Designated Fund Agreement

This agreement ("Agreement") is made to create a Designated Fund 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.

Upon the effective date of this Agreement, Donor shall transfer to BCF the following gift:
_____

This gift constitutes an irrevocable gift to BCF and is subject to the following terms and conditions:

1. <u>Establishment of Fund</u>. A Designated Fund shall be established as a fund on the books of BCF and known as the _____ (the "Fund"). *[OPTIONAL LANGUAGE FOR PAYMENT OVER FIVE YEARS OF GIFTS TO ESTABLISH MINIMUM BALANCE OF NAMED FUNDS: Donor understands and agrees that s/he has five (5) years from the date of the Agreement to raise the minimum balance of $15,000 required to establish the Fund. All gifts (or the net sales process of the gifts) received for this purpose shall be irrevocable and will be held in a temporarily restricted account until the minimum balance is achieved. Fees shall be deducted monthly from the temporarily restricted account as set forth in Paragraph 3. In the event that total gifts are less than $3,000 on the 1st anniversary of the date of this Agreement; $6,000 on the 2nd anniversary of the date of this Agreement; $9,000 on the 3rd anniversary of the date of this Agreement; $12,000 on the 4th anniversary of this Agreement; or $15,000 on the 5th anniversary of this Agreement, the account may be closed and the gifts to the account will be treated as unrestricted gifts for use as determined by BCF's Board of Directors. If circumstances so warrant, BCF staff will work with Donor to ensure that Donor has reasonable time to achieve each financial benchmark prior to account closure. No distributions shall be made from the account until the principal balance of the Fund is at least fifteen thousand dollars ($15,000). Once the minimum balance is achieved, a Designated Fund shall be established as a fund on the books of BCF and known as the (name of fund) (the "Fund").*

The Fund shall be held, managed and maintained by BCF as a *(permanently restricted endowment or temporarily restricted fund.)* The Fund shall include the property transferred with this Agreement and any other gift that the Donor or others may later transfer to BCF for inclusion in the Fund subject to acceptance by BCF board. All gifts (or the net sales proceeds of the gifts) to the Fund shall be irrevocable. 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.

2. <u>Beneficiary Designation</u>. Donor and BCF agree that the Fund is established for the benefit of the following charitable beneficiaries:_____.
[Donors are not required to name only Benton County Charities as beneficiaries of a designated fund; however, we require that at least 3% of the annual distributable income of the fund benefits Benton County. This can be achieved in three ways:

- *The donor may elect to name a Benton County charity as one of the beneficiaries of the fund (to receive a minimum of 3% of the annual distributable income);*
- *If none of the donor's intended charitable beneficiaries serve Benton County, the donor may simply direct that 3% of the annual distributable income from the fund will be transferred to the pass-through Community Fund for use in BCF's competitive grant cycle for Benton County charities; or,*
- *The donor may elect to name BCF as the recipient of 3% of the fund's annual distributable income to be used where needed most as determined by the Board of Directors.]*

Donor and BCF agree that the Fund is established for the benefit of charitable organizations that are tax-exempt as a public charity under IRS Code Section 501(c) (3) or units of governmental. Donor understands and agrees that BCF will not approve grants to non-charitable organizations, individuals, or for any purpose prohibited by the Internal Revenue Service from the Fund.

3. <u>Administrative Fees</u>. Annual administrative fees will be assessed to the Fund as provided in *Schedule A*. This fee schedule is subject to periodic review and revision by BCF's Board of Directors from time to time, but increases in fees, if any, will be effective only upon thirty (30) days written notice by BCF to the Donor.

4. <u>Distributable Income</u>. The "distributable income" of the Fund will be paid in equal shares to the beneficiaries listed in Paragraph 2. The "distributable income" is calculated pursuant to the Investment and Spending Policy attached as Schedule B.

5. <u>Donor Acknowledges that Fund will be Administered Pursuant to Foundation's Policies</u>. Donor acknowledges that the Fund shall be administered in accordance with all BCF Policies. BCF policies shall be periodically reviewed and amended, and any such revision in effect shall control at any given time.

6. <u>Permission to Use Donor and Fund Name in BCF Publications</u>. Donor (*select one of the following options*:) <u>*consents/does not consent*</u> to the legal use by the BCF (and its designees) of (*select one or both of the following options*:) <u>*Donor's name and/or Photo and/or the name of Donor's Fund*</u> as 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.* 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*, including any and all claims of libel.

7. <u>Variance Power</u>. 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.

8. <u>Fund is Component Part of Foundation</u>. 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: _____   _____

ACCEPTED AND APPROVED by BCF on_____.

Date:_____   _____
<div align="center">President/CEO</div>

<u>SCHEDULE A</u>

Annual Fees Charged to Designated Funds of Benton Community Foundation

The following annual administrative fees will be assessed to all Designated Funds. This fee schedule is subject to periodic review and revision by BCF's Board of Directors from time to time, but increases in fees, if any, will be effective only upon thirty (30) days written notice by BCF to the Donor.   The fees are graduated based on the size of the Fund.

The first $2,000,000	1.5% per annum
Additional amounts >$2,000,000	.75% per annum

Benton Community Foundation uses an independent professional investment company for the management of funds entrusted to us. This company charges an annual fixed fee for their investment management services. Administrative fees and investment management fees are itemized on your fund statements. BCF does not charge a set-up fee to establish an Endowment Fund.

DONOR:

_____ Date:_____

_____ Date:_____

SCHEDULE B

INVESTMENT & SPENDING POLICY