

# Harrison County Community Foundation

## Endowment Fund Policy

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### **ENDOWMENT FUND AGREEMENT FORMAT**

#### **APPROVED AGREEMENT TEMPLATES**

HCCF uses sample fund agreements (templates) as supplied by Indiana Philanthropy Alliance (IPA). These form agreements are presented as educational material and may be modified with respect to particular implications of specific situations. HCCF utilizes legal counsel to review fund agreements prior to use. See appendix A for sample documents.

### **ENDOWMENT FUND MINIMUMS**

#### **DESIGNATED AND FIELD OF INTEREST ENDOWMENT FUND ESTABLISHMENT MINIMUMS**

If a donor desires to establish a designated or field of interest endowment fund, the required minimum gift shall be \$5,000.

#### **DISCRETIONARY AND COMMITTEE ADVISED SCHOLARSHIP FUND ESTABLISHMENT MINIMUMS**

The minimum gift required to establish a discretionary endowed scholarship fund is \$10,000.

The minimum to establish a committee advised scholarship fund which allows the founding contributor and/or family to participate on the selection committee requires a minimum gift of \$25,000.

#### **DISCRETIONARY OR NAMED UNRESTRICTED ENDOWMENT FUND MINIMUMS**

The minimum to establish a discretionary or named unrestricted endowment fund (e.g. Builder's Funds) is \$2,500.

#### **ENDOWED DONOR ADVISED FUND MINIMUM**

The minimum to establish an endowed donor advised fund is \$25,000.

#### **DISCRETIONARY OR DESIGNATED FUNDS WITHOUT SUBSTANTIAL BENEFIT TO HARRISON COUNTY MINIMUM**

If a donor desires to set-up a restricted fund that does not provide a substantial benefit to Harrison County residents, the required minimum gift shall be \$10,000, and acceptance of this restriction is within the sole discretion of the Board of Directors.

#### **LESS THAN MINIMUM ENDOWMENT FUND ESTABLISHMENT PROCESS**

If a donor wishes their gift to be directed to an endowment fund not currently set-up the following applies:

1. Donations less than the minimum will be accepted into the foundation's unrestricted fund. If the intent is to gather enough donations to reach the minimum total required and the goal is reached within **90 days**, the funds will be transferred into a newly created named fund with its own specific agreement.
2. If however, **90 days** pass from the date of the initial gift and the minimum has not been reached, the foundation may determine the donations remain in the unrestricted fund and therefore become available for any charitable purpose the foundation chooses or the foundation may transfer the donations into a fund that most closely matches the donor's original intent.

If any gifts have been made in memory or honor of an individual or event, this will be noted in the HCCF annual report. See the HCCF Gift Acceptance Policy for more information.

See Appendix B for an Endowment Fund minimum comparison chart.

## **HCCF MATCH PROGRAM**

### **MATCHING ENDOWMENT CONTRIBUTIONS**

As resources permit, the Foundation may offer matching incentives to contributions into existing endowments or to create new endowments that provide a viable service to Harrison County residents. The Board of Directors reserves the right to annually review and vary the terms of any match program. See the HCCF Gift Acceptance Policy for more information.

## **DESIGNATED AND FIELD OF INTEREST FUNDS**

### **DESIGNATED AND FIELD OF INTEREST ENDOWMENT FUND INFORMATION**

A Designated Endowment Fund typically is established to provide support for a specified public charity (e.g. the local food pantry, art museum, or hospital) with no future advice or recommendations from the Donor or any persons designated by the Donor.

A Field of Interest Fund typically is established to provide support for a specified charitable purpose (e.g. cancer research, animal welfare, children in need) with no future advice or recommendations from the Donor or and persons designated by the Donor.

HCCF uses fund agreement form documents supplied by the Indiana Philanthropy Alliance. These documents are approved by HCCF legal counsel.

### **DESIGNATED ENDOWMENT FUND GRANTS**

All grants awarded from HCCF Designated Endowment Funds must be approved by the HCCF Board of Directors. Beneficiary agencies or other charitable entities may request grants from Designated Endowment Funds if eligible as described in the fund agreement stated purpose. Requests must be made utilizing the Endowment Fund Grant Request Form (available on the HCCF website). The HCCF staff may request additional supporting correspondence or documentation prior to presenting the request to the HCCF Board of Directors.

The request form must contain two different signatures of the charitable entity at two organizational levels. At least one signature must be from the authorized representative or contracting authority of the governing body and the other may be of a staff or supervisory level. Requests from schools must include the signature of the superintendent and requests from

county-owned entities must include the signature of the President of the Board of Commissioners.

The deadline to submit a Designated Endowment Fund Grant Request is five (5) working days prior to the monthly Board meeting, typically held the 1<sup>st</sup> Monday of each month. There are no Board meetings in July.

### **FIELD OF INTEREST FUND GRANTS**

All grants awarded from HCCF Field of Interest Funds must be approved by the HCCF Board of Directors. Charitable entities may request grants from Field of Interest Funds if the purpose of the requested grant is eligible as described in the fund agreement stated purpose. Requests up to \$5,000 may be made utilizing the Field of Interest Grant Request Form (available on the HCCF website). In addition to the Field of Interest Grant Request Form, applicants will be required to submit a cover letter (not more than two pages describing your agency and/or purpose of the grant) and an itemized project budget.

The request form must contain two different signatures of the charitable entity at two organizational levels. At least one signature must be from the authorized representative or contracting authority of the governing body and the other may be of a staff or supervisory level. Requests from schools must include the signature of the superintendent and requests from county-owned entities must include the signature of the President of the Board of Commissioners.

The HCCF staff may request additional supporting correspondence or documentation prior to presenting the request to the Scholarship and Endowment Committee and HCCF Board of Directors.

Charitable entities requesting over \$5,000 are not allowed to use the Field of Interest Grant Request Form but are encouraged to submit a request through the full open cycle online grant application. (Please see Grant Making Policy and Procedures available on the HCCF website.)

### **DESIGNATED OR FIELD OF INTEREST ENDOWMENT FUND GRANT REPORTING**

The HCCF staff is tasked to ensure expenditure responsibility for all grants awarded from HCCF Designated or Field of Interest Endowment Funds. Periodically, not to exceed ninety (90) days, or when the grant funds have been utilized for the purpose as presented, the Grant Recipient must submit a Final Report Form (available on the HCCF website) and attach any available invoices, receipts, or other documentation to verify the appropriate expenditure of funds.

Endowment Funds that are in violation of these reporting requirements will not be eligible for additional grants or any current Matching Funds Program until in compliance.

## **SCHOLARSHIP FUNDS**

### **DISCRETIONARY AND COMMITTEE ADVISED SCHOLARSHIP FUNDS**

A Discretionary Scholarship Fund typically is established to provide educational scholarships to individuals with no advice or recommendation from the Donor.

A Committee Advised Scholarship Fund is typically established when the Donor wishes to be involved in the selection of scholarship recipients or wishes to designate one or more persons to be involved in the selection of scholarship recipients.

Refer to the HCCF Scholarship Fund Policy for details relating to the scholarship selection and award process.

### **DISCRETIONARY OR NAMED UNRESTRICTED FUNDS**

#### **DISCRETIONARY OR NAMED UNRESTRICTED ENDOWMENT FUND INFORMATION**

Named Discretionary or Unrestricted Endowment Funds (Builder's Funds) follow the same policies and guidelines as Designated Endowment Funds except for the following point:

The purpose of the Discretionary or Named Unrestricted Endowment Funds ("Builder's Funds") shall be to provide support as directed by the Board of Directors (the "Board") of the Foundation for programs or activities that fulfill charitable or other exempt purposes benefiting Harrison County 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 Foundation.

#### **DISCRETIONARY OR NAMED UNRESTRICTED ENDOWMENT FUND GRANTS**

All grants awarded from HCCF Named Unrestricted Endowment Funds will support activities or programs benefitting Harrison County. These grants will be directed by the HCCF Board of Directors.

#### **DISCRETIONARY OR NAMED UNRESTRICTED ENDOWMENT FUND GRANT REPORTING**

Reporting will be required of Grant Recipients by utilizing the same process as outlined in the HCCF Grant Making Policy and Procedures to ensure due diligence and expenditure responsibility.

## **ENDOWED DONOR ADVISED FUNDS**

### **ENDOWED DONOR ADVISED FUND INFORMATION**

An Endowed Donor Advised Fund typically is established at the request of a Donor to HCCF to provide support for charitable and similar exempt expenditures or recipients recommended by the Donor or persons designated by the Donor to advise HCCF. The recommendations must be advisory only, and HCCF may accept or reject any or all recommendations, in their sole discretion.

1. Prohibitions for use of funds: Grants from an Endowed Donor Advised Fund cannot fulfill any legally enforceable financial obligation of the Founding Contributor, advisors to the fund or other parties related to the fund. Grants cannot permit the Founding Contributor, Founding Contributor's family, or any related parties to receive benefits, goods or services in exchange for payment. Grants cannot support political campaigns or lobbying activities. Grants cannot pay for dues, tangible membership benefits, goods from charitable auctions, or other goods or services. Grants cannot pay for attendance at galas, sporting events, or benefit events. Grants cannot be paid to any specific individual, including entities for the benefit of a specific individual, or loans to donors, advisors, or other parties related to the fund. All grants must support a charitable program sponsored by a nonprofit organization qualified by the IRS as a Section 501(C)(3) Public Charity and must be approved by the Harrison County Community Foundation Board of Directors at a regular meeting.
2. Match: In the event the Board has made available matching funds for donations, Endowed Donor Advised Funds may be eligible for a match providing the agreement is written to restrict beneficiaries to those that will provide a substantial benefit to residents of Harrison County, within the sole discretion of the Board of Directors. Endowed Donor Advised Funds will not be eligible for a match if the Founding Contributor wishes to maintain the flexibility to grant to beneficiaries that may not provide a substantial benefit to residents of Harrison County, as determined within the sole discretion of the Board of Directors. Once the agreement has been accepted and approved by the Board, neither the Founding Contributor, nor persons/committee appointed by the Founding Contributor may request a change in the agreement with regard to beneficiaries and match eligibility.
3. Recommendation committee: The Founding Contributor may appoint a person/committee to make recommendations as to the distribution of funds who are:
  - A. A family member(s) to serve for their lifetime. The Foundation recommends the duration of the appointments not to exceed two generations.
  - B. An advisor by virtue of their organizational or institutional role for a set period of years. The Foundation recommends the duration be limited to a maximum of 99

years.

All advisory committee appointees and the duration of their advisory role are subject to final approval of the Harrison County Community Foundation's Board of Directors.

4. Recommendation procedure: The Founding Contributor or the designated advisory committee representative will submit a completed Donor Advised Grant Request Form to the Foundation. All Endowment Grant Requests must be approved by the Board of Directors. The deadline to submit Endowed Donor Advised Fund Grant Requests is ten (10) working days prior to the monthly Board meeting, typically held the 1st Monday of each month. There are no Board meetings in July.
5. Scholarship: Endowed Donor Advised Funds may not be used as a scholarship fund but distributions from the fund may be directed to support an existing scholarship fund.
6. Additional: Grants recommended from Endowed Donor Advised Funds may be given anonymously. Recommended grant distributions must be a minimum of \$100.

#### **ENDOWED DONOR ADVISED FUND GRANTS**

All grants awarded from HCCF Endowed Donor Advised Funds must be approved by the HCCF Board of Directors. The Founding Contributor or the person/committee appointed by the Founding Contributor may recommend grants from Endowed Donor Advised Funds if eligible as described in the fund agreement. Recommendations must be made utilizing the Donor Advised Fund Grant Request Form (available on the HCCF website) in order to determine expenditure responsibility. The deadline to submit Endowed Donor Advised Fund Grant Requests is ten (10) working days prior to the monthly Board meeting, typically held the 1st Monday of each month. There are no Board meetings in July.

The HCCF staff may request additional supporting correspondence or documentation prior to presenting the request to the HCCF Board of Directors. The request form must contain the signature of the Founding Contributor or the designated advisory committee representative.

#### **ENDOWED DONOR ADVISED FUND GRANT REPORTING**

The HCCF staff is tasked to ensure expenditure responsibility for all grants awarded from HCCF Endowed Donor Advised Funds. Periodically, not to exceed ninety (90) days, or when the grant funds have been utilized for the purpose as presented, the Grant Recipient must submit a Final Report Form (available on the HCCF website) and attach any available invoices, receipts, or other documentation to verify the appropriate expenditure of funds.

#### **INACTIVE FUNDS POLICY**

In order to carry out its policy of consistently distributing charitable dollars to the community, the HCCF will review periodically the grant making activity of our endowment funds. Unless a waiting period is specified in the Agreement, for any fund that has failed to make distributions commensurate in size with the Foundation's spending policy over a two-year period, the Foundation will contact the founding contributor(s) or beneficiary agency to discuss this situation. At that time, the founding contributor(s) or beneficiary agency will be given the following options:

1. Resume or begin periodic grantmaking;
2. Provide a written plan for funding a specific project that requires accumulating resources;
3. Recommend an amended charitable purpose for the fund;
4. Recommend amended criteria for awarding grants or scholarships from the fund;
5. Recommend transfer of the assets into another HCCF endowment; or
6. Allow HCCF to transfer the assets into the HCCF unrestricted account.

Endowment Funds that are in violation of the Inactive Funds Policy will not be eligible for any current Matching Funds Program until in compliance.

Any amendments, changes, or remedies recommended by the Founding Contributor(s) or a beneficiary agency must be approved by the HCCF Board of Directors.

In the event that the beneficiary agency has ceased operating or founding contributor(s) cannot be located or is (are) unresponsive within ninety (90) days of initial outreach, the purpose of the fund or the criteria of the fund will be modified as directed by the HCCF Board of Directors that most nearly, in the good faith opinion of the board, serves the original purpose of the Fund.

### **LIMITATION ON AVAILABLE SPENDING**

The quarterly ending Amount Available for Spending will not be allowed to exceed fifty percent (50%) of the Total Fund Value. Unless specifically waived by the HCCF Board of Directors, any amount exceeding the fifty percent limit will be transferred into the principal of the Endowment Fund.

### **Fund Link**

Fund Link is a tool HCCF may make available for the founding contributor and/or a representative of the benefitting organization to utilize in order to view existing endowment



fund financial details such as Net Assets, Additions, and Subtractions to the fund's balance. Access to Fund Link is a privilege granted on an "as-needed basis." HCCF reserves the right to limit access if the Foundation determines the individual/s no longer has a viable need to view fund details. See Appendix C for policy and forms.

Adopted June 6, 2016  
Amended January 3, 2017  
Amended September 6, 2022  
Amended January 9, 2023  
Amended June 5, 2023

**APPENDIX A**

**DESIGNATED ENDOWMENT FUND AGREEMENT  
BETWEEN**

\_\_\_\_\_ **COMMUNITY FOUNDATION, INC.,**  
**AND**  
\_\_\_\_\_ **(“DONORS”)**

**THIS AGREEMENT** (the “Agreement”) is made and entered into as of \_\_\_\_\_, 20\_\_, by and between \_\_\_\_\_ Community Foundation, Inc. (the “Community Foundation”), and \_\_\_\_\_ (“Donors”).

**Recitals**

**WHEREAS**, Donors desire to establish a designated endowment fund in the Community Foundation; 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 a designated endowment fund; and

**WHEREAS**, the Community Foundation is willing and able to hold and administer such a designated 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 a designated 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.

**2. PURPOSE.** The purpose of the Fund shall be to provide support to \_\_\_\_\_ (a single tax-exempt nonprofit organization described in Code sections 501(c)(3) and either 509(a)(1), 509(a)(2), or 509(a)(3)) (the “Designated Charitable Organization”), as directed by the Board of Directors (the “Board”) of the Community Foundation. Such support shall be used to further the charitable or other exempt purposes of the Designated Charitable Organization within the meaning of Code section

170(c)(1) or 170(c)(2)(B) and shall be 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. 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. In this regard, if the Designated Charitable Organization ceases to exist or to be classified by the Internal Revenue Service as a public charity described in 509(a)(1), 509(a)(2), or 509(a)(3), the Board shall have the discretion to select another designated recipient that furthers purposes similar to that of the Designated Charitable Organization. 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.

**4. 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.

Upon request, the Board will provide Donors a copy of any annual examination of the finances of the Community Foundation as reported by independent certified public accountants; provided, however, that the Donors provide contact information to the Community Foundation and update such contact information as needed.

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.

**5. 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, and that the Fund shall at all times be subject to such terms and conditions, including, but not by way of limitation, provisions for:

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

**6. 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.

**7. 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.

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

**9. 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. **Funds may be invested in uninsured securities and are subject to investment risks that may result in loss of value.**

**10. 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.

**[GO TO NEXT PAGE]**

**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

\_\_\_\_\_ COMMUNITY FOUNDATION, INC.:

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

Title: \_\_\_\_\_

**APPENDIX A**

**DISCRETIONARY ENDOWMENT FUND AGREEMENT  
BETWEEN**

\_\_\_\_\_ **COMMUNITY FOUNDATION, INC.,**  
**AND**  
\_\_\_\_\_ **(“DONORS”)**

**THIS AGREEMENT** (the “Agreement”) is made and entered into as of \_\_\_\_\_, 20\_\_, by and between \_\_\_\_\_ Community Foundation, Inc. (the “Community Foundation”), and \_\_\_\_\_ (“Donors”).

**Recitals**

**WHEREAS**, Donors desire to establish a discretionary endowment fund for charitable and similar exempt purposes in the Community Foundation; 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 a discretionary endowment fund; and

**WHEREAS**, the Community Foundation is willing and able to hold and administer such a discretionary endowment fund which shall serve the general, unspecified charitable purposes of the Community Foundation, 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 a discretionary 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.

**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 (i) to pay expenditures of charitable or other exempt programs and activities conducted or sponsored by the Community Foundation itself, (ii) to other organizations described in Code section 170(b)(1)(A), or (iii) to other exempt organizations that are not public charities (such as organizations described in Code sections 501(c)(4) or 501(c)(6)), provided that the Community Foundation exercises due diligence similar to that required by private foundations exercising expenditure responsibility, to ensure such distributions are used for exclusively charitable purposes. 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 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.

**4. 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.

Upon request, the Board will provide Donors a copy of any annual examination of the finances of the Community Foundation as reported by independent certified public accountants; provided, however, that the Donors provide contact information to the Community Foundation and update such contact information as needed.

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.



**5. 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, and that the Fund shall at all times be subject to such terms and conditions, including, but not by way of limitation, provisions for:

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

**6. 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.

**7. 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.

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

**9. 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. **Funds may be invested in uninsured securities and are subject to investment risks that may result in loss of value.**

**10. 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.

**[GO TO NEXT PAGE]**

**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

\_\_\_\_\_ COMMUNITY FOUNDATION, INC.:

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

Title: \_\_\_\_\_

**APPENDIX A**

**DISCRETIONARY SCHOLARSHIP ENDOWMENT FUND AGREEMENT**

**BETWEEN**

\_\_\_\_\_ **COMMUNITY FOUNDATION, INC.,**

**AND**

\_\_\_\_\_ **("DONORS")**

**THIS AGREEMENT** (the "Agreement") is made and entered into as of \_\_\_\_\_, 20\_\_, by and between \_\_\_\_\_ Community Foundation, Inc. (the "Community Foundation"), and \_\_\_\_\_ ("Donors").

**Recitals**

**WHEREAS**, Donors desire to establish a discretionary scholarship endowment fund in the Community Foundation; 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 a discretionary scholarship endowment fund; and

**WHEREAS**, the Community Foundation is willing and able to hold and administer such a discretionary scholarship endowment fund, which shall provide scholarships at the discretion of the Community Foundation pursuant to the process established by the Community Foundation in accordance with the terms and conditions of this Agreement.

**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 a discretionary scholarship 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.

**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 educational scholarships for students who are accepted into and attend an accredited educational organization that normally maintains a regular faculty and curriculum and has a regularly enrolled body of students as described in Code section 170(b)(1)(A)(ii). Consistent with the charitable purposes of the Community Foundation, distributions from this Fund will be used primarily to provide scholarships in accordance with the criteria contained in Exhibit B to this Agreement and the Community Foundation’s Policies and Procedures for Scholarship Funds, as amended from time to time. All scholarship determinations shall be made by a scholarship committee entirely appointed by the Community Foundation’s Board of Directors (and on which the Donors shall not serve).

In the event that the above criteria are too restrictive (because no student acceptable to the Community Foundation meets the criteria, or for other reasons), the purpose of the Fund shall include the support of educational scholarships for deserving students who most closely satisfy the criteria. All support provided from the Fund shall further the educational, charitable, or other exempt purposes of the Community Foundation within the meaning of Code section 170(c)(1) or 170(c)(2)(B) and shall be 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 the purposes described in this Agreement. In addition, all Fund assets shall be available to make payments in support of previously approved educational scholarships (for example, a four-year scholarship awarded with the understanding that scholarship payments will continue as long as the recipient remains in good standing with a particular grade point average). 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 educational, charitable, and similar 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 educational, 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.

**4. 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.

Upon request, the Board will provide Donors a copy of any annual examination of the finances of the Community Foundation as reported by independent certified public accountants; provided, however, that the Donors provide contact information to the Community Foundation and update such contact information as needed.

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.

**5. 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, and that the Fund shall at all times be subject to such terms and conditions, including, but not by way of limitation, provisions for:

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

**6. 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 educational, charitable, or other exempt purposes that:

- a. are within the scope of the educational, 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.

**7. 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.

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

**9. 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. **Funds may be invested in uninsured securities and are subject to investment risks that may result in loss of value.**

**10. 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.

**[GO TO NEXT PAGE]**

**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

\_\_\_\_\_ COMMUNITY FOUNDATION, INC.:

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

Title: \_\_\_\_\_



**APPENDIX A**

**DONOR ADVISED ENDOWMENT FUND AGREEMENT  
BETWEEN**

\_\_\_\_\_ **COMMUNITY FOUNDATION, INC.,**  
**AND**  
\_\_\_\_\_ **(“DONORS”)**

**THIS AGREEMENT** (the “Agreement”) is made and entered into as of \_\_\_\_\_, 20\_\_, by and between \_\_\_\_\_ Community Foundation, 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.

**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 (i) to pay expenditures of charitable or other exempt programs and activities conducted or sponsored by the Community Foundation itself, (ii) to other organizations described in Code section 170(b)(1)(A), or (iii) to other exempt organizations that are not public charities (such as organizations described in Code sections 501(c)(4) or 501(c)(6)), provided that the Community Foundation exercises expenditure responsibility pursuant to Code section 4945(h), to ensure such distributions are used for exclusively charitable purposes. 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 (or any one individual designated by the Donors as the Fund advisor) 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 or the designated advisor shall be solely advisory, and the Community Foundation may accept or reject them, applying reasonable standards and guidelines with regard thereto (including policies and procedures implemented to comply with applicable law). If both spouses sign this Agreement as Donors, each shall be equally entitled to advise as to Fund 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 or the last properly designated advisor (if later), 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. Moreover, in the event that no grant recommendations are made from the Fund for a period of [two years] and, during such time the

Donors (or the Fund advisor, if applicable) do not reply to the Community Foundation's attempts to contact them, the Community Foundation will begin making grants from the Fund pursuant to the spending policy of the Community Foundation and consistent with the Fund's purpose or Donors' grantmaking history for an additional [**three-year**] period. If no grant is recommended in this subsequent [**three-year**] period by the Donors (or Fund advisor) 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.

Upon request, the Board will provide Donors a copy of any annual examination of the finances of the Community Foundation as reported by independent certified public accountants; provided, however, that the Donors provide contact information to the Community Foundation and update such contact information as needed.

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, and that the Fund shall at all times be subject to such terms and conditions, 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.

**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. **Funds may be invested in unsecured securities and are subject to investment risks that may result in loss of value.**

**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.

**[GO TO NEXT PAGE]**

**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

\_\_\_\_\_ COMMUNITY FOUNDATION, INC.:

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

Title: \_\_\_\_\_

**APPENDIX A**

**FIELD OF INTEREST ENDOWMENT FUND AGREEMENT  
BETWEEN**

\_\_\_\_\_ **COMMUNITY FOUNDATION, INC.,**  
**AND**  
\_\_\_\_\_ **(“DONORS”)**

**THIS AGREEMENT** (the “Agreement”) is made and entered into as of \_\_\_\_\_, 20\_\_, by and between \_\_\_\_\_ Community Foundation, Inc. (the “Community Foundation”), and \_\_\_\_\_ (“Donors”).

**Recitals**

**WHEREAS**, Donors desire to establish a field of interest endowment fund in the Community Foundation; 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 a field of interest endowment fund; and

**WHEREAS**, the Community Foundation is willing and able to hold and administer such a field of interest 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 a field of interest 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.

**2. PURPOSE.** The purpose of the Fund shall be to provide support for \_\_\_\_\_ (a purpose within the scope of Code section 170(c)(1) or 170(c)(2)(B) that is consistent with the mission and purposes of the Community Foundation), as directed by the Board of Directors (the “Board”) 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 Section 2 of this Agreement (i) to pay expenditures of charitable or other exempt programs and activities conducted or sponsored by the Community Foundation itself, (ii) to other organizations described in Code section 170(b)(1)(A), or (iii) to other exempt organizations that are not public charities (such as organizations described in Code sections 501(c)(4) or 501(c)(6)), provided that the Community Foundation exercises due diligence similar to that required by private foundations exercising expenditure responsibility, to ensure such distributions are used for exclusively charitable purposes. 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.

**4. 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.

Upon request, the Board will provide Donors a copy of any annual examination of the finances of the Community Foundation as reported by independent certified public accountants; provided, however, that the Donors provide contact information to the Community Foundation and update such contact information as needed.

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.

**5. 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, and that the Fund shall at all times be subject to such terms and conditions, including, but not by way of limitation, provisions for:

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

**6. 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.

**7. 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.

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

**9. 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. **Funds may be invested in uninsured securities and are subject to investment risks that may result in loss of value.**

**10. 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.

**[GO TO NEXT PAGE]**



**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

\_\_\_\_\_ COMMUNITY FOUNDATION, INC.:

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

Title: \_\_\_\_\_

**COMMITTEE-ADVISED SCHOLARSHIP ENDOWMENT FUND AGREEMENT  
BETWEEN**

\_\_\_\_\_  
**COMMUNITY FOUNDATION, INC.,**  
**AND**  
\_\_\_\_\_  
**(“DONORS”)**

**THIS AGREEMENT** (the “Agreement”) is made and entered into as of \_\_\_\_\_, 20\_\_, by and between \_\_\_\_\_ Community Foundation, Inc. (the “Community Foundation”), and \_\_\_\_\_ (“Donors”).

**Recitals**

**WHEREAS**, Donors desire to establish an advised scholarship endowment fund in the Community Foundation with respect to which Donors, or a Donor Representative (as defined below), may participate in an advisory committee established by the Community Foundation to recommend to the Community Foundation potential scholarship recipients from such fund; 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 scholarship endowment fund; and

**WHEREAS**, the Community Foundation is willing and able to hold and administer such an advised scholarship 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 scholarship 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.

**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 educational scholarships for students who are accepted into and attend an accredited educational organization that normally maintains a regular faculty and curriculum and has a regularly enrolled body of students as described in Code section 170(b)(1)(A)(ii). Consistent with the charitable purposes of the Community Foundation, distributions from this Fund will be used primarily to provide scholarships in accordance with the criteria contained in Exhibit B to this Agreement and the Community Foundation’s Policies and Procedures for Scholarship Funds, as amended from time to time (including policies specifically related to donor advisor selection committee members which are implemented to ensure compliance with applicable donor advised fund rules).

In the event that the above criteria are too restrictive (because no student acceptable to the Community Foundation meets the criteria, or for other reasons), the purpose of the Fund shall include the support of educational scholarships for deserving students who most closely satisfy the criteria. All support provided from the Fund shall further the educational, charitable, or other exempt purposes of the Community Foundation within the meaning of Code section 170(c)(1) or 170(c)(2)(B) and shall be 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 the purposes described in this Agreement. In addition, all Fund assets shall be available to make payments in support of previously approved educational scholarships (for example, a four-year scholarship awarded with the understanding that scholarship payments will continue as long as the recipient remains in good standing with a particular grade point average). 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 educational, charitable, and similar 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 educational, 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.

**4. SCHOLARSHIP ADVISORY COMMITTEE AND CRITERIA.** Until the last to die of (i) the surviving Donor and (ii) the Donor Representative (if any) (as defined below), the Community Foundation shall establish a Scholarship Advisory Committee (the "Committee") for the purpose of providing advice and recommendations to the Community Foundation with respect to proposed recipients of educational scholarships from the Fund and shall appoint all members of the Committee as provided below. The final selections of recipients shall be made by the Community Foundation subject to the Community Foundation's objective and nondiscriminatory selection criteria for awarding scholarships to individuals, such criteria previously having been approved by the Board consistent with Code section 4945(g) and corresponding Treasury Regulations. The following guidelines shall be followed in establishing and conducting the affairs of the Committee:

- a. The Community Foundation shall consider and may appoint to membership on the Committee either (i) one or both Donors or (ii) one representative (the “Donor Representative”) jointly identified and nominated by Donors, or identified and nominated by the Donor who is last to survive. An appointed Donor or appointed Donor Representative shall participate with the other members of the Committee appointed by the Community Foundation in recommending to the Community Foundation proposed scholarship recipients consistent with the purposes described in this Agreement.
- b. At no time shall Donors or the Donor Representative, in combination with any persons related to either Donor or the Donor Representative, constitute a majority of the Committee’s membership or otherwise directly or indirectly control the Committee.

**5. 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 the Committee (if any) may from time to time submit to the Community Foundation the names of proposed recipients for educational scholarships from the Fund. All recommendations from the Committee shall be solely advisory, and the Community Foundation may accept or reject them, applying reasonable standards and guidelines with regard thereto.

**6. 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.

Upon request, the Board will provide Donors a copy of any annual examination of the finances of the Community Foundation as reported by independent certified public accountants; provided, however, that the Donors provide contact information to the Community Foundation and update such contact information as needed.

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.

**7. 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, and that the Fund shall at all times be subject to such terms and conditions, including, but not by way of limitation, provisions for:

- a. Presumption of Donors’ intent;

- b. Variance from Donors' direction; and
- c. Amendments.

**8. 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 educational, charitable, or other exempt purposes that:

- a. are within the scope of the educational, 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.

**9. 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.

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

**11. 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. **Funds may be invested in uninsured securities and are subject to investment risks that may result in loss of value.**

**12. 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.

**[GO TO NEXT PAGE]**

**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

\_\_\_\_\_ COMMUNITY FOUNDATION, INC.:

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

Title: \_\_\_\_\_

## Endowment Fund Policy

### Appendix B

#### Endowment Fund Type Comparison

*Funds Providing Substantial Benefit to Harrison County*

<b>Fund Type</b>	<b>Fund Minimum</b>	<b>Administrative Fee</b>	<b>Spendable Rate</b>	<b>Match Eligibility</b>
Discretionary / Named Unrestricted	\$ 2,500.00	No Fee	5%	Eligible
Designated / Agency	\$ 5,000.00	No Fee	5%	Eligible
Field of Interest	\$ 5,000.00	No Fee	5%	Eligible
Discretionary Scholarship	\$ 10,000.00	No Fee	4%	Eligible
Committee Advised Scholarship	\$ 25,000.00	No Fee	4%	Eligible
Donor Advised	\$ 25,000.00	No Fee	5%	Eligible

*Funds **Not** Providing Substantial Benefit to Harrison County*

<b>Fund Type</b>	<b>Fund Minimum</b>	<b>Administrative Fee</b>	<b>Spendable Rate</b>	<b>Match Eligibility</b>
Discretionary / Named Unrestricted				
Designated / Agency	\$ 10,000.00	1%	5%	Not Eligible
Field of Interest	\$ 10,000.00	1%	5%	Not Eligible
Discretionary Scholarship	\$ 10,000.00	1%	4%	Not Eligible
Committee Advised Scholarship	\$ 25,000.00	1%	4%	Not Eligible
Donor Advised	\$ 25,000.00	1%	5%	Not Eligible

## APPENDIX C

### **FUND LINK INFORMATION AND USER POLICY**

Harrison County Community Foundation (HCCF) strives to provide its endowed fundholders with informative and relevant information on their fund activity. Fundholders may access information about recent gifts, grants, investment growth, and fees associated with their fund through Fund Link.

#### **Information Available Through Fund Link**

Fund Link is a tool HCCF has made available for the founding contributor and/or a representative of the benefitting organization to utilize in order to view existing endowment fund financial details such as Net Assets, Additions, and Subtractions to the fund's balance. Access to Fund Link is a privilege granted on an "as-needed basis."

For nonprofit organizations with signed fund agreements or nonprofit organizations listed as a beneficiary, Fund Link access is given to CEOs/Executive Directors and Board Members whose represented organization has a signed fund agreement with HCCF. (\*This access is updated as needed to include staff and board role changes.)

Through Fund Link, fundholders and named beneficiary organizations will be able to view information about their funds. They will be able to:

- View the current fund balance and the spendable balance (the amount available to award in grants or scholarships).
- View contributions and grants made.
- View quarterly fund statements including administrative fees and investment returns.

#### **Information Accuracy and Statements**

HCCF practices strong financial stewardship and strives to provide the most timely and accurate information to fund holders. Users of Fund Link should be aware of the following:

- Contributions made via check will be dated the day the check is deposited to HCCF's bank account. Deposits are typically made at least once a week.



- Contributions made online via credit/debit card or e-check will be dated on the day the gift was made online.
- Financial information within Fund Link for the current calendar year has not been audited. Copies of HCCF’s most recent audited financial statements are available to view and download at <https://hccfindiana.org/financials>.
- HCCF reconciles its records with bank statements on a monthly basis.
- Investment returns and valuation adjustments are allocated to endowed funds on a monthly basis. Spendable and administrative fees are calculated on a quarterly basis.

**Donation Information & Confidentiality**

HCCF respects the privacy of all its donors. As such, fundholders and Fund Link accessors should be aware of the following:

- Contributions within Fund Link will only show the donor’s name, donation amount, and date of the donation. HCCF will not supply the mailing address, phone number, email, or other identifying information.
- Donors who have made gifts anonymously will be listed simply as “Anonymous” within Fund Link. HCCF will not provide the donor’s name or other identifying information to fundholders or Fund Link accessors.
- By completing the Fund Link Form, fundholders and Fund Link accessors agree that all contribution information, including donor names and donation amounts, will remain confidential.

Current Fundholders, please complete the following Fund Link Designation Form to provide an additional designee with access to the specific Fund(s) you have listed.

Please note: Individuals who have been designated with access to Fund Link by current fund agreement donors cannot make changes or amendments to the current fund agreement. The additional authorized designee does not have any authority to add any other designees to Fund Link.

HCCF reserves the right to limit access if the Foundation determines the individual(s) no longer has a viable need to view fund details.

I have reviewed and understood the Fund Link Information and User Policy.

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

FUND LINK AGENCY  
REPRESENTATIVE  
DESIGNATION FORM

Please complete this form (front and back) and review and sign the [Fund Link Information and User Policy](#) to begin using Fund Link.

<b>1. Fund Name(s)</b>	
------------------------	--

<b>2. Authorized Designator Approval</b>
I would like to designate someone to use Fund Link on my/our behalf. I understand that this person will have the ability to view the below-initialed areas.  _____ Fund Statement _____ Gift History _____ Grant History  Designee Name: _____  Agency Role: _____  I, _____, as an authorized agency representative, approve the designee above to use Fund Link for the above-listed fund(s).  Signature: _____ Date: _____

<b>3. Designee Information</b>		
Street Address:		
City:	State:	Zip:
Primary Phone #:	Secondary Phone #:	
Email Address:		

#### 4. Designated Agency Information Update

(Note: This is for information purposes only. Completing this section does not authorize Fund Link access unless the individual was previously granted access or listed as a designee in Section 2.)

CEO/Executive Director or Board Chair Name:

Email Address:

Primary Phone #:

Secondary Phone #:

Current Agency Board Chair (if different from above):

Email Address:

Primary Phone #:

Secondary Phone #:

#### 5. Confirmation of Review and Agreement by Designee

(To be completed by the designated person using Fund Link.)

I, \_\_\_\_\_, have read and signed the Fund Link Information and User Policy. I understand and agree to the information and guidelines above for the use of Harrison County Community Foundation (HCCF) Fund Link. I understand that HCCF reserves the right to modify these guidelines at any time, and will notify me electronically of such modifications. I also understand that HCCF may suspend or terminate my ability to access Fund Link at any time, with or without cause.

Signature: \_\_\_\_\_

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

Please return (a) this form and (b) a signed copy of the Fund Link Information and User Guidelines. A list of current Board of Directors members and a copy of the Board of Directors (or equivalent body) meeting minutes authorizing the use of Fund Link to HCCF to initiate online access may be requested by HCCF staff.

Once staff has reviewed these forms, you will receive an email with a link to set up your online account and begin using Fund Link.

For staff use only	Initial	Date
Completed Designation Form Received		
Completed Information & User Policy Received		
Copy of Board of Directors Minutes Authorizing Use		
Fund Access Set Up in Fund Link		
List of Current Board of Directors Members (if requested)		
Minutes Authorizing Use of Fund Link (if requested)		

FUND LINK  
FUND ORIGINATOR  
DESIGNATION FORM

Please complete this form (front and back) and review and sign the [Fund Link Information and User Policy](#) to begin using Fund Link.

<b>1. Fund Name(s)</b>	
------------------------	--

<b>2. Authorized Designator Approval</b>
I would like to designate someone to use Fund Link on my/our behalf. I understand that this person will have the ability to view the below initialed areas.  _____ Fund Statement _____ Gift History _____ Grant History  Designee Name: _____  Relation: _____  I, _____, as a fund originator, approve the designee above to use Fund Link for the above-listed fund(s).  Signature: _____ Date: _____

<b>3. Designee Information</b>		
Street Address:		
City:	State:	Zip:
Primary Phone #:	Secondary Phone #:	
Email Address:		

#### 4. Confirmation of Review and Agreement by Designee

(To be completed by the designated person using Fund Link.)

I, \_\_\_\_\_, have read and signed the Fund Link Information and User Policy. I understand and agree to the information and guidelines above for the use of Harrison County Community Foundation (HCCF) Fund Link. I understand that HCCF reserves the right to modify these guidelines at any time, and will notify me electronically of such modifications. I also understand that HCCF may suspend or terminate my ability to access Fund Link at any time, with or without cause.

Signature: \_\_\_\_\_

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

Please return (a) this form and (b) a signed copy of the Fund Link Information and User Guidelines to HCCF to initiate online access.

Once staff has reviewed these forms, you will receive an email with a link to set up your online account and begin using Fund Link.

For staff use only	Initial	Date
Completed Designation Form Received		
Completed Information & User Policy Received		
Fund Access Set Up in Fund Link		