



# THE COMMUNITY FOUNDATION

## ESTABLISHMENT OF A DONOR-ADVISED ENDOWMENT FUND FROM AN ACORN FUND

Having reached the minimum amount required to establish a permanent endowed fund at The Community Foundation, the Acorn Fund known as the \_\_\_\_\_ Fund, created \_\_\_\_\_, between Rochester Area Community Foundation (“Foundation”) and \_\_\_\_\_ “Donor”), will become a Donor-Advised Endowment Fund with the same name, effective \_\_\_\_\_, \_\_\_\_\_.

- 1) Purposes. The Fund will further the charitable and educational purposes of the Foundation.
- 2) Advisor(s) to the Fund. The following person(s) is (are) authorized to provide grantmaking recommendations for the Fund: \_\_\_\_\_.
- 3) After their lifetimes, the Fund shall:
  - continue to make grants in its name that address:
    - the changing needs of the community;
    - the following broad field(s) of interest: \_\_\_\_\_; or
  - be added to the Foundation’s general endowment fund.

4) Management. The Foundation hereby agrees to accept cash and other valuable property transferred to it by the Donors and others who wish to participate in the Fund. 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 operations of such funds of the Foundation as may be in effect from time to time. The Foundation agrees to receive recommendations regarding distributions for charitable uses. If the fund has remained dormant without grantmaking for five years, the Community Foundation will make every effort to secure grantmaking advice from the advisor(s) and, if unsuccessful, will make distributions in accordance with Board-designated priorities for this region.

6) Compensation to the 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 fund value annually).

7) The Fund is protected from obsolescence. Should the purposes for which the Fund is established ever become obsolete or incapable of fulfillment, 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 Fund.

8) 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

Sign \_\_\_\_\_

Sign \_\_\_\_\_

Print \_\_\_\_\_

Title \_\_\_\_\_

\_\_\_\_\_

Date \_\_\_\_\_

\_\_\_\_\_

Date \_\_\_\_\_

SAMPLE