

Donor Advised Endowed Fund
For:
Date:



Donor Advised Fund Agreements

A Donor Advised Fund (endowment or pass-through) typically is established at the request of a Donor to the Community Foundation to provide support for charitable and similar exempt expenditures or recipients recommended by the Donor or persons designated by the Donor to advise the Community Foundation. The recommendations must be advisory only, and the Community Foundation must be free to reject any or all recommendations.

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DONOR ADVISED ENDOWMENT FUND AGREEMENT

BETWEEN

**HERITAGE FUND – THE COMMUNITY FOUNDATION OF BARTHOLOMEW COUNTY,
AND**

_____ (**"DONORS"**)

THIS AGREEMENT (the "Agreement") is made and entered into as of _____, 20__, by and between Heritage Fund – The Community Foundation of Bartholomew County, Inc. (the "Community Foundation"), and _____ ("Donors").

Recitals

WHEREAS, Donors desire to establish an advised endowment fund in the Community Foundation with respect to which Donors can recommend appropriate expenditures or recipients of grants for charitable and similar exempt purposes; and

WHEREAS, the Community Foundation is an Indiana nonprofit corporation exempt from federal income taxes under Internal Revenue Code ("Code") section 501(c)(3), a public charity described in Code section 170(b)(1)(A)(vi), and accordingly an appropriate institution within which to establish such an advised endowment fund; and

WHEREAS, the Community Foundation is willing and able to hold and administer such an advised endowment fund, subject to the terms and conditions hereof.

General Provisions

NOW THEREFORE, the parties agree as follows:

1. GIFT AND FUND DESIGNATION. Donors hereby transfer irrevocably to the Community Foundation the property (cash, publicly traded securities, or other assets) described in the attached Exhibit A to establish an advised endowment fund to be known as the _____ Fund (the "Fund"). Subject to the right of the Community Foundation to reject any particular gift, from time to time the Community Foundation may accept additional irrevocable gifts of property from Donors or from any other source to be added to the Fund, all subject to the provisions hereof. All gifts, bequests, and devises to this Fund shall be irrevocable once accepted by the Community Foundation.

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2. PURPOSE. The purpose of the Fund shall be to provide support as directed by the Board of Directors (the "Board") of the Community Foundation for programs or activities that fulfill charitable or other exempt purposes within the meaning of Code section 170(c)(1) or 170(c)(2)(B) and that are consistent with the mission and purposes of the Community Foundation.

3. DISTRIBUTIONS. The ordinary income, capital appreciation (realized and unrealized), and principal (both historic dollar value and any principal contributions, accumulations, additions, or reinvestments) allocable to the Fund, net of the fees and expenses set forth in this Agreement, may be committed, granted, or expended pursuant to the distribution (or spending) policy of the Community Foundation, as such policy may be amended from time to time by the Community Foundation, solely for purposes described in this Agreement either (i) to pay expenditures of charitable or other exempt programs and activities conducted or sponsored by the Community Foundation itself or (ii) to other organizations described in Code section 170(b)(1)(A). The Community Foundation's distribution (or spending) policy, as applied to endowments such as the Fund, shall be designed to take into account total return concepts of investment and spending, with the goal of preserving the real spending power of endowments over time while balancing the need for consistent spending to support the charitable and similar exempt purposes of such endowments.

If any gift to the Community Foundation for the Fund is accepted subject to conditions or restrictions as to the use of the gift or income therefrom, such conditions or restrictions will be honored, subject, however, to the authority of the Board to vary the terms of any gift if continued adherence to any condition or restriction is in the judgment of the Board unnecessary, incapable of fulfillment, or inconsistent with the charitable or other exempt purposes of the Community Foundation or the needs of the community served by the Community Foundation. No distribution shall be made from the Fund that may in the judgment of the Community Foundation jeopardize or be inconsistent with the Community Foundation's Code section 501(c)(3) status or result in the imposition of any excise tax, penalty, or other tax, fine, or assessment under the Code (e.g., taxes on Code section 4966 taxable distributions to "disqualified supporting organizations").

4. RECOMMENDATIONS FOR DISTRIBUTIONS. Subject to the Community Foundation's principles and procedures for advised funds, the commitments, grants, or expenditures from the Fund contemplated in this Agreement shall be made at such time or times and in such amount or amounts as may be determined by the Community Foundation; provided, however, that Donors may from time to time submit to the Community Foundation recommendations regarding appropriate expenditures or the names of specified organizations described in Code section 170(b)(1)(A) to which it is recommended that distributions be made. All recommendations from Donors shall be solely advisory, and the Community Foundation may accept or reject them, applying reasonable standards and guidelines with regard thereto. If both spouses sign this Agreement as Donors, each shall be equally entitled to advise as to Fund

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distributions while both survive. After the first of the Donors to die, the surviving Donor may make all such recommendations. After the death of both Donors, the assets of the Fund shall be added to, and maintained, expended, or distributed as part of, the general endowment funds of the Community Foundation.

5. ADMINISTRATIVE PROVISIONS. Notwithstanding anything herein to the contrary, the Community Foundation shall hold and administer the Fund, and all contributions and assets allocable to the Fund, subject to the provisions of applicable law and the Community Foundation's Articles of Incorporation and Bylaws, as amended from time to time. The Board shall oversee distributions from the Fund and shall have all powers of modification and removal specified in United States Treasury Regulation section 1.170A-9(f)(11)(v)(B) or corresponding provisions of any subsequent federal tax laws.

The Board agrees to provide Donors a copy of any annual examination of the finances of the Community Foundation as reported by independent certified public accountants upon request.

This Agreement and all related proceedings shall be governed by and interpreted under the laws of the State of Indiana. Any action with respect to this Agreement shall be brought in or venued to a court of competent jurisdiction in Indiana.

6. CONDITIONS FOR ACCEPTANCE OF GIFTS. Donors agree and acknowledge that the establishment of the Fund is made in recognition of, and subject at all times to, applicable law and the terms and conditions of the Articles of Incorporation and Bylaws of the Community Foundation, as amended from time to time, including, but not by way of limitation, provisions for:

- a. Presumption of Donors' intent;
- b. Variance from Donors' direction; and
- c. Amendments.

7. CONTINUITY OF THE FUND. The Fund shall continue so long as assets are available in the Fund and the purposes of the Fund can be served by its continuation. If the Fund is terminated, the Community Foundation shall use any remaining assets in the Fund exclusively for charitable or other exempt purposes that:

- a. are within the scope of the charitable and other exempt purposes of the Community Foundation; and
- b. most nearly approximate, in the good faith opinion of the Board, the original purpose of the Fund.

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8. NOT A SEPARATE TRUST. The Fund shall be a component part of the Community Foundation. All money and property in the Fund shall be held as general assets of the Community Foundation and not segregated as trust property of a separate trust.

9. ACCOUNTING. The receipts and disbursements of the Fund shall be accounted for separately and apart from those of other gifts to the Community Foundation.

10. INVESTMENT OF FUND ASSETS. The Community Foundation shall have all powers necessary, or in its judgment desirable, to carry out the purposes of the Fund including, but not limited to, the power to retain, invest, and reinvest the assets of the Fund and the power to commingle the assets of the Fund for investment purposes with those of other funds or the Community Foundation's general assets.

11. COSTS OF THE FUND. It is understood and agreed that the Fund shall share a fair portion of the total investment and administrative costs and expenses of the Community Foundation. Those costs and expenses charged against the Fund shall be determined in accordance with the then current fee schedule identified by the Community Foundation as applicable to funds of this type, as such schedule may be amended by the Community Foundation from time to time. Any costs and expenses incurred by the Community Foundation in accepting, transferring, or managing property donated to the Community Foundation for the Fund, including without limitation the Community Foundation's costs and expenses (including reasonable attorneys fees) of any claim or proceeding with respect to the Fund in which the Community Foundation is prevailing party, also shall be paid from the Fund.

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Execution

IN WITNESS WHEREOF, Donors and the Community Foundation, by a duly authorized officer, have executed this Agreement as of the day and year first above written.

DONORS:

Donor

Donor

HERITAGE FUND – THE COMMUNITY FOUNDATION OF BARTHOLOMEW COUNTY:

By: _____

Title: _____

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EXHIBIT A

LIST OF INITIAL DONATIONS TO FUND

Cash: _____

Publicly Traded Securities:

Other: