

STATE OF FLORIDA  
COUNTY OF \_\_\_\_\_

## DESIGNATED FUND AGREEMENT

### (SAMPLE AGREEMENT)

**THIS AGREEMENT** (“Agreement”) is made this \_\_\_\_ day of \_\_\_\_\_, 2003 between the COMMUNITY FOUNDATION OF NORTH FLORIDA, INC., a nonprofit Florida corporation and a community foundation (the “Foundation”), and \_\_\_\_\_ (the “Donor”), to create a Designated Fund of the Foundation. All persons and organizations making contributions to this Fund shall be bound by the terms of this Agreement.

**1) NAME OF FUND.** This fund shall be known as the \_\_\_\_\_ Fund (the “Fund”). Any recipient of benefits from this Fund shall be advised that such benefits are from this Fund.

**2) CONTRIBUTIONS.** The Donor hereby assigns, conveys, transfers and delivers to the Foundation the property described in the schedule attached hereto as Exhibit A and made a part of this Agreement (the “Initial Contribution”). Additional contributions to this Fund may be made from time to time upon notification to the Foundation of the desired contribution and acceptance of the contribution by the Foundation.

**3) INCORPORATION OF GOVERNING INSTRUMENTS OF THE FOUNDATION.** The Foundation acknowledges receipt of the Initial Contribution and agrees to hold and administer the Initial Contribution and any subsequent contributions to the Fund under this Agreement as a component fund of the Community Foundation, on the terms and subject to the conditions set forth in the Foundation’s governing instruments, including its articles of incorporation and bylaws, as amended from time to time, and any resolutions and procedures from time to time in effect (collectively, the “Governing Instruments”). Anything herein to the contrary notwithstanding, this Agreement and the Fund shall be subject to and governed by all of the provisions of the Governing Instruments and the Governing Instruments are hereby incorporated in this Agreement and by this reference made a part hereof.

**4) PURPOSES.** The Fund is established for the benefit of \_\_\_\_\_ within the general charitable purposes of the Foundation as set forth in its articles of incorporation and bylaws, as amended from time to time.

**5) DISTRIBUTIONS.** Distributions for grantmaking from this Fund shall be made in accordance with the Foundation's Spending Policy as set by the Foundation's Board from time to time. The Foundation's current spending policy is 5% of the 20-quarter average market value of the Fund beginning with the last quarter of the immediately preceding year.

**6) SEPARATE ACCOUNTING.** The Fund shall be accounted for separately and apart from other funds of the Foundation, but shall be commingled with other assets of the Foundation for investment purposes. The Foundation shall provide the Donor (at the address indicated on Exhibit C hereto) at least annually with a written report showing the Fund's contributions, earnings and distributions.

**7) CONTINUITY OF THE FUND AND VARIANCE POWER.** The parties hereto acknowledge that the Fund is subject to the Variance Power described in Treasury Reg. Sec. 1.170A-9(e)(11)(v)(B)(1) of the Internal Revenue Code of 1986, as amended from time to time. It is intended that the Fund continue in perpetuity or until such time as the charitable purpose of this Agreement, in the reasonable judgment of the Board of Directors of the Foundation, shall become unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the North Florida community. In any of such events, the Foundation shall provide thirty (30) days advance written notice to Donor and the recipient organization(s) of its determination to terminate the Fund and the reasons for its determination. (Written notice to the organization is not required in the event that the organization is then a defunct organization.) Following such notification, the Fund shall cease to be a separate fund and shall thereafter be commingled and administered as part of the general endowment funds of the Foundation; provided, however, that to the extent practicable and permitted under the then existing federal and state laws, the Foundation shall endeavor to make distributions from its general endowment funds to carry out those charitable purposes most closely aligned with the purposes for which this Fund was originally created.

**8) FOUNDATION AS OWNER OF THE FUND.** This Fund shall be the property of the Foundation and owned by it in its corporate capacity. In such capacity, the Foundation shall have the ultimate authority and control of all property in the Fund, and the income therefrom, for the charitable purposes of the Foundation.

**9) COMPENSATION TO FOUNDATION AND OTHER EXPENSES.** The Foundation carries out the grantmaking and financial reporting responsibilities necessary to maintain this Fund and shall charge this Fund an administrative management fee at a rate adopted from time to time by the Board of Directors of the Foundation. Said fee shall be reasonable and in keeping with such fees as community foundations customarily charge. The Foundation will incur costs in connection with the investment management of this Fund and the other funds held by the Foundation and shall charge this Fund its proportionate share of such costs.

IN WITNESS WHEREOF, the Donor and the Foundation have caused this Agreement to be executed by themselves or their duly authorized officers, as of the day and year first above written.

**DONOR:**

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

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

**COMMUNITY FOUNDATION OF NORTH FLORIDA, INC.:**

By: \_\_\_\_\_  
Title: \_\_\_\_\_ Witness

By: \_\_\_\_\_  
Title: \_\_\_\_\_ Witness

**EXHIBIT A**

**INITIAL CONTRIBUTION**

## **EXHIBIT B**

### **REPORTING**

Reports will be sent at least annually to the Donor. Please send my reports to the following address. I will notify the Foundation of any changes.

Name \_\_\_\_\_

Street \_\_\_\_\_

City/State/Zip \_\_\_\_\_

Phone \_\_\_\_\_

Fax \_\_\_\_\_

E-mail \_\_\_\_\_