



THE COMMUNITY FOUNDATION

ESTABLISHMENT OF AN ORGANIZATION ENDOWMENT FUND

This ORGANIZATION ENDOWMENT FUND AGREEMENT ("Agreement") is made this _____ day of _____, _____ between Rochester Area Community Foundation, a charitable community foundation ("Foundation") and _____ ("Donor Organization"), a public charity, to create an endowment fund ("Fund") of the Foundation.

- 1) Name of Fund. The name of the Fund created hereby is the _____
- 2) Initial Contribution. Upon signing this Agreement, the Donor Organization will transfer and deliver to the Foundation the property described as follows: _____
- 3) Purposes. The purpose(s) of the Fund is to provide endowed current support for the following activities of the Donor Organization: _____

- 4) Management. The Foundation hereby agrees to accept cash and other valuable property transferred to it by the Donor Organization or its supporters. Gifts to the Fund shall be invested as part of the Foundation's permanent endowment funds, subject to the same policies for investment, determination of current distribution amount, and allocation to cover Foundation administrative costs, as shall be adopted from time to time for its permanent endowment funds. Any fundraising activity must be approved by the Community Foundation in advance. The Fund is open ended and can be added to at any time.
- 5) Distributions. Distributions from the Fund shall be made in accordance with such procedures for the administration and operation of such funds of the Foundation as may be in effect from time to time. Grants from income are usually provided annually in June to the Donor Organization; other arrangements may be made. The Donor Organization's Board of Directors **shall/shall not** (*circle one*) be able, upon a vote of 2/3 of its members, to request payouts from principal for capital building purposes or other specific needs. Future Boards of Directors of the Donor Organization **may/may not** (*circle one*) request payout of some or all principal previously transferred to the Fund by the Donor Organization. The Donor Organization's Board of Directors shall be responsible for the expenditure of distributions from the fund. Distributions from the Fund shall be made in the name of the Fund.
- 6) Compensation to Foundation. As compensation for its services the Foundation shall receive those fees which it customarily charges for services of a nature similar to those required herein (currently 1% of principal with a minimum of \$250 per annum). Fees may be increased at times of active fundraising.

The Fund is protected from obsolescence. Should the designated organization cease to be an organization to which contributions are deductible for federal income tax purposes, or should the purposes for which the Fund is established ever become obsolete, unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community, the Board of Directors of the Foundation shall in its sole judgment select a similar use for the funds which will most nearly fulfill the original charitable intent of the Donor.

The Foundation represents that it is a not-for-profit tax-exempt organization authorized to establish the Fund, that it has a 501(c)(3) tax exempt designation from the Internal Revenue Service, and that contributions to the Fund will be tax deductible by the donors. Any statement in this Agreement notwithstanding, contributions to the Fund, like all endowment contributions to the Foundation, are permanent funds of the Foundation and must be administered in accordance with its charter and bylaws and in accordance with applicable laws and regulations governing the Foundation.

DONOR

ROCHESTER AREA COMMUNITY FOUNDATION

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|-------------|-------------|
| Sign _____ | Sign _____ |
| Print _____ | Title _____ |
| Date _____ | Date _____ |