” form for the amount required and indicate the grant amount requested 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.

FUND REPORTING

16. 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.

DISPUTE RESOLUTION

17. 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

18. 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.



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.

Dated on: xxxxxxxxxxxxxx, 202x

For the Foundation:

For the Fund:

Jeff Chan, Chief Executive Officer
Email: jeffachan@gmail.com
709 Yates St., P.O. Box 8003
Victoria, BC V8W 3R7

Name, title:
Email:
Mailing Address

SCHEDULE A.

FUND PURPOSE:

The xxxxxxxxxxxxxx Fund is intended to provide funding to further the objects of xxxxxxxxxxxxxx (University Fund Sponsor) and are consistent with the broad objects and purposes of xxxxxxxxxxxxxx (Fund Sponsor), Rugby Canada and the Canadian Rugby Foundation to develop and grow rugby across Canada while meeting all CRA requirements.

The following are examples of the kinds of projects or uses for which a grant may be approved. (This list is appropriate for rugby club operations)

A. OPERATING EXPENSES including but not limited to any of the following:

- Labour expense, fees, coach salaries and honoraria
- University charges (e.g., facilities, security, overhead allocation)
- Club member services (uniforms, personal equipment, and attire)
- Administration
- Competitions (e.g., travel, accommodations, meals)
- Awards and scholarships



- Player assistance
- Miscellaneous

B. CAPITAL EXPENDITURES including any of the following which may fall outside the university's operating or capital budgets:

- Facilities equipment purchase
- Strength & conditioning equipment
- Training equipment
- Land and clubhouse purchase, development or long-term lease, turf installation, landscaping, and clubhouse renovation or construction all in accordance with CRA-approved guidelines notwithstanding such projects would usually be undertaken by the university and not the rugby team or program.

(NOTE: a stand-alone Foundation Capital Project Fund would be more appropriate for major multi-year capital projects undertaken).

Other information:

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Designated Fund Representatives:

1. Name, email.
2. Name, email.

SCHEDULE B.

INVESTMENT POLICY

- ✓ Canadian Rugby Foundation Investment Policy received.

SCHEDULE C.

GRANT MANUAL

- ✓ Canadian Rugby Foundation Grant Manual received.