

## **APPENDIX A**

# **THEATRE ENDOWMENT TERMS OF REFERENCE**

### **SCOPE OF THE THEATRE ENDOWMENT POLICY**

This statement reflects the endowment policy, objectives of the Markham Theatre for Performing Arts Endowment.

### **PURPOSE OF THE POLICY STATEMENT**

This statement of endowment policy is set forth in order to:

1. Define with clarity the purpose of the Endowment.
2. Establish a clear understanding for donors, contributors, and stakeholders of the endowment goals and objectives.
3. Identifies the various sources of revenues.
4. Offer guidance and limitations for its utilization.
5. Establish the guidelines for its adjudication and administration.

The guidelines are intended to be specific and meaningful, yet flexible enough to be practical.

### **GENERAL PURPOSE OF THE ENDOWMENT**

Cultivating and sustaining a vibrant creative community through live arts in the Markham Region is the fundamental mission for Markham Theatre for Performing Arts. The Theatre Endowment through the *Theatre Endowment Reserve Fund* and the *Capital Improvement Reserve Fund* helps secure the future, encouragement and development of the performing/live arts through the Markham Theatre as a valuable and vital element of the cultural life of the community. The endowment sustains Markham Theatre's programs and services' excellence as well as its position as the leading performing arts venue in York Region.

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### **Purpose and criteria**

The purpose of the endowment is to support the implementation of Markham Theatre Strategic Plan (as may be revised from time to time), to contribute in the development and sustainability of Markham Theatre infrastructure, and to sustain investments aligned with the mission of the Theatre. The initiatives funded will have a positive impact on advancing the programs and services and on generating outcomes in building resources and capacity.

### ***The Endowment is constituted of two distinct reserve funds:***

**The Theatre Endowment Reserve Fund** channels income into major initiatives outlined in the Theatre Strategic Plan, and will support the following types of endeavours:

1. Innovative, professional and community programs to deliver the highest artistic standards;
2. Education, community outreach, and audience development programs and initiatives;
3. Creative projects and productions to encourage the emergence of a vibrant professional cultural community;
4. Strategic marketing initiatives with the objective to build capacity to increase earned revenues, such as community groups promotional support, social media, community public relations, ethnic media, etc.;
5. Capacity building initiatives, special events, including cultivation events and annual campaigns, improvement of actual capital and infrastructure.

*Note: Projects envisioned could include, but not limitative to, artistic partnership with a professional artist from Markham, commissioning of new work and artist residency, special outreach initiative in targeted neighbourhood, investment in new programs, investment in specialized resources to increase exposure in regional ethnic media.*

**The Capital Improvement Reserve Fund** channels income into purchase of new capital projects other than those funded from Life Cycle Replacement and Capital Reserve, but central to the Theatre's mission.

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### ORIGIN OF INCOME

**1. The *Theatre Endowment Reserve Fund* systematically receives income from:**

- 1.1 Individual donations: donors are given three choices to allocate their gift: a) donation to be added to the Theatre Endowment Reserve Fund; b) donation to be added to the Professional Entertainment Season and Programs account (operating budget); c) donation to be added 50% to the Theatre Endowment Reserve Fund and 50% to the Professional Entertainment Season account; eligible donations can receive a charitable tax receipt;
- 1.2 A portion of the ticket handling fee: 50% of the allocated amount (actual allocated amount is \$1 per ticket out of a total current handling fee of \$3.50 per ticket), including appropriate allocation based on future increases to fees.
- 1.3 Earned Interest.

The Theatre Endowment Reserve Fund can also receive income from:

- 1.4 Corporate donations;
- 1.5 Net proceeds from fundraising activities and donations;
- 1.6 Government and Foundation Grants and Funds for designated purposes.

**2. The *Capital Improvement Fund* systematically receives income from:**

- 2.1 A portion of the ticket handling fee: 50% of the allocated amount (actual allocated amount is \$1 per ticket out of a total current handling fee of \$3.50 per ticket), including appropriate allocation based on future increases to fees.
- 2.2 Earned Interest.

The Capital Improvement Reserve Fund can also receive income from:

- 2.3 Corporate donations;
- 2.4 Net proceeds from fundraising activities and donations;
- 2.5 Government and Foundation Grants and Funds for designated purposes.

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### **ANNUAL ALLOCATION**

The Endowment will generate an annual allocation from which staff may decide to utilize or to leave in the fund as additional capital.

The annual allocation is based on the principle that the actual capital of the endowment should be reasonably preserved.

1. An annual amount of up to \$25,000 is allocated, according to the purpose and established criteria.
2. The total amount is allocated at the beginning of each year.
3. Request for allocation of funds above \$25,000 requires Council approval.

A report on the utilization of this allocation will be submitted every year to Council. The annual allocation will be assessed and evaluated every 4 years.