Sample Designated Fund Agreement

The \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Designated Fund

This is an agreement between \_\_\_\_\_\_\_\_\_\_\_\_\_ (“Donor(s)”) and the **[NAME]** Community Foundation (“Foundation”) to establish a Designated Fund to be known as the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Fund (“Fund”). This Agreement takes effect on \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 20\_\_ and is subject to the following terms and conditions.

**I. Contribution**

I/we hereby irrevocably give the assets described in the attached Schedule to the Foundation, a charitable organization described in sections 501(c)(3) and 509(a)(1) of the Internal Revenue Code. The Donor(s) understand that this is an irrevocable gift, which will be used to establish and maintain a charitable fund of the Foundation, subject to the Foundation’s governing documents and bylaws. The Foundation may also receive additional contributions to add to this Fund.

**II. Purpose**

Consistent with the charitable purposes of the Foundation, distributions from this Fund will be used only to provide support for \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (Name of Designee).

III. Distributions

**[Alternative 1 – use if fund is not intended to be endowed]**. Distributions from the Fund may be made in any amount not to exceed the balance of the Fund.

[Alternative 2 – use for endowed funds]. Donor intends this Fund to be an endowment. Distributions from the fund shall be limited to the fund’s distributable amount determined in accordance with the Foundation’s spending policy.

**IV. Advisors (Optional)**

The following individuals may serve as advisors to the Fund with respect to amount and timing of distributions and/or investment of the Fund: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_. Advisory privileges do not include the ability to change the Designee stated above.

As long as the fund benefits only one organization it will not be considered a donor advised fund, however, the fund’s donor or someone the donor appoints, can provide advice with respect to the amount, or timing of distributions and investment of the Fund.

V. Variance Power

This Fund is a component fund of the Foundation and its assets are assets of the Foundation. The Fund is subject to the Foundation’s governing instruments including the Foundation’s power (1) To modify any restriction or condition on the distribution of funds for any specified charitable purposes or to specified charitable purposes or to specified organizations if in the sole judgment of the governing body (without the necessity of the approval of any participating trustee, custodian, or agent), such restriction or condition becomes, in effect, unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community or area served.

This is the standard wording of the variance power taken directly from Treasury regulations. Substitute your foundation’s wording if it is different, but make sure that it is sufficient for National Standards. For examples of sufficient language see: <http://www.cfstandards.org/FAQ/do-you-have-examples-sufficient-variance-power>

**VI. Fees**

The Foundation will assess administrative and investment management fees against the Donor Advised Fund in accordance with the Foundation’spublished fee schedule, as amended from time to time. The Foundation may also assess the fund to cover any unusual expenses incurred in connection with the contributed assets, including the cost of disposing of them, and in the administration of the Fund.

**VII. Investments**

The assets of the Fund will be invested according to the Foundation’s investment policy, as it may be amended from time to time by the Foundation’s Investment Committee **[with the approval of the Board]**.

**Optional Paragraph for Foundations Offering**

**Donors a Choice of Investment Pools**

The Foundation maintains investment pools with varying risk and return objectives. These pools are described [below] [in an attachment to this agreement] [in your donor handbook]. All investment options are reviewed and approved by the Foundation’s Investment Committee [Board] and may change from time to time as the Committee [Board] determines. You may make recommendations to the Foundation for investment of your Fund in one or more of these pools. All recommendations must be in writing.

VIII. Administration

The Fund will be administered in accordance with the normal and customary policies of the Foundation (available upon request)

**IX. Anonymity/Publicity**

To recognize and honor our donors, the Foundation’s policy is to include our donors’ names in publicity about the Foundation unless they wish to remain anonymous. Please check the box below that best describes your wish regarding publicity:

□ I have no objection to the inclusion of my name in Foundation publicity

□ I do not wish to have my name included in Foundation publicity and I wish to be listed as an anonymous donor

□ Other \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

First Donor

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Second Donor

ACCEPTED:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ COMMUNITY FOUNDATION

By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Schedule of Contributed Property