



Designated Fund Model Agreement

THE _____ FUND

[Each Donor decides on a name that best reflects their charitable interests]

The _____ Fund Agreement (the “Agreement”) is entered into by and between _____ (“Donor”) and the Saint Louis Community Foundation (“Foundation”), a Missouri not-for-profit corporation, effective as of the ____ day of _____, 2018, in order to establish a Designated Fund to be known as the _____ Fund (“Fund”), subject to the terms and conditions of this Agreement.

Now, therefore, the Donor and the Foundation hereby agree as follows:

1. The Donor hereby transfers to the Foundation the property listed in the attached **Schedule “A”**. This transfer constitutes an irrevocable gift to the Foundation to establish the Fund. The Foundation hereby accepts the irrevocable transfer of said property.
2. The Fund shall include the property delivered with this Agreement, any other property later transferred to the Foundation by the Donor or any other source for inclusion in the Fund and accepted by the Foundation for inclusion in the Fund, and all undistributed income from all such property.
3. The Fund shall be a component fund of the Foundation. The Foundation shall have the ultimate authority and control over all property in the Fund, and the income derived therefrom. Nothing in this Agreement shall affect the status of the Foundation as a 501(c)(3) organization under the Internal Revenue Code of 1986, as amended (Code), and as an organization that is not a private foundation within the meaning of Section 509(a) of the Code. This Agreement shall be interpreted in a manner consistent with the requirements of the Code and any regulations issued pursuant thereto. The Foundation may amend this Agreement to conform to provisions of any applicable law or regulation in order to maintain the tax-exempt status of the Foundation. References herein to provisions of the Code, shall be deemed references to the corresponding provisions of any future Internal Revenue Code.
4. The Fund shall be used only for charitable purposes as set forth in the Articles of Incorporation, as amended June 2002 (and as may be further amended from time to time), and as described in Section 501(c)(3), Section 170(c)(1) and (2), Section 2055(a)(1) and (2) and Section 2522(a)(1) and (2) of the Internal Revenue Code of 1986. The Fund shall be administered according to the Foundation’s attached Fund Terms and Conditions (as the same may be amended from time to time)
5. The Fund is protected from obsolescence. If, in the sole judgment of the Board of Directors of the Foundation, the purposes for which the Fund was created ever become unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community served by the Foundation, the Foundation’s Board of Directors shall modify any restriction or condition on the use or distribution of the income and principal of the Fund.
6. Distributions from the Fund, within the limitations provided for in paragraph 4, above, shall be made at such times, in such amounts, and in such ways, as the Foundation shall determine.

7. Based upon the charitable goals of the Fund, the Fund shall be initially invested in one of the following:

_____ (a) Money Market Pool (100% Cash Equivalents)

_____ (b) Wealth Preservation Pool (25% Equity/75% Fixed Income)

_____ (c) Balanced Pool (50% Equity/50% Fixed Income)

_____ (d) Growth Pool (75% Equity/25% Fixed Income)

_____ (e) Social Responsibility Poo

8. The Foundation may charge regularly to the Fund an administrative fee and any direct expenses incurred on behalf of the Fund.

9. The Donor may from time to time recommend in writing to the Foundation changes in the Fund's charitable purpose as described in paragraph 2.

DONORS:

By _____

Date _____

By _____

Date _____

ST. LOUIS COMMUNITY FOUNDATION, INC:

By _____

Amelia A. J. Bond, President & CEO

Date _____

Schedule A

Depending on the nature of a Donor's initial asset transfer to the Foundation, the Foundation recommends the Donor establish the fund and his or her role as Donor under the agreement with an initial tax- deductible gift of \$100.00. Checks should be payable to the St. Louis Community Foundation, Inc.

Schedule B

Designated Organization #1 _____ **Percentage**

Name of Organization:

Mailing Address:_____

City, State & Zip Code:_____

Federal Tax ID#_____

Designated Organization #2 _____ **Percentage**

Name of Organization:

Mailing Address:_____

City, State & Zip Code:_____

Federal Tax ID#_____

Designated Organization #3 _____ **Percentage**

Name of Organization:

Mailing Address:_____

City, State & Zip Code:_____

Federal Tax ID#_____

Designated Organization #4 _____ **Percentage**

Name of Organization:

Mailing Address:_____

City, State & Zip Code:_____

Federal Tax ID#_____

Fund Terms and Conditions

Tax Status of Contribution

Funds established at the St. Louis Community Foundation, Inc. (the “Community Foundation”) are component funds of the Community Foundation, a Section 501(c)(3) public charity. Contributions other than cash or marketable securities must first be approved by the Community Foundation. Contributions to the Community Foundation generally are tax-deductible, subject to individual limitations and applicable tax rules. The Community Foundation does not provide tax or legal advice. We recommend that you consult a professional advisor (such as an experienced accountant or tax attorney) if you have questions about the tax or other treatment of a gift to the Community Foundation.

Community Foundation’s Retained Powers and Variance Power

As required by law, all gifts to the Community Foundation are irrevocable and the Community Foundation will have full legal control and responsibility for the gifted assets. All funds established at the Community Foundation are subject to the Community Foundation’s variance power. Variance power gives the Community Foundation the authority to modify any restriction or condition on the distribution of funds for any specified charitable purposes or to specified organizations if, in the sole judgment of the Community Foundation’s board of directors, such restriction or condition becomes unnecessary, incapable of fulfillment or inconsistent with the charitable needs of the community served.

Investment of Assets

Donors cannot choose investments, investment managers, or brokers after their gift has been made. The Community Foundation will make all investment decisions regarding gifted assets. However, fund advisors have advisory privileges with respect to fund investments. Changes to investment allocations among the Community Foundation’s investment pools can be recommended at any time and any approved changes typically are implemented on the first of the following month. From time to time, the Community Foundation may invest a portion of fund assets in non-interest bearing cash, for liquidity or other purposes. All income and capital gains or losses will be allocated to the fund on a monthly basis. A donor may recommend a customized investment approach through an outside investment advisor for funds carrying a significant balance. The Community Foundation must approve the recommended advisor and the advisor’s proposed investment strategy and underlying investments. Please contact the Community Foundation for further details on the customized investment option.

Fees and Minimums

Although there currently is no fee to open a fund at the Community Foundation, specific initial gift minimums must be met. Initial gift minimums vary by fund type. Once established, funds are expected to maintain a \$1,000 minimum balance. Please see the following Support Fees and Minimums for a list of current fees and initial gift minimums. The Community Foundation reserves the right to change its fee or minimum policies at any time and without prior notice to you.

Designation of Initial Advisors

Donors establishing an advised fund may designate any person over 18 years of age to be an advisor on the fund.

Successor Advisors

The donor may designate any person within one generation of the donor to be a successor advisor to the fund. The successor advisor will serve if the initial advisor is unable or unwilling to act as advisor for any reason (such as death, incapacity, or resignation). Each successor advisor to the fund shall have the right to appoint one direct descendant of such successor advisor to serve as a third generation successor advisor if such successor advisor shall be unable or unwilling, or shall affirmatively decline, to act as a successor advisor; any such third generation successor advisor shall serve along with the other then acting successor advisors or third generation successor advisors. The donor, successor advisors, or third generation successor advisors who shall be serving as such at a given time are herein sometimes referred to collectively as the “advisors” or individually as an “advisor.”

The Community Foundation reserves the right to require sufficient documentation to establish that an advisor is unable or unwilling to act as such (for example, it may request a death certificate, resignation letter, etc.)

If the successor advisor or third generation successor advisor is a minor, the Community Foundation will hold the fund until the minor attains the age of 18. All requests to modify or appoint additional advisors and successor advisors to a fund must be communicated to the Community Foundation in writing. In addition, a written acknowledgement must be received from the Community Foundation confirming that the request has been granted.

Multiple Advisors

If more than two advisors are serving at the same time, then any recommendation must be made by a majority of the advisors. If two advisors are serving at the same time, any recommendation must be made by both advisors. In the case of multiple advisors, the Community Foundation requests that one person be appointed as the primary contact for purposes of relaying and obtaining information.

The Community Foundation may rely on the primary contact notification until advised in writing. If you want a more customized approach to the governance for your fund, please contact us.

Fund Relationship and Fund Advisory Privileges Definitions

Fund Advisor: This individual has full advisory privileges over a fund, including grant recommendations, investment recommendations, naming the fund, and appointment of other fund advisors and successor advisors.

Fund Representative: This individual has access to fund information but no fund advisory privileges.

Successor Advisor: This individual will have all of the advisory privileges of the fund advisor after the fund advisor is no longer able and willing to serve as such (such as that individual's death, incapacity, or resignation as the fund advisor).

Fund Spending Policy: For endowed funds, the Community Foundation's board of directors sets and monitors a required annual distribution rate that is calculated as a percentage of fund assets. This rate is based on 16 trailing quarter balances and is subject to change based on community needs, investment performance and the long-term preservation of endowment funds' principal. An endowed fund must be invested for a minimum of 12 months before the fund's initial annual distribution rate can be calculated.

Grant Disbursement

Grants must be for charitable purposes, and those grants may be recommended to any 501(c)(3) organization or verified charitable entity (e.g. schools, religious institutions, municipalities) located in the United States or any nongovernmental organization outside of the United States having a verifiable charitable purpose. All grants recommended outside of the United States must comply with federal government regulations which generally require that the grantee either must be verified as the equivalent of a public charity within the United States or the grant for a charitable purpose must be subject to a special process often referred to as expenditure responsibility. Additional rules and procedures will apply and these may change at any time and without notice to you. Expenditure responsibility is required for any organization not described in IRS Section 170(b)(1)(A), including for-profit companies, private operating foundations and new public charities that do not yet have 501(c)(3) status and disqualifying supporting organizations. Grants given to all 501(c)(3) public charities within the United States must be for a minimum of \$250. Grants given outside the United States or requiring expenditure responsibility within the United States must be for a minimum of \$1,000 and will incur a separate administrative fee for each grant. Grant checks sent to organizations are accompanied by a Community Foundation letter specifying the name of the fund and the fund advisor's name(s) unless requested otherwise by the donor or fund advisor and as

approved by the Community Foundation. The fund advisor's address may also be included on all letters if requested by the fund advisor. Mail which the Community Foundation receives for the fund will not be forwarded. Approved grants are typically sent within 10 working days of the recommendation being received or the fund advisor will be notified as to the reason for a delay. However, any fund submitting 20 or more grant recommendations at one time should allow up to two weeks for processing. Grants made from funds at the Community Foundation are issued on checks with the name and logo of the Community Foundation.

Restrictions on Grants

In compliance with the Internal Revenue Code, grants are not permitted to individuals, for non-charitable purposes; for political contributions or to support political campaign activities; or for any purpose that would provide benefits, goods, or services to a donor to the fund, the fund's advisors, or other related parties. A fund advisor is subject to IRS penalties if the fund's donors, advisors or other related parties receive benefits, goods, or services in connection with a grant recommendation. This includes grants to satisfy pledges made by any person (including the donor, a fund advisor and related parties) and non-deductible (or partially tax-deductible) memberships, event tickets, sponsorships, registration fees in tournaments and cause-related marketing activities. Grants are not allowed to private non-operating foundations. Please contact the Community Foundation if you have questions about the exclusion of benefits from grant recommendations and/or multiple-year payments.

Payments from a Donor Advised Fund

Expense reimbursements, loans, compensation, or other similar payments are not permitted from a donor advised fund to any donor, fund advisor, or related party.

Fundraising Policy

On rare occasions, the Community Foundation may consider permitting a fund to raise money. All fundraising activities must be pre-approved by the Community Foundation. Fund advisors should allow 30 or more days for approval. Use of the Community Foundation's name on any fundraising material is expressly prohibited without prior written approval by the Community Foundation. The Community Foundation cannot reimburse the donor, fund advisor, or related parties for expenses related to fundraising activities. All contributions raised in support of the fund must be made payable to the St. Louis Community Foundation, Inc. with the name of the fund in the memo line. The Community Foundation is not responsible for the success of fundraising (or for the expenses or liabilities incurred in connection with such fundraising) to benefit a fund at the Community Foundation.

Scholarship Funds

For any scholarship fund established at the Community Foundation, the scholarship selection committee must be appointed by the Community Foundation; however members may be recommended by the donor. The donor and parties related to the donor may serve on the selection committee but they cannot directly or indirectly control the committee. As required by law, the scholarship selection process must be approved annually by the Community Foundation's board of directors. The Community Foundation typically disburses scholarship funds to the institution the recipient attends.

Designated Funds

Designated funds can only be established for the benefit of qualified public benefit organizations. If that organization ceases to exist or dramatically changes its charitable purpose, the Community Foundation will use its variance power to find a similar organization which matches the donor's intent. Should the donor request that an organization be changed, such request, must be provided, in writing, to the Community Foundation.

Governing Documents

References herein to governing documents means the Articles of Incorporation and Bylaws of the St. Louis Community Foundation, Inc., and such governing documents remain subject to change at any time without notice to you.

Inactive Funds

A fund is deemed to be inactive if: (a) the advisor dies or resigns or evidence of his or her incapacity is provided to the Community Foundation, and if no successor advisor or third generation successor advisor has been named, or if all named successor advisors are unable or unwilling to serve as such; or (b) no recommendations are made with respect to grants from the fund for a period of two years and, during such period, the advisor, successor advisor, or third generation successor advisor does not reply to the Community Foundation's attempt to contact the advisors. If the fund is inactive, the fund shall be transferred in accordance with the recommendation under the Legacy section of the agreement. Notwithstanding, if a Legacy recommendation has not been selected the fund in its entirety will be transferred to the Giving for Good Community Fund.

Conflict of Terms

In the event of an inconsistency between these terms and conditions and any terms and conditions appearing elsewhere in connection with any fund, unless specifically agreed to by the Community Foundation in writing, these terms and conditions shall govern. The Community Foundation reserves the right to take any actions at any time which, in its discretion, it deems reasonably necessary or desirable for the proper administration of any fund at the Community Foundation or to comply with applicable law.

FREQUENTLY ASKED QUESTIONS

Who owns the assets once the gift is made and the fund is opened?

The law requires the Community Foundation to make clear in the agreement, and to obtain the donor's written acknowledgement, that the assets in a donor advised fund are the property of the Community Foundation and that the Community Foundation has discretion and control over the use and investment of the advised fund's assets.

Why is discretion and control an issue?

In order for a donor to take advantage of the tax benefits that flow from a charitable gift, the gift has to be complete - that is, the donor has to part with control over the donated assets. The appearance of donor control could put the donor's tax-deduction in jeopardy. Therefore, fund advisors cannot make pledges on behalf of the fund and can only make non-binding recommendations about grants; they cannot control when and how the Community Foundation will make grants nor control decisions about which grantees will receive funding.

What are the limits on donor benefits in connection with donor advised fund grants?

Donors, fund advisors, and related parties (such as family members or business interests) may receive only "incidental" benefits from a grant or investment of a donor advised fund. If a donor, fund advisor or related party receives more than an incidental benefit in connection with a donor advised grant, the IRS will assess a penalty of 125% of the amount of the improper benefit. The penalty may be assessed against either the person who recommended the grant or the person who received the benefit. There is a separate penalty if a donor, fund advisor or related party receives a direct benefit from the donor advised fund.

SUPPORT FEES AND MINIMUMS

The Greater Saint Louis Community Foundation assesses support fees to cover the cost of administration and to continue the Community Foundation's important work in our community. Fees provide the necessary resources to operate efficiently and effectively, ensuring fiscal responsibility in grant due diligence, donor and nonprofit education, research, and other activities. Annual fees are assessed quarterly, based on average fund balance.

DONOR ADVISED FUNDS:

Minimum Fee:	\$500
First \$500,000	1.00%
Next \$500,000 (<i>up to \$1million</i>)	0.75%
Next \$1.5 million (<i>up to \$2.5 million</i>)	0.50%
Next \$12.5 million (<i>up to \$15 million</i>)	0.25%
Thereafter (<i>greater than \$15million total</i>)	0.20%

DESIGNATED FUNDS:

Minimum Fee:	\$500
First \$1 million	1.25%
Next \$2 million (<i>up to \$3 million total</i>)	1.00%
Next \$2 million (<i>up to \$5 million total</i>)	0.75%
Thereafter (<i>greater than \$5million total</i>)	0.50%

SCHOLARSHIP FUNDS:

Minimum Fee:	\$1,000
Flat Rate	1.50%

FIELD OF INTEREST FUNDS

Minimum Fee	\$1,000
Flat Rate	\$1.25%

Fees are quoted as a percentage of the fund's average net asset value. Support and investment management fees are deducted each quarter directly from a donor's fund. The Community Foundation reserves the right to modify its support fees at any time, at its sole discretion. The Community Foundation may also charge funds, on a case-by-case basis, for extraordinary costs related to tax and legal compliance matters. Investment management fees vary, depending on the investment manager(s). There are no transaction fees and there are no markups on investment management fees.