

# SAMPLE

## Agreement to Establish the \_\_\_\_\_ A Fund Under Management within the Branch County Community Foundation

THIS AGREEMENT is made to establish the \_\_\_\_\_ (the "Fund") a special project fund within the Branch County Community Foundation (the "Community Foundation"), a Michigan nonprofit corporation. The Community Foundation's primary mission is to establish endowment funds. However, the Community Foundation also recognizes that on occasion it can assist charitable efforts by establishing temporary funds. The Community Foundation establishes these funds as a way of assisting the local community and to build local recognition of its charitable activities. To this end, the Community Foundation requires that all written advertising, news releases, solicitation materials, etc. created and disseminated during the period of this agreement will state that the Fund is held within the Branch County Community Foundation. It is further intended that verbal acknowledgement of the Fund includes mentioning that the Fund is held within the Branch County Community Foundation.

### Purpose

The purpose of the Fund is to support \_\_\_\_\_ in \_\_\_\_\_, Michigan.

### Property of the Fund

The Community Foundation, upon receipt of contributions to the Fund, will establish a separate account for accounting control of funds received from persons or organizations wishing to directly make gifts to the Community Foundation for the purpose of assisting the Fund. Gifts may be added to the Fund at any time.

### Distributions

1. All requests for payment submitted to the Community Foundation for payment will be approved by \_\_\_\_\_ Board/Committee and be signed by two members of the Board/Committee.
2. Requests will be paid to the extent there is sufficient cash in the fund.
3. Checks will be written to the \_\_\_\_\_ no more than every two weeks, in conjunction with the Community Foundation's regular payables schedule. Requests for funding must be in the Community Foundation office one week prior to desired payment date. Requests may be presented in person, mailed, or faxed. The entire principal of the Fund may be withdrawn only with 30 days' notice.

### Reporting

Upon request, the Community Foundation will provide a fund representative with a quarterly written financial report, detailing all Fund receipts, disbursements and assets quarterly. The Community Foundation may, in its discretion, provide more frequent reports.

### Fees

The Community Foundation shall provide all routine accounting, as well as reporting to the Michigan Attorney General and Internal Revenue Service regarding the Fund. In exchange for these services the Community Foundation will receive the earnings from the Fund. These earnings will include both realized earnings (i.e. dividends, interests, rents, royalties, capital gains) and unrealized earnings. The Community Foundation also may charge a fee, reasonable in amount, for services to the Fund which are requested by the [name of organization or committee] and are a significant and unusual administrative or economic burden to Community Foundation.

# SAMPLE

10/18/2001

Variance Power. It is understood and agreed that all assets in the Fund shall be subject to the Articles of Incorporation and By-laws of the Community Foundation, (as they may be amended from time to time) including the power contained therein for the Board of Directors of the Community Foundation to modify any restrictions or conditions on the distribution of funds for any specified charitable purposes or to specified organizations, if in its sole judgment, *cy pres*, (without approval of any trustee, agent or custodian), such restrictions become, in effect, unnecessary, incapable of fulfillment or inconsistent with the charitable needs of the area served by the Branch County Community Foundation.

Actions Consistent with Community Foundation’s Tax Status

Notwithstanding any provision of this Agreement, in no event will the Community Foundation be required to take any action or fail to act, if, in the determination of the Community Foundation, such action or failure to act would cause the Community Foundation to fail to meet the requirements for exemption from income taxation applicable to the Community Foundation, or if such action or failure to act would cause the Community Foundation to cease to be a Qualified Charitable Organization. If, but for this section, such action or failure to act is required under this Agreement, then the Community Foundation, in its determination, shall take such action and decline to act in the manner determined by the Community Foundation

Construction

Nothing in this Agreement shall affect the status of the Community Foundation as a Qualified Charitable Organization. This Agreement shall be interpreted in a manner consistent with the foregoing intention and so as to conform to the requirements of the Code and any regulations or ruling promulgated under the Code, applicable to the Community Foundation’s status and in accordance with the law of the State of Michigan, to the extent not inconsistent with the Code.

This agreement is for a term of one year, commencing on [redacted], 2007 and ending [redacted], 2008. In witness of the adoption of this Agreement to Establish the [redacted] Fund, each of the [name of organization or committee] and the Community Foundation, by their duly authorized representatives, have executed this Agreement.

[name of organization or committee]: \_\_\_\_\_:

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

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

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

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

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

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

Branch County Community Foundation:

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

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

Title: President

Title: Executive Director

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

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