



Sample Organizational Fund

On this date, _____, 201_, and with this Organizational Fund Agreement ("Agreement"), _____ ("Donor"), makes an irrevocable gift of \$_____ to the Hampton Roads Community Foundation ("Foundation"), a Virginia nonstock corporation described in Section 501(c)(3) of the Internal Revenue Code authorized to receive and hold charitable funds under its charter and bylaws, which accepts that gift subject to the terms and conditions of this Agreement. This gift shall be used to establish a permanent component fund on the books and records of the Foundation, to be known as the _____ ("Fund"). The donor may make additional gifts to the Foundation for the Fund, subject to the Foundation's gift acceptance and donor-initiated fundraising policies.

The purpose of the Fund shall be to provide support for _____. Each year, the Foundation shall determine the amount available for distribution to _____ on the basis of the Foundation's spending policy for permanent funds and shall distribute that amount to _____, and charge such distribution(s) against the Fund, except that the Foundation may distribute a lesser amount during any year if so requested by _____.

Administrative Provisions

1. The Foundation shall have absolute authority and discretion as to the investment of the assets of the Fund.
2. All property and money comprising the Fund shall be the exclusive property of the Foundation, may be co-mingled with other Foundation assets, and shall not be deemed to be held in trust, and the Foundation shall not be deemed to act as Trustee with respect to the Fund. The Foundation shall not be required to segregate the assets of the Fund for investment purposes, but the Foundation shall be required to maintain a separate accounting of the Fund on its books and records. The Foundation shall own the assets comprising the Fund notwithstanding the manner in which the Foundation may be required to report these assets on its financial statements.
3. If the Foundation in good faith determines that any condition or restriction on which the Fund is held, including any condition or restriction in the Agreement, has become in effect, unnecessary, undesirable, impractical or incapable of fulfillment, or inconsistent with the charitable needs of southeastern Virginia, then the Foundation is authorized to modify such condition or restriction. The Foundation shall notify the

Donor in writing of any exercise by the Foundation of its modification power, (i) within 10 days after the Foundation's act exercising that power, and (ii) at least 30 days before the modification takes effect. Subject to the foregoing provisions of this paragraph 3, if Donor ceases to exist as a charitable organization exempt from federal income tax, then the Foundation shall thereafter hold the Fund for charitable and benevolent purposes that the Foundation in its good faith determination most nearly approximate the original charitable and benevolent purposes of the Donor.

4. The Foundation may charge against the Fund annually a share of the Foundation's administrative and other expenses incurred in support of the Foundation's community philanthropic activities. The Foundation shall determine the share of those expenses properly allocable to, and to be borne by, the Fund and other funds held by the Foundation.
5. In transferring its property to the Foundation, the Donor intends to create a permanent organizational fund. However, the Donor upon an affirmative vote of three-fourths of its governing body, may request distributions from the Fund in excess of the Foundation's spending policy in any year, provided that one of the following conditions are met: (a) the distribution is for the purpose of enabling the Donor to acquire or renovate a capital asset; (b) the Donor is faced with unexpected financial needs that are not likely to recur, and the distribution will enable the Donor to meet those needs; or (c) the distribution is believed to be in the best interests of the community. This request is subject to approval by the Foundation, in its sole discretion.

Hampton Roads Community Foundation Donor

By: _____
Deborah M. DiCroce, President & CEO

By: _____
Name
Title
Address
Address



Policy on General Support from Component Funds

The Foundation depends on annual support from administrative fees assessed on component funds to provide general philanthropic services to the community and to support its community leadership activities. In keeping with the charitable purposes of the Foundation, our objective is to keep operating expenses at a moderate level and to provide a high quality service to all donors and charitable organizations.

Services provided by the Foundation to donors include administrative, audit, grantmaking, grantee accountability and reporting functions specific to each component fund. Foundation staff also research program models to assist donors in the design of a focused or special purpose grant program. In cases where special grant administrative services may be required, direct costs to the Foundation will be reimbursed by the fund in addition to the annual contribution made for general support.

Services provided by the Foundation to charitable organizations include information and referral and community workshops on Foundation programs and related matters.

Annual support from component funds is based on the type of fund established. The support contribution percentage shown below is applied to the trailing twelve-quarter average asset value or the number of quarters the fund has been in existence if fewer than twelve. Typically, the support contribution is calculated as of September 30 of the prior year; however, if the fund is received in the fourth quarter of a given year, the December 31 asset value will be used to calculate the support contribution of the fund for the first year.

Any direct costs incurred to evaluate, acquire or sell a complex gift asset, such as real estate, partnership interest, or closely held stock, will reduce the net proceeds credited to the beneficiary fund.

Fund Type	Fee
Unrestricted Fund	1.10%
Field of Interest Fund	1.10%
Designated Fund	1.00%
Permanent Organizational Fund	.75%
Scholarship Fund	1.50%
Current Use Fund*	2% of gifts plus investment earnings
Endowed Donor Advised Fund*	No minimum fee
Up to \$1 million	1.00%
\$1,000,001 - \$4,999,999	.65%
\$5 million +	.50%
Supporting Organizations	
\$2.5–10 million	.75% to .50% (plus direct costs)
\$10-25 million	.50% to .35% (plus direct costs)
\$25 million +	.35% to .15% (plus direct costs)

*International Grant Recommendations: A fee to cover legal expenses will be assessed based on actual costs for determining charitable status of any recommended organizations outside the U.S. In addition, the Foundation charges the fund a \$50 fee per grant made to charitable organizations outside the United States.