



Sample Agency Endowment Fund Agreement

This Agreement is made on _____ (month/date/year), by and between _____ (the "Designated Agency"), located at _____, and the Richmond Community Foundation, a California nonprofit public benefit corporation ("Foundation").

The Designated Agency agrees to create and maintain with the Foundation an **Agency Endowment Fund** ("the **Fund**") under the following terms and conditions:

1. Name

The Fund shall be known as **The** _____ **Fund**, and shall be identified as such by the Foundation and its Board of Directors in the course of administration and distribution thereof.

2. Contributions

The Foundation acknowledges receipt of _____ as the initial contribution to the **Fund**. It is anticipated by all parties to this Agreement that from time to time other assets acceptable to the Foundation may be donated to the **Fund**. Such additional contributions shall be appropriately acknowledged by the Foundation. If contributions other than cash are made to the **Fund**, such contributions must first be approved by the Foundation. All additional contributions shall be administered and distributed in accordance with the terms and conditions of this Agreement.

3. Agency Support

The Fund shall provide support to the Designated Agency and distributions from the **Fund** shall be paid and distributed to this organization once per year in the month of August, starting in August _____.

4. Distribution Amount

The amount available for distribution from the **Fund** shall be calculated following the close of the Foundation's fiscal year on June 30. The calculation shall be based on the

average ending balances of the **Fund** over the past 20 quarters, or if the **Fund** has not existed for 20 quarters, on the average ending balances of the **Fund** on June 30 for as many prior quarters as the **Fund** has existed. Currently, the Foundation's "*Spending Policy*" objective is to distribute up to 5% of the average ending balance of the **Fund**, as calculated above. Distributions shall not commence until the **Fund** has been invested for one complete fiscal year – July 1 to June 30. Please note that the Foundation may change the *Spending Policy* from time to time at its sole discretion.

5. Fund Assets

It is understood and agreed by all parties that all assets contributed to the **Fund** shall become an irrevocable gift to the Foundation and legal control and responsibility for the **Fund** rests with the Foundation. In carrying out such responsibilities, the Foundation shall hold, manage, invest, and reinvest the **Fund**, and shall collect the income and shall pay and disburse monies from the **Fund** to the Designated Agency in accordance with this Agreement and the policies of the Foundation.

6. Variance Power

The undersigned acknowledges that the Board of the Foundation has the power and the duty to modify any restriction or condition on the distribution of funds for any specified charitable purpose or organization, if, in the sole judgment of the Foundation's Board, (without approval of any participating 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.

7. Responsibilities

The Foundation shall assume responsibility for check writing, bookkeeping, investment management, tax reporting, auditing, and furnishing to the Designated Agency, quarterly reports of all **Fund** income and expenses.

8. Fund Investment

The Fund's assets may be combined with other Foundation assets for investment purposes. However, the Foundation shall keep separate accounts of this Fund, and investment returns (including interest, dividends and capital appreciation) on the Fund's assets shall inure to the benefit of the Fund.

9. Administrative Fees

The Foundation shall charge the **Fund** an annual administrative fee, which shall be based upon the prevailing Administrative Fee Schedule of the Foundation. The fee is intended to cover administrative services. If the Directors determine that the actual cost of administering the Fund exceeds the fee set forth by the prevailing Administrative Fee Schedule, the Directors may set a different administrative fee based on such actual costs.

Fees for management of **Fund** assets by outside investment managers shall be deducted at cost from gross income after income is credited to the **Fund** account.

Extraordinary costs associated with the acquisition of any contribution to the **Fund** also shall be deducted from gross income after income is credited to the **Fund** account.

10. Component Part

It is intended that the **Fund** shall be a component part of the Foundation and not a separate entity for tax purposes, and that nothing in this Agreement shall affect the status of the Foundation 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.

This letter will constitute our entire agreement concerning the **Fund**.

SIGNED:

_____ Date: _____
Designated Agency Representative

ACCEPTED:

_____ Date: _____
Joan Davis
President and Chief Executive Officer
Richmond Community Foundation