

JEFFERSON COUNTY COMMUNITY FOUNDATION

AGREEMENT ESTABLISHING
THE _____ DONOR ADVISED ENDOWMENT FUND

This Agreement is entered into by and between _____ (the “Donor” or “Donors”) and THE JEFFERSON COUNTY COMMUNITY FOUNDATION, a Washington nonprofit corporation (the “Foundation”).

RECITALS

WHEREAS, the Foundation was formed as a Washington nonprofit corporation on May 17, 2005, and has an Internal Revenue Service (“IRS”) determination letter of qualification under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”) and is classified as a public charity under Code Sections 509(a)(1) and 170(b)(1)(A)(vi);

WHEREAS, the Donor desires to establish a donor advised fund at the Foundation for the purpose of making charitable distributions in furtherance of the Foundation’s charitable purposes;

NOW, THEREFORE, the parties hereby agree as follows:

1. Establishment of the Fund: A Fund is hereby established at the Foundation and it shall be separately identified by reference to contributions from the Donor. The Fund shall be known as the _____ Endowment Fund (the “Fund”). The Fund shall receive assets to be held and distributed for qualified charitable purposes.
2. Establishing Gift to the Fund: The minimum contribution to establish a donor advised endowment fund is \$10,000. The Foundation acknowledges receipt of the cash or other assets described on Schedule A, which is attached hereto and made a part hereof, as the initial property of the Fund. If property is other than cash, the Donor represents that the Donor is the sole legal owner of the property to be transferred and that permission of any other party is not required to effectuate the transfer. The Donor acknowledges that the charitable contribution listed on Schedule A, once accepted by the Foundation, represents an irrevocable contribution to the Foundation, which the Foundation will not refund to the Donor under any circumstances.
3. Property of the Fund: The property of the Fund shall include the property received herewith, such additional property as may be contributed to the Fund and accepted by the Foundation from time to time, and all undistributed income from the foregoing property. The Fund shall be the exclusive property of the Foundation, held by it in its corporate capacity, and shall not be deemed a trust fund held by the Foundation in a trustee capacity. The Foundation shall have ultimate authority and control over all property in the Fund and the income derived therefrom, in accordance with the Articles of Incorporation and Bylaws of the Foundation, as they may be amended from time to time, and the terms of this Agreement applied in a manner not inconsistent with said Articles and Bylaws. The Fund’s assets may be co-

mingled with the Foundation's other assets for investment purposes. The Foundation's Board of Directors may delegate investment management of such assets to the Foundation's committees, officers or employees, or to independent third parties under contract.

4. Administrative and Investment Fees: The property held in the Fund shall be assessed an annual fee to cover administrative and investment expenses. The amount of such annual fee shall be the amount assessed to similar funds held by the Foundation based upon its fee schedule in effect at the time the annual fee is assessed.
5. Grant Recommendations: The Donor and/or his or her designee(s) may recommend distributions from the Fund to support qualified charitable organizations. Such recommendations shall be submitted to the Foundation in writing on the Foundation's Donor Advised Fund Recommendation Form. All distributions from the Fund must be in furtherance of the Foundation's charitable purposes and exclusive control over the contributed funds and distributions from the Fund resides with the Foundation through its Board of Directors.
6. Endowment. The Fund shall be managed in a manner consistent with the Uniform Management of Institutional Funds Act ("UMIFA") as adopted in Washington State as RCW Ch. 24.44, as currently effective or as hereinafter amended. Provided, however, that to the extent that any of the other provisions of this Agreement shall be in conflict with this Section 6 (including, but not limited to the distribution provisions set out in Section 7 below), such other provisions shall prevail and shall control over this Section 6.
7. Distributions. Distributions from the Fund shall be made in accordance with the Foundation's resolutions, policies and procedures and may be made at such times as the Foundation from time to time decides, but at least annually. The Foundation shall distribute an appropriate percentage of the Fund's market value, as determined by the Foundation's Board of Directors in accordance with the Foundation's current Spending Policy, (currently 4.7% of the fair market value annually). In determining the annual distribution amount, the Board may consider the expected total return on the Fund's investments, the desirability of maintaining the historic dollar value of the Fund, inflation, and any other factors that it deems relevant, exercising ordinary business care and prudence under the facts and circumstances prevailing at the time of the Board's action or decision. The Foundation shall have the sole discretion to determine the timing and amount of distributions from the Fund and may, in its sole discretion, make distributions from the Fund which cause the value of the Fund to fall below its "historic dollar value." "Historic dollar value" is the fair market value of the Fund at the time it first became an endowment fund, plus the fair market value of each donation to the Fund at the time such donations are made, plus the fair market value of each accumulation in the Fund, made pursuant to a gift instrument, at the time the accumulation is added to the Fund. The Foundation's current Spending Policy is attached hereto as Schedule B. The Donor acknowledges that it has reviewed the Foundation's current Spending Policy and agrees to the terms of such policy, now and as hereinafter amended.
8. Financial Reports: The Foundation shall provide a financial status report to the Donor or the Donor's designee at least annually.

9. Successor Advisor: The Donor may designate one successor advisor who may make recommendations to the Foundation regarding grant distributions from the Fund in the event that the Donor or Donors are unable to act as advisors to the Fund. The name of the successor advisor, if any, is listed on Schedule C.

10. Distribution of Remaining Assets: In the event that the Donor and any successor advisor to the Fund are unable to act as advisors to the Fund, the Donor may recommend that the remaining balance in the Fund, if any, be used to establish a Designated Fund to support a specific nonprofit organization of the Donor’s choice. Please select **Option A** below if you would like to establish a Designated Fund to support a specific nonprofit organization in the event that the Donor and any successor advisor to this Fund are unable to act in this capacity.

Option A. Establish a Designated Fund to support the following nonprofit organization: _____ **[insert name and address of nonprofit organization.]**

Option B (and default). Transfer the balance of my Fund to the Jefferson County Community Endowment, to be distributed in accordance with the Foundation’s Spending Policy, which may be amended from time to time. If **Option A** is not selected and a qualifying nonprofit organization is not listed above, the proceeds of the Fund will be contributed to the Jefferson County Community Endowment, to be distributed in accordance with the Foundation’s Spending Policy, which may be amended from time to time.

11. Variance Power: The Foundation specifically retains the right to modify any recommendation, restriction or condition regarding distributions from the Fund for any specified charitable purpose or to any specified charitable organization if, in the sole judgment of the Foundation, such recommendation, restriction or condition becomes unnecessary, incapable of fulfillment, or inconsistent with the charitable purposes of the Foundation (the “Foundation’s Variance Power”). Whenever possible, the Foundation will confer with the Donor or the Donor’s representative before exercising the Foundation’s Variance Power and stay as close as possible to the original intent of the Donor.

12. Notices: All notices or reports under this Agreement shall be addressed as follows:

If to the Foundation: Jefferson County Community Foundation
Box 1955
Port Townsend, WA 98368

If to the Donor: _____

13. Definitions and Construction

a. The Fund shall be a “component part” of the Foundation within the meaning of Treasury Regulation Sections 1.170A-9(e)(11) and 1.507-2(a)(8) and nothing in this Agreement shall affect the status of the Foundation as an entity that is a qualified charitable

organization. This Agreement shall be interpreted in a manner consistent with this intention and so as to conform to the requirements of the Internal Revenue Code and any regulations issued pursuant thereto applicable to the status of the Fund and the Foundation.

b. All provisions of this Agreement are severable, and the enforceability or invalidity of any single provision shall not be affected by the other provisions.

c. This Agreement shall be binding upon, and shall inure to the benefit of, the parties hereto and their respective successors.

d. This Agreement shall be governed in all respects by Washington State law.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement this ____ day of _____, 20__ to be deposited in _____ Fund.

THE JEFFERSON COUNTY COMMUNITY FOUNDATION

By: _____
_____ (printed name)
President, Jefferson County Community Foundation

By: _____
_____ (printed name(s))
Donor(s)

Schedule A
Description of Establishing Gift

The following assets were received on _____, 20__ to be deposited in the _____ Fund.

[Cash in the amount of \$_____ or description of other assets]

Schedule B
Spending Policy

Schedule C
Successor Advisor

OPTIONAL: Please indicate the individual who will serve as a successor advisor to the Fund in the event that the Donor or Donors are unable to act as advisors to the Fund.

Successor Advisor:

Name _____

Mailing Address _____

City _____ State _____ Zip _____

Phone _____ E-mail _____

Relationship to Donor(s) _____