



Embroiderers' Association of Canada, Inc.

Policy for Spending Donated Funds

1. Donations to EAC may be made for a general purpose or for any of the following special purposes:
 - a) EAC Future Fund
 - b) EAC Heritage Collection
 - c) EAC Youth Embroiderers
 - d) Leonida Leatherdale Needle Arts Library
 - e) any other special purpose that furthers the aims of EAC with the approval of the Board of Directors.
2. Donated funds shall be recorded as such by the Treasurer and a cumulative total maintained for each of the purposes identified above.
3. Funds donated to EAC for a general purpose shall form part of the general revenue in the year of donation.
4. On request to and with the approval of the Board of Directors, an allocation may be made of all or a part of funds donated for a special purpose so long as the proposed expenditure is reasonable and
 - a) furthers the aims of EAC
 - b) is consistent with the intent of the donor
 - c) is not a regular budgeted expense.
5. When funds donated for a special purpose are spent, the amount and use to which they have been put shall be reported in a timely fashion in *Embroidery Canada*.

Rationale:

A distinction is drawn between donations to EAC, where there is no expectation that the funds will be used for any particular purpose, and donations for a special purpose of EAC, where the donor has made a clear direction. While donations have been made in a number of specific categories in the past, there may be others in future (for example, the Memorial Fund) which would fall within clause e).

Separate tracking by the Treasurer recognizes that donated funds do not form part of the general revenue flow. However, unearmarked donations can be treated as general revenue in the year they are made.

Donations for a specific purpose must be treated with respect and recognized as special. Therefore they should not be used simply to augment a regular budget allocation. The Board must satisfy itself that the donor would approve of their use in the manner proposed and that the expenditure can not be made out of regular budgeted funds.

Publication of the amount and use to which the funds have been put provides accountability and openness, while encouraging future donations to EAC.