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SHERBROOKE HOSPITAL  
Executive Director's Office

October 2nd, 1972.

Mr. E. A. Gould,  
Executive Director,  
Sherbrooke Hospital,  
375 Argyle Street,  
Sherbrooke, Que.

Dear Mr. Gould:

You asked me to study the matter of establishing a Sherbrooke Hospital Foundation. I have had the advantage of reading the charters and by-laws of the Jeffery Hale Foundation and of the Lakeshore General Hospital Foundation, copies of which you supplied me.

The purpose of setting up a Foundation would be to have donations to the Hospital, whether to the endowment fund or otherwise, controlled by a body separate from the Hospital Board of Management. In view of the impending changes in the composition of the latter Board, this would seem desirable. If a Foundation were incorporated, future financial campaigns should be organized by it and the money raised should be held by the Foundation. Every effort should also be made to have future bequests and donations directed to the Foundation rather than to the Hospital.

A very important question is whether the present endowment funds and the free funds of the Hospital could be turned over to the Foundation. I have asked you to try to sound out the proper Government officials as to whether this would be permitted and, if permitted, by what method. Jeffery Hale's Hospital was allowed to do this by an amendment to its charter in 1963, which provided that the Hospital might assign to the Foundation all or any of its moneys, securities and endowment funds, present or future, provided such assignment be sanctioned by the Lieutenant-Governor in Council. The following year an Order-in-Council was passed permitting the Hospital to transfer its endowment funds, amounting to \$1,664,000.00, to the Foundation on the condition that they be used exclusively for the purpose of aiding the Hospital and that an annual statement be submitted to the Quebec Hospital Insurance Service, with a certificate of the auditor establishing the use to which the funds have been put.

If it is decided to apply for a charter for a Foundation, I suggest that the charter of the Lakeshore General Hospital Foundation be followed. Briefly this gives the Foundation the power to:

(a) Receive and maintain funds and make donations to the Hospital;

(b) Do all things that are incidental or conducive to the attainment of the above objects;

(c) Acquire by purchase, donation, legacy, etc., any real or personal property, and make contracts or agreements incidental thereto;

(d) Hold, manage or sell any of such property and to invest in such investments as the directors may deem advisable;

(e) Acquire, accept, solicit or receive any gift of real or personal property, either as an annual or other contribution.

It is further provided that:

(a) No part of the assets or receipts shall at any time be available for the personal benefit of any member of the corporation;

(b) Should the corporation at any time be dissolved, the remaining assets shall be paid over to the Hospital or to other established and recognized charitable organizations in the Province of Quebec.

If incorporating a Foundation is decided upon, it must be decided:

1. What is to be the exact name; the Jeffery Hale Foundation has a bilingual name, while the Lakeshore General Hospital Foundation has the English name alone;

2. How many Directors there should be, as the number of applicants for incorporation should be the same. The Jeffery Hale Foundation has five and the Lakeshore General Hospital Foundation has six Directors. There may, however, be any number, but not less than three.

Once the charter is granted, the by-laws of the Foundation can be drafted, dealing with such matters as qualification for membership, meetings of members and Directors, quorums, officers, etc.

I will be glad to receive instructions. If you wish, I will meet with you or a committee at any time.

I would point out that we could immediately apply for a charter establishing a Foundation and at the same time could be exploring the possibility of the Hospital being allowed to turn over its present endowment and free funds to the Foundation.

Yours very truly,

HEG/AJR

