



LEGACY SOCIETY ENDOWED SCHOLARSHIP FUND AGREEMENT

This agreement (“Agreement”) is made on this ___ day of _____ between _____ (collectively, “Donor”) and Benton Community Foundation (“BCF”). The terms of this Agreement may be subject to approval by BCF’s Board of Directors and acceptance of the Donor’s gift described herein below; thus, this Agreement shall be effective only upon signature of BCF’s President & CEO.

PREAMBLE

A. Donor *has included/intends to include* BCF as a beneficiary in one or more estate documents;

B. Although the parties to this Agreement fully acknowledge that, during Donor’s lifetime, Donor’s estate documents are fully revocable, this Agreement is made to govern how BCF shall administer Donor’s bequest in the event said gift is made to BCF. The parties to this Agreement acknowledge and agree that this is **not** a contract to make a will and that this Agreement **shall not** be used as a basis for such legal argument.

C. Donor acknowledges and agrees that BCF has a minimum fund balance requirement to establish a named endowed fund. Donor anticipates that Donor’s intended bequest to BCF will be at least \$ _____.

To this end, in the event that BCF receives a gift from one or more of Donor’s estate documents, BCF shall administer said gift as follows:

1. Establishment of Fund. Provided Donor’s gift meets the minimum fund balance, a Scholarship Fund shall be established as a fund on the books of BCF and known as the _____ Endowed Scholarship Fund (the “Fund”). The gift (or the net sales proceeds of the gift) shall be irrevocable and shall be held, managed and maintained by BCF as a permanently restricted endowment. The Fund shall include the property transferred with this Agreement and any other gift that donor and/or others may later transfer to BCF for inclusion in the Fund subject to acceptance by BCF board. Assets of the Fund may be commingled for purposes of investment with other assets of BCF. BCF has the sole responsibility to manage and invest the funds and may retain firms or individuals to assist in this responsibility.

In the event that Donor’s gift is less than the minimum fund balance in effect at the time of receipt, Donor and BCF acknowledge and agree that Donor’s gift shall be unrestricted for use by BCF where it is needed most as determined by BCF’s Board of Directors.

2. Beneficiary Designation. Donor and BCF agree that the Fund is established to award scholarships to: _____ (*Example: high school students*).¹

3. Administrative Fees. Annual administrative fees will be assessed to the Fund as provided in the Administrative Fee Schedule in effect at the time the gift is received by BCF.

¹ **THREE PERCENT RULE**: We require that at least 3% of all students eligible to apply for the scholarship be Benton County students or, alternatively, that use of the scholarship award be limited to post high school study at Linn-Benton Community College; Oregon State University; or any extension/affiliate of the aforementioned educational institutions. If neither of these conditions are satisfied, donor will be required upon establishment of the fund to dedicate 3% of the corpus of the fund to BCF’s sustainability fund.

4. Selection of Grantees. BCF's Grants Committee is charged with the evaluation of candidates for scholarship grants for this Fund. The Grants Committee shall advertise the availability of the Scholarship Grants and encourage potential awardees to submit applications for scholarship aid. Upon receipt of qualified applications, BCF's Grants Committee, shall formulate recommendations on awards to be presented as an action item at the next meeting of BCF's Board of Directors. The Board shall review and independently approve or disapprove each recommendation before determining what awards shall be made.

5. Criteria for Selection. All recipients must meet the following criteria:

(The following are examples of criteria for donor's consideration)

- a. Financial need.
- b. Cumulative grade point average ("GPA") of at least ____.
- c. Demonstrated excellence in extracurricular, sports or leadership activities while in high school.
- d. Intent to enroll no later than Fall term in an accredited college in the field of: _____.²
- e. Probability that recipient will complete a four year degree (may be demonstrated by the student's ability to "stay the course" in times of extreme stress or hardship during high school).

6. Minimum Award. The minimum scholarship award to be granted at any time from the Fund is \$500. The amount of the scholarship award(s) will be determined by the "distributable income" generated annually by the Fund. The "distributable income" is calculated pursuant to BCF's Investment and Spending Policy. If the distributable amount available from the Fund in any given year is less than \$500, BCF, in its sole discretion, may forego making a distribution in said year in order to increase the long term average of the fund value; or BCF may couple the distributable amount of the Fund with another Scholarship Fund to make an award of at least \$500.

7. Donor Acknowledges that Fund will be Administered Pursuant to Foundation's Policies. Donor acknowledges that the Fund shall be administered in accordance with all BCF Policies. BCF policies shall be periodically reviewed and amended. Specifically, Donor and BCF agree that Fund shall be administered in accordance with its Policy on Grants to Individuals and its Investment and Spending Policy, both of which shall be periodically reviewed and amended and any such revision in effect shall control at any given time.

8. Permission to Use Donor and Fund Name in BCF Publications. Donor (*select one of the following options*) consents/does not consent to the legal use by the BCF (and its designees) of (*select one or both of the following options:*) Donor's name and/or Photo and/or the name of Donor's Fund as a member of BCF's Legacy Society in any form or medium, for news stories, publicity, and website posting. (*If consent is given, add the following*) Donor waives any right to inspect or approve the finished products or the copy or printed matter that may be used with the use by BCF of Donor's *name and/or photo and/or the name of Donor's Fund* as a Legacy Society member. Donor hereby releases BCF from any and all claims in connection with the use of Donor's *name and/or photo and/or the name of Donor's Fund* as a Legacy Society member, including any and all claims of libel

9. Variance Power. Donor acknowledges and agrees that, pursuant to tax law, the board shall have the power to modify any restriction or condition on the distribution of funds for any specified charitable purposes or to specified organizations set forth above, if, in the sole judgment of the board (without the approval of any trustee, custodian, or agent), such restriction or condition becomes, in effect, unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community or area served.

² EXAMPLES: Mathematics, Chemistry, Physics, Chemical Engineering, Electrical Engineering, Mechanical Engineering, Metallurgical Engineering and/or Nuclear Engineering.

10. Fund is Component Part of Foundation. Donor and BCF agree that the Fund shall be a component part of BCF and not a separate entity for tax purposes, and that nothing in this Agreement shall affect the status of BCF as a charitable organization described in Section 501(c) (3) of the Code, and as an organization that is not a private foundation within the meaning of Section 509(a) of the Code. This Agreement shall be interpreted to conform to the requirements of the foregoing provisions of the federal tax laws and any regulations issued pursuant thereto. BCF is authorized to amend this Agreement to conform to the provisions of any applicable law or government regulation in order to carry out the purposes of the Fund.

DONOR:

_____ Date: _____

_____ Date: _____

ACCEPTED AND APPROVED by BCF on _____.

Date: _____
_____ President/CEO