SOLANO COMMUNITY FOUNDATION

STATE OF CALIFORNIA
COUNTY OF SOLANO

DONOR ADVISED NON- ENDOWED
COMPONENT FUND AGREEMENT

THIS AGREEMENT (“Agreement”) is made as of (___Month/Day/Year___) between SOLANO COMMUNITY FOUNDATION, a California nonprofit corporation and community foundation (“Foundation”), and (___Name of Fundholder(s)___) (“Donors/Fundholders”) to create a Non-permanent Fund (“Fund”) of the Foundation. All persons and organizations making contributions to this Fund shall be bound by the terms of this Agreement.

In consideration of their mutual promises and obligations, and intending to be legally bound hereby, the parties named above agree to the terms and conditions as follows:

1. **Name of Fund.** The name of the Fund created hereby is the (___NAME OF FUND__). Any recipient of grants (scholarships) disbursed from this Fund shall be advised of the full Fund name in writing as follows: “This grant is made possible from the (___Name of Fund___), a component fund of the Solano Community Foundation.”

2. **Purpose of the Fund.** The purpose of the Fund is to further carry out the general charitable purposes of the Foundation, as set forth in its Articles of Incorporation and Bylaws, as amended from time to time. Specifically, this Fund’s purpose is (___Brief description of the Fund’s purpose or goals__).

3. **Initial Contribution.** Upon signing this Agreement, the Donor has voluntarily and irrevocably transferred and delivered to the Foundation the charitable gift for the purpose specified. This initial contribution is described in, and attached hereto as Exhibit A - *The Establishing Gift*, and is made a part of this Agreement. The contribution is made for the purposes and uses, and on the terms and conditions set forth in this Agreement. Additional irrevocable gifts acceptable to the Foundation may be received from time to time to be added to the Fund, from the Donor and from any other source, all subject to the provisions hereof. All grants, bequests, and donations to this Fund shall be irrevocable once accepted by the Foundation.

4. **Successor Donors/Fundholders of the Fund.** The Chief Executive Officer of the Foundation, under the guidance and governance of the Foundation’s Board of Directors, will serve as the Successor Fundholder of the Constitution Education Project Fund in the event that the Donors are no longer able to do so, and there is no named successor Donors/Fundholders.

5. **Incorporation of Governing Instruments of the Foundation.** The Foundation acknowledges receipt of the initial contribution and agrees to hold and administer this contribution and any subsequent contributions to the Fund under this Agreement, in accordance with the terms, and subject to conditions set forth in the Foundation’s governing instruments. These instruments include Articles of Incorporation and Bylaws, as amended from time to time, and any resolutions, policies, and procedures in effect. All provisions of such governing instruments are implicit in this Agreement, and by this reference made a part hereof.
6. **Distribution of Assets.** Fund assets, net of the administration fees and expenses as set forth in the attached Fee Policy, may be committed, granted, or expended only for charitable purposes described in Code section 170(c)(1) or (2)(B); provided, however that such purposes are consistent with the exempt status and purposes of the Foundation.

   a. Gifts received to the Foundation for the purposes of the Fund with or without Donors’ conditions or restrictions as to the use of the gift or income therefrom, will be honored, subject, however to the authority of the Foundation’s Board. The Board retains the right to vary the terms of any gift if continued adherence to any condition or restriction is in the judgment of the Foundation’s Board, found unnecessary, incapable of fulfillment, or inconsistent with the charitable or other exempt purposes of the Foundation or needs of the community served by the Foundation.

   b. No distribution shall be made from the Fund to any individual or entity if such distribution will, in the judgment of the Foundation, endanger the Foundation’s tax-exempt status under I.R.S. Code, section 501(c)(3).

7. **Administrative Provisions.** Notwithstanding anything herein to the contrary, the Foundation shall hold the Fund, and all contributions to the Fund, subject to the provisions of the applicable California laws and the Foundation’s Articles of Incorporation and Bylaws. The Board shall monitor distributions from the Fund to ensure they are used exclusively for charitable or other exempt purposes within the meaning of I.R.S. Code, section 170(c)(1) or (2)(B), and shall have all powers of modification and removal specified in United States Treasury Regulations Section 1.170A-9(e)(11)(v)(B).

8. **Conditions for Acceptance of Gifts.** The Donors/Fundholders agree and acknowledge that the establishment of the Fund herein is made in recognition of, and subject to, the terms and conditions of the Articles of Incorporation and Bylaws of the Foundation as amended from time to time. Furthermore, it is understood that the conditions for acceptance of gifts by the Foundation to the Fund shall at all times be subject to such terms and conditions, including, but not limited by, existing and amended provisions for:

   a. Presumption of Donor’s intent;
   b. Variance from Donor’s direction;
   c. Amendments to Donor’s agreement.

9. **Continuity.** The Fund shall continue so long as assets are available in the Fund and the purposes of the Fund can be served by its continuance. If the Fund is terminated, the Foundation shall devote any remaining assets in the Fund exclusively for charitable or other exempt purposes that:

   a. are within the scope of the charitable or other exempt purposes of the Foundation’s Articles of Incorporation
   b. and serve, or closely approximate, in the good faith opinion of the Board, the original purpose of the Fund.

10. **Not a Separate Trust.** The Fund shall be a **component fund** of the Foundation. All money and property in the Fund shall be held as general assets of the Foundation and not segregated as trust property of a separate trust; Foundation, or charitable entity.

11. **Accounting.** The receipts and disbursements of this Fund shall be accounted for separately and apart from those of other gifts to other Funds, or to the Foundation.
12. **Investment of Funds.** The Foundation shall have all powers necessary, or in its sole discretion desirable, to carry out the purposes of the Fund, including, but not limited to, the power to retain, invest, and reinvest the Fund assets. The Foundation shall have the power to commingle the assets of the Fund with those of other funds for investment purposes while separately accounting for Fund activity.

13. **Annual Examination of Finances.** The Board agrees to provide the Donors/Fundholders a copy of the annual examination of the finances of the Foundation as audited and reported by an independent certified public accountant, to the Board of Directors.

14. **Fees Paid by the Fund.** It is understood and agreed that the Fund shall share a fair portion of the total administrative costs of the Foundation. Those costs and fees annually charged against the Fund shall be determined in accordance with the then current administrative fee schedule identified by the Foundation as applicable to funds of this type. Any fees or costs to the Foundation incurred by accepting, transferring, or managing gifts of appreciated stock or property donated to the Foundation for the Fund, shall also be paid from the Fund. Attached hereto as Exhibit B – *Community Development Fee Policy* is the Foundation’s current administrative fee policy for a non-endowed Fund and is made part of this Agreement.

15. **Donor Services.** The Foundation performs a myriad of fund-related activities, and provides specific services (with stipulations) to all Donors/Fundholders. These activities and services include detailed conditions and apply to all Funds. In that:

a. The Fund is a “component fund of the Solano Community Foundation.” This language must be used in all publicity and fundraising communications.

b. Contributions to the Fund can be made at any time. Checks must be made payable to the Solano Community Foundation for deposit to the Fund.

c. In keeping with I.R.S. guidelines, the Foundation does not accept cash gifts.

d. Gifts of appreciated stock and other assets may be made to this Fund, accepted in accordance with the Foundation’s Gift Acceptance Policy.

e. The Foundation will send gift acknowledgement (thank you) letters to all contributors to the Fund. The letter will provide the Foundation’s EIN (Employer Identification Number) #68-0354961, and current tax-exempt status.

f. The Foundation will never sell or distribute any contact information about the Fundholder, or other Donors, unless given express permission by the Donors.

g. All fundraising activities conducted by the Donor (or by those acting on behalf of the Donor) to generate donations to the Fund must be held in compliance with federal, state and local gift solicitation laws and regulations.

h. The name of the Fund and its purpose will be posted on the Foundation website. Donors/Fundholders may provide text, photographs, video clips, quotes, and other information to add to the Fund’s webpage. All content regarding the Fund or Donor must be approved by the Foundation, and will be posted by the Foundation. Other websites may link to the Fund page.

i. The Donors/Fundholders are not covered under the Foundation’s liability insurance policy.

j. In-kind donations (i.e. gifts in lieu of cash) may be made to the Fund if acceptable to the Foundation. In-kind gifts are subject to the Foundation’s Gift Acceptance Policy, and it is the Donor’s responsibility to assign a specific monetary value for the gift.
k. The Donors/Fundholders shall submit a Grant Recommendation Form (provided by the Foundation) to request a disbursement (grant) from the Fund. The Foundation’s Board has final approval authority for all requests submitted.

l. The Foundation will send a Quarterly Fund Statement to the Donors/Fundholders as a summary of the Fund’s activity and current balance. A monthly statement or Fund balance may be requested as needed.

16. Donors/Fundholders acknowledgement and understanding of the terms and conditions described herein is attached hereto as EXHIBIT C – Fund Agreement Signature Page.

Exhibits A, B, and C follow on the next pages and are legal components of this Agreement.
EXHIBIT A – The Establishing Gift

The (Name of Fund) is initially funded with an establishing gift in the amount of ($$$). Additional contributions can be made to this Fund at any time.

EXHIBIT B - Community Development Fee Policy

The annual Community Development Fees from all Funds support Foundation operations and programs. In accordance with SCF’s current Policy on SCF Fee Structure for Funds and Services the annual fee for a Non-endowed Fund is a minimum of $500 per year, or 5% of the total gifts received during the year, whichever is greater.

Due to the non-permanent nature of Non-endowed Funds, they do not earn interest or dividends, on the existing Fund balance, nor do they earn real, unreal, or capital gains.

There are no embedded fees.

The minimum Community Development Fee is deducted from Non-Endowed Funds in January of each year. The remainder of any fees owed (dependent upon gifts received) is then deducted in late December of the same year.

Fund activity and quarter-ending balances are reported to the Donor.
NAME OF FUND

EXHIBIT C – Fund Agreement Signature Page

We, (Name of Fundholder(s)), (Donors/Fundholders) have read this Fund Agreement and all Exhibits attached hereto, and agree to the terms and conditions contained herein.

Furthermore, by our signatures below, we acknowledge our understanding of the following items which have been clearly explained to us.

1. By law, the gift made to establish this Fund, or any subsequent gift will not be returned to us or to any Donor.
2. The non-permanence of this Fund dictates that the Foundation will hold the monies as unrestricted assets, maintaining the name, and purpose of the Fund as set forth by us in the Fund Agreement.
3. There must be a Fund balance greater than $500 (the required minimum annual fee) to keep the Fund active, and in good standing.
4. A grant may be awarded from this Fund at any time with SCF Board approval, but only if the Fund balance remaining after the grant, is greater than the required minimum annual fee.

IN WITNESS WHEREOF, the Donors, and the Solano Community Foundation have executed this Agreement, as of the day and year first written on page one of this document, and again by signing below.

For (Name of Fund)

Signed by: ___________________________________________ Date: (Month/Day/Year)

(Donor Name)

Signed by: ___________________________________________ Date: (Month/Day/Year)

(Donor Name)

For Solano Community Foundation

Signed by: ___________________________________________ Date: (Month/Day/Year)

Constance Harris, Chief Executive Officer

Signed by: ___________________________________________ Date: (Month/Day/Year)

Teresa Fitzgerald, Board Chair

END OF FUND AGREEMENT