Board Policy on Administrative and Program Expense Ratios

Kincaid Legacy Foundation for Girls

Purpose

The Kincaid Legacy Foundation for Girls is committed to stewarding charitable contributions with integrity, transparency, and accountability. This policy establishes guiding principles and boundaries for the allocation of program, administrative, and fundraising expenses in a manner that prioritizes mission impact while allowing for responsible organizational operations.

1. Program Priority Target

The Foundation shall seek, as a guiding objective, to direct the **substantial majority** of its annual expenditures toward scholarships and program-related activities that directly advance its charitable mission.

As a general benchmark, the Foundation will **aim** for program expenditures to represent approximately **80–90%** of total annual expenses under normal operating conditions.

2. Maximum Administrative and Fundraising Cap

Under no circumstances shall combined administrative and fundraising expenses exceed **25%** of total annual expenditures, except with explicit Board approval documented in the meeting minutes.

This cap exists to prevent mission drift and to ensure that charitable resources remain focused on direct program impact.

3. Startup, Growth, and Exceptional Circumstances

The Board acknowledges that administrative costs may temporarily increase during:

- startup or early operational years,
- periods of significant program expansion,
- major compliance, legal, or infrastructure needs.

In such cases, the Board may approve reasonable deviations from the target range, provided the overall expense structure remains aligned with the Foundation's mission and long-term sustainability.

4. Transparency and Reporting

The Board shall review the Foundation’s program and administrative expense ratios annually as part of the budget approval and financial review process.

Any material deviation from the stated targets or caps shall be:

- documented in the Board minutes, and
- disclosed in the Foundation’s annual financial reporting as appropriate.

5. Donor Communication

The Foundation may communicate its commitment to prioritizing program impact in donor-facing materials, provided such communications are accurate, current, and reflective of actual financial practices.

No donor communication shall guarantee specific ratios unless supported by verified financial data.