

LEGACY POLICY

Purpose	2
Scope	2
Responsibilities	2
Policy Statement	3
1 INTRODUCTION.....	3
1.1 Authority to Act.....	3
2 DEFINITIONS	3
2.1 Association.....	3
2.2 IHC	3
2.3 Legacy.....	3
2.4 General Purpose Legacy	3
2.5 Specific Purpose Legacy.....	4
3 BACKGROUND	4
4 RECEIPT OF LEGACIES	4
4.1 Policy.....	4
4.2 Procedures.....	4
5 USE OF LEGACIES	6
5.1 Overview	6
5.2 Policy.....	7
5.3 Transfer to Association Funds Where Insufficient Funds Held	7
5.4 Authority Delegated to Chief Executive and General Managers.....	8
6 REFERENCES.....	8
Document Review Status	8

LEGACY POLICY

PURPOSE

This policy sets out the procedures and applications for Legacies received by IHC.

The purpose of the policy is to ensure that benefactors are recognised, the gift is adequately safeguarded and is applied in accordance with the benefactors' wishes.

SCOPE

This Policy applies to IHC and its subsidiaries IDEA Services Limited and Accessible Properties Limited. It applies to all staff and Associations.

RESPONSIBILITIES

The management of Legacies is centralised. The National Manager Fundraising is responsible for the receipt and acknowledgement of Legacies and for maintaining the Legacy database.

The General Manager Accessible Properties is responsible for managing decisions around real estate Legacies.

Associations and Managers are responsible for identifying worthy proposals for the application of Legacies.

The General Manager Corporate Services is responsible for the application process.

LEGACY POLICY

POLICY STATEMENT

IHC places high value on the Legacies that it receives from benefactors.
IHC is committed to applying Legacies in accordance with beneficiaries' intentions.

1 INTRODUCTION

1.1 Authority to Act

This Policy sets out the procedures and applications for Legacies received by IHC New Zealand Incorporated (IHC).

The IHC Board has, as part of their role, authority to approve the use of Legacies.

The Board has delegated this authority to the Chief Executive and to General Managers.

The Chief Executive reserves the right to amend or withdraw any delegated authority without notice at any time.

2 DEFINITIONS

2.1 Association

This means any IHC Association.

2.2 IHC

This refers to all entities owned by IHC such as IDEA Services Limited and Accessible Properties Limited. Any reference to IHC includes all such entities.

2.3 Legacy

A bequest or legacy is a transfer, as specified in a Will, of property such as cash, real estate, securities, or other tangible personal property to benefactors such as IHC.

2.4 General Purpose Legacy

These are Legacies that are specifically given to IHC *for its general purposes* or where there is nothing at all in the wording of the bequest which indicates a Specific Purpose for which it is given. These Legacies can be applied as directed by the Board for IHC's general charitable purposes throughout New Zealand (refer [Constitution and Rules](#), Rule 5.1.2).

If a bequest contains a reference to a particular IHC Association, branch or area, the Board will maintain the control and administration of the expenditure as a General Purpose Legacy but may at its discretion apply such a Legacy to the association, branch or area in accordance with this Policy.

2.5 Specific Purpose Legacy

These are Legacies that will contain a direction in the wording of the bequest as to how it should be applied. The direction could be explicit e.g. “for the provision of comforts for the residents of 13 Stratford Street, Wellington” or it may be implied from more general wording e.g. “for the delivery of respite services in Raumati”. IHC will apply the expenditure of these Legacies in accordance with the purpose stated.

The definitions above are also used in their plural form in this Policy.

3 BACKGROUND

For many IHC benefactors, a Legacy offers the opportunity to make a more substantial gift than would be possible during the benefactor’s lifetime. It is also an opportunity to round out a lifetime of giving with a lasting legacy to IHC.

Legacies form an essential part of IHC’s fundraising activities and enhance the value and wealth of IHC. Furthermore, Legacies provide an indication of the extent to which IHC is respected in the community.

IHC is required to demonstrate that all bequests are carefully managed and applied according to the wishes of the benefactor. These policies and procedures have been developed to adequately safeguard the benefactor’s gift.

4 RECEIPT OF LEGACIES

4.1 Policy

The systems for Legacy processing and reporting are centrally managed from IHC National Office.

All Legacy revenue is to be deposited into (and managed from) one national Legacy account (National Legacy Account).

4.2 Procedures

Procedures for General Purpose Legacies

- All correspondence relating to Legacies and all Legacy money received by an Association is to be sent to National Office for the attention of the National Manager, Fundraising.
- The National Manager, Fundraising will be responsible for maintaining a Legacy Database for all active Legacies, where IHC has been notified of being the recipient of a Legacy.
- All correspondence on General Purpose Legacy issues, follow-up actions and formal acknowledgement letters to the benefactor is the responsibility of the National Fundraising Office.
- The National Fundraising Office will advise Associations of legacies received in their area.
- Associations may choose to make acknowledgements in addition to the formal communications.

- Legacies with disputes or other legal issues will be referred by the National Manager Fundraising (through the General Manager IHC Programmes) to the IHC Solicitor for advice and / or resolution.
- Where Legacies are made by way of a Will, the National Manager, Fundraising will (through a “bring-up” on the database) follow-up with executors of the Will on a regular basis the current status of the administration of the estate and keep the Association advised of progress.

Procedures for Specific Purpose Legacies

- IHC is required to ensure that the benefactor’s requirements are satisfied and appropriately monitored. To achieve this, the following additional systems procedures to “Procedures for General Purpose Legacies” (above) will be maintained for Specific Purpose Legacies.
- Specific Purpose Legacies received will be allocated a field in the database to indicate that it is a Legacy containing special conditions and such will be tagged accordingly.
- The Association will be updated on the financial status of their Specific Legacies.

Procedures for Legacies with a Real Estate Component

- For Legacies containing a real estate component (including chattels), systems procedures in addition to “Procedures for General Purpose Legacies” (above) are required.
- Details (from database) on Legacies with a real estate component will be forwarded by the National Manager, Fundraising to the General Manager Accessible Properties.
- The General Manager Accessible Properties will inform the Association on disposal or retention.
 - In the case of disposal, the General Manager Accessible Properties will manage the sale process. If IHC wishes to retain the property, it can either be purchased as a property asset at fair market valuation, with sale proceeds credited back to the original source whether that be Specific Purpose Legacy or a General Purpose Legacy, OR
 - It can be subject to a Legacy for an amount equivalent to fair market valuation. The General Manager Accessible Properties will manage the purchase process and ensure that the conditions of Specific Purpose Legacies are complied with.
- If a Legacy comprises a share in real estate, the General Manager Accessible Properties will liaise with the benefactor in order to obtain the best outcome for IHC.
- All correspondence between the General Manager Accessible Properties, the Association and / or the benefactor will be furnished to the National Manager Fundraising for updating the database.

National Legacy Account

- The National Manager, Fundraising shall maintain a National Legacy Account and in addition to the Specific Purpose Legacies shall maintain a notional balance for each Association based on the area from which Legacies were sourced.
- Association balances are notional only and do not change the status of the funds as General Purpose Legacies under this Policy but may be applied by the Board specifically in the area of that Association in accordance with this Policy.

Treatment of Interest Earned on Legacies

- Interest earned on General Purpose Legacies and Specific Purpose Legacies will be credited to the National Legacy Account and is available for distribution.

Annual Report & Financial Statements

- An acknowledgement will be made in the IHC Annual Report of Legacies received during the year with material Legacies listed.
- Legacies will be taken up in the financial statements as income when received.

5 USE OF LEGACIES

5.1 Overview

The Board will determine the use of Legacies on the basis of applications received.

Association Committees may submit applications to the Board at any time during the year for Legacy monies.

Area Managers may approach Associations to support a Legacy or else apply for “National Office” Legacies.

All applications / proposals are to be made on the [Legacy Funds Application Form](#). A copy of the Association minute supporting the Legacy must be attached to the form.

Proposals received by the Board must recognise that people leaving money to IHC are likely to do so in order to improve services to service users beyond the ability of the current level of funding at any one time to achieve that and to protect the future i.e. organisational survival certainty.

The same standards of financial and management care and control are required over the use and application of Legacy funds as any other funds the organisation receives.

As there are always competing needs for funds within the organisation, all requests for the application of Legacy funds must be fully costed including an assessment of the benefits – for capital items this will also include an assessment of the impact on current and future operational expenditure.

Before approval, all applications will be forwarded to the General Manager Corporate Services who will consult with other General Managers (where relevant) to ensure consistency with IHC’s operational policies and strategy.

5.2 Policy

General Purpose Legacies

General Purpose Legacies will be approved as directed by the Board for IHC's general purposes. The Board has confirmed that proposals for a distribution of General Purpose Legacies will be primarily applied to the following:

- Contributing to research, development and training initiatives that build the reputation and strength of IHC and contribute to service quality.
- Contributing to initiatives that build leaders among members and self-advocates.
- Purchasing, altering or maintaining IHC's property portfolio.
- Retiring debt and thereby contributing to the net worth of IHC and freeing resources for operational purposes.
- Assisting with unfunded or under-funded services.
- Transfer to Associations where insufficient funds are held (refer 5.3 below)

The Board may allocate general purpose legacies held notionally as Association allocations to benefit IHC or its service users nationally.

Specific Purpose Legacies

Specific Purpose Legacies will be applied by the Board in accordance with the purpose stated by the benefactor. Where no purpose is identified by the benefactor, Legacies will be applied for the same purposes as a General Purpose Legacy. Where there is doubt in respect to the wishes of the benefactor, the Legacy will be referred to IHC's solicitor.

The Board will be updated regularly on the status of Legacies.

5.3 Transfer to Association Funds Where Insufficient Funds Held

The following is the process for accessing these funds:

- Where local association funds are below \$10,000 at any time during the year and there is an insufficient balance to meet their requirements, the Association Committee can request the General Manager Corporate Services for a top up of up to \$30,000 from any General Purpose Legacies that have been allocated to the Association pursuant to "National Legacy Account" (above).
- Where there are insufficient allocated Association Legacy funds, the General Manager Corporate Services will forward a recommendation to the Chief Executive for approval for General Purpose Legacies (identified as National Legacy funds) to be transferred to the relevant local association.
- Only one request under this Policy per association can be made for funds to be transferred in any financial year.

5.4 Authority Delegated to Chief Executive and General Managers

Subject to section 5.2, the Board has delegated to the Chief Executive the authority to approve Legacy applications up to \$200,000 (excluding GST).

Subject to section 5.2, the Board has further delegated to General Managers the authority to recommend to the General Manager Corporate Services Legacy applications up to \$50,000 (excluding GST).

The General Manager Corporate Services may approve Legacy applications up to \$50,000 (excluding GST) and in doing so will ensure that there is a fair allocation among associations (excluding Specific Purpose Legacies) but having regard to the notional association allocations.

In approving applications for Legacies, the General Manager Corporate Services will comply with this Legacy Policy and provide the Chief Executive with a schedule of all applications received and decisions made.

Where Associations or Association Chairs want to make applications for Legacies these are to be endorsed by the appropriate General Manager and approved in accordance with the delegated authorities.

6 REFERENCES

[Constitution and Rules](#)

[Legacy Funds Application Form](#)

DOCUMENT REVIEW STATUS

Authoriser	Owner	Review Date	Details of Change
IHC Board	General Manager Corporate Services	March 2003	Update to section 3.3 Authority Delegated to Regional General Manager – authority to approve Legacy applications changed from up to \$10,000 to up to \$20,000 (incl. GST).
IHC Board	General Manager Corporate Services	April 2004	General Review and Update.
IHC Board	General Manager Corporate Services	October 2009	General Review and Update.
IHC Board	General Manager Corporate Services	April 2011	Changes to clarify the distinction between General Purpose Legacies and Specific Purpose Legacies with respect to locally sourced General Purpose Legacies. General Review and Update.
IHC Board	General Manager Corporate Services	October 2015	Reformatted policy.
IHC Board	General Manager Corporate Services	June 2017	Inclusion of Reference section. Endorsement section of the Legacy Funds Application Form has been revised.
This policy is to be reviewed every two (2) years.			

<END>