



## REAR ADMIRAL JAMES J. CAREY FOUNDATION

### **The Rear Admiral James J. Carey Foundation, Inc. Draft Endowment Agreement**

**This draft document is provided as a service to endowment seekers. It includes the items The Rear Admiral James J. Carey Foundation [AJJCF] expects to include in its formal Endowment Agreement. The Admiral Carey Foundation may modify this preliminary document at any time prior to entering into an agreement with a endowee organization. *A form of this endowment agreement is used for all types of AJJCF endowments.***

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This document, all the conditions and terms herein, and any attachments, will serve as your agreement to accept the funds and implement the approved program.

#### **I. Purpose of Endowment and General Information.**

- A. The endowment will be used exclusively for the purposes specified in the organization's application or in amended documents as approved by the AJJCF Foundation board of trustees. The organization will directly administer the program specified and will insure that funds are disbursed only to agencies or organizations specified in the proposal.
- B. Unless otherwise provided in writing, this endowment is made with the understanding that the AJJCF Foundation has no obligation to provide other or additional support to the organization.
- C. All endowments are made, and must be used, in accordance with all applicable laws, regulations and rulings.
- D. In order to receive funds from the AJJCF Foundation, the organization must have received a ruling from the Internal Revenue Service confirming that the

organization is exempt from federal income tax under section 501(c)(3) or 501(c)919) of the Internal Revenue Code and that the organization is not a private foundation as defined in section 509(a) of the Internal Revenue Code. In the event there is any change in the organization's tax exempt status, the organization will immediately notify the Rear Admiral James J. Carey Foundation.

- E. The USA Patriot Act of 2001 and other federal laws and regulations and executive orders administered by the U.S. Treasury Department's Office of Foreign Assets Control (OFAC) prohibit, among other things, the engagement in transactions with, and the provision of services to, certain foreign countries, territories, entities and individuals. The organization warrants and represents that as of the date of application through the term of the endowment award, none of the following is a country, territory, individual or entity named on the OFAC lists of Sanctioned Countries or Specially Designated Nationals: endowee organization; any person or entity controlling or controlled by endowee organization; any person or entity having a beneficial interest in endowee organization, or any person or entity for whom endowee organization is acting as agent or nominee in connection with this transaction. The organization understands and agrees that any violation of this paragraph will be grounds for immediate termination of the endowment.
- F. Any significant changes, additions or deletions to any part of the program goals, objectives, activities, outcomes, timetable or budget as originally approved must be requested in writing by the organization and approval, if given, will be indicated in writing by the Admiral Carey Foundation. The organization will notify the Admiral Carey Foundation if there is a change in key personnel essential to the ongoing administration of the organization or program. If there is any question as to the significance of a particular change, please contact the Admiral Carey Foundation.

**II. Accounting and Audit.** The organization will maintain a separate line item for the endowment on its books for accounting purposes. All expenditures must adhere to the specific line items in the proposal budget or in subsequent approved amendments. Expenses charged against this endowment may not be incurred prior to the effective date of the endowment or subsequent to any termination date, and may be incurred only as necessary to carry out the purposes and activities of the approved program. The organization will retain all records, receipts, invoices and canceled checks for a period of four (4) years following the completion of the endowment. The organization will make its books and records available to the Admiral Carey Foundation and its designated agents upon request.

**III. Payments and Reports.**

- A. The Admiral Carey Foundation will make endowment payments in four installments each year, according to a timeframe agreed upon with the endowee organization. A progress report is required prior to the release of the third and fourth annual payments.

- B. The organization will provide financial and program reports to the Admiral Carey Foundation by the dates agreed upon. Report formats will be provided by the Admiral Carey Foundation. The Admiral Carey Foundation may, at its own expense, monitor and conduct evaluations of the program in addition to reviewing the reports. The Admiral Carey Foundation staff or volunteer leaders may conduct onsite visits during the endowment period.
- C. The Admiral Carey Foundation may request a meeting during the annual endowment term or at the endowment completion to review and share progress and challenges, lessons learned, and any other observations or recommendations regarding the program.

**IV. Copyright and Acknowledgement.**

- A. The Admiral Carey Foundation grants all copyright interests in materials produced as a result of the endowment to the organization. The organization grants the Admiral Carey Foundation a nonexclusive, irrevocable, perpetual, and royalty-free license to reproduce, publish, alter or otherwise use and to license others to use any and all such materials, including any and all data collected in connection with the endowment in any and all forms the data are fixed.
- B. The Admiral Foundation retains the right to publicize the endowment and report on the endowment's outcomes as it deems appropriate. The Admiral Carey Foundation will consult with the organization prior to major announcements. In any acknowledgement or recognition of the endowment, and in any publication or press releases, the organization will refer to the Foundation as "The Admiral Carey Foundation, Inc." The organization will provide copies of all printed materials, newspaper articles and other publicity to the Admiral Carey Foundation.
- C. The Admiral Carey Foundation desires that all resources of the organization be dedicated to accomplishing its charitable purposes. Accordingly, we request that you not recognize the Admiral Carey Foundation, its board members, chartered commission members or staff with certificates, plaques or similar mementos. We welcome learning about your work through photographs, lessons learned, or stories of success from those the grant has served in the community.

- V. Equipment.** Equipment purchased with endowment funds shall be the property of the organization so long as the equipment is not diverted from the purposes for which the endowment is made. If the purpose is changed or the organization ceases to exist, ownership of the equipment will, at the Admiral Carey Foundation's option, be transferred to the Admiral Carey Foundation or Admiral Carey Foundation's designee.

**VI. Termination of endowment and reversion of endowment funds.**

- A. The Admiral Carey Foundation retains the right to terminate the endowment at any time if the organization ceases to be exempt from federal income tax as a 501(c)(3) or 5019c09190 organization; if the organization's status as not a private foundation, as an exempt operating foundation, or its status as a Section 170(c)(1)

or Section 4940(d)(2) organization is materially altered. The Admiral Carey Foundation further retains the right to terminate this endowment at its sole discretion if it determines that the organization has made any misrepresentation or misappropriated endowment funds; or if it judges the organization to be unable to carry out the purposes of the endowment, ceases to be an appropriate organization to carry out the purposes of the endowment, or fails to comply with any of the conditions or terms of the endowment. This endowment is made subject to the Admiral Carey Foundation's determination that funds are available to fund the endowment. The Admiral Carey Foundation retains the right to terminate the endowment in the event that the return from the Admiral Carey Foundation's investment portfolio does not yield sufficient funds, or if for any other reason the Admiral Carey Foundation determines funds are not available.

- B. Should termination of the endowment occur for any reason, the organization will provide the Admiral Carey Foundation within thirty days from the date of the termination with a full accounting of the receipt and disbursement of funds and expenditures incurred under the endowment through the effective date of termination.
- C. The organization will immediately repay any funds used for purposes other than those of the endowment. At the scheduled termination of the endowment period, the endowee will repay any unused funds to the Admiral Carey Foundation within thirty days. In the event the Admiral Carey Foundation terminates the endowment prior to its completion for any reason, the organization will repay any unused funds or funds used for purposes other than specified in the proposal.

**VII. Endowment parameters, projects, and programs.** The program funded with this endowment will comply with the endowment application proposal as submitted by the organization and agreed to by the Admiral Carey Foundation, and may be amended from time to time. A copy of that endowment application proposal is attached to this Agreement and is considered a part of this agreement in all respects.

**VIII. Disaster Plan.** The organization will maintain an annually updated disaster plan identifying its preparation for and response to any natural or man-made disaster, such as a hurricane, flood, or tornado. Such a disaster plan will be made available to the Admiral Carey Foundation upon the Admiral Carey Foundation's request.

**IX. Execution of Endowment Agreement by the Admiral Carey Foundation and Endowee:**

This Endowment Agreement is executed by the Rear Admiral James J. Carey Foundation, Inc. at Alexandria, VA on \_\_\_\_\_.

**The Rear Admiral James J. Carey Foundation, Inc.**

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

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

Address: 6022 Knights Ridge Way, Alexandria, VA 22310

**[Recipient Organization Name] Acceptance**

**[Recipient Organization Name]** accepts the terms and conditions set forth in the Endowment Agreement and agrees to perform its responsibilities as specified in the Endowment Agreement.

Executed by the Endowee on \_\_\_\_\_  
[Date]

**Endowee Organization's Name:** \_\_\_\_\_

By: \_\_\_\_\_  
[Signature]

Print Name: \_\_\_\_\_

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

Address: \_\_\_\_\_

**Must Be Accepted By Endowee Organization's Board Chairman or President**

By: \_\_\_\_\_  
[Signature]

Print Name: \_\_\_\_\_

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