

The Agency Endowment Fund

An Endowed Agency Fund
of the Community Foundation of Northern Colorado

THIS AGREEMENT is made and entered into this _____ day of _____, 20____, by and between the **Community Foundation of Northern Colorado**, (herein the "**Foundation**") and _____, (herein the "**Agency**").

PRELIMINARY STATEMENT

The Foundation is a tax-exempt foundation, established and operating as a community foundation. By this Agreement, the Agency and the Foundation agree to establish a special fund that shall be maintained and operated in accordance with the Foundation and this Agreement. The purpose of this fund is to build and provide a stable source of funding for the operational and capital needs of _____.

WHEREFORE, the Foundation and the Agency agree:

- Initial Contribution.** The Agency hereby assigns, transfers and delivers the following to the Foundation: _____. The Foundation shall receive, commingle, invest and reinvest the contribution and any proceeds from sale of the contributed property as a part of the general funds and investments of the Foundation.
- Agency Fund.** The Foundation shall establish an Agency Fund that shall be named the: **Agency Endowment Fund**, (herein referred to as the "Fund"). The Foundation shall maintain a separate accounting for the Fund that shall be increased with contributions and income to the Fund, and decreased with grants, expenses and disbursements from the Fund. The Fund shall be accounted for using FASB guidelines for Agency Funds. This fund is not intended to create a trust arrangement or separate entity of any kind.
- Distributions.** This is an Endowed Fund, and distributions shall be limited to a sustainable annual amount. Agency may advise the Foundation as to the exact percentage of the Fund's total market value it wishes to distribute from year to year, as long as the percentage is no greater than 5% of the Fund's total market value. Generally, a distribution of 5% of total market value would be appropriate as an annual distribution, though Agency may elect a distribution of less than 5%. If the Agency does not make a specific request, an amount equal to 5% of the average of the last 16 quarters market value will be transferred to a spendable portion of the fund and will be available for distribution. The Board of Trustees of the Foundation understands the stated purpose of this fund is to benefit _____ (Agency) and has expressed its general intention to make distributions in accordance with the Agency's designations. As required by the Internal Revenue Code and Regulations, the Fund shall only be used in furtherance of the Foundation's charitable purposes. The Foundation shall have the power to modify any restriction or condition on the distribution of funds for any specified organizations if in the sole judgment of the Foundation's Board of Trustees (without the approval of any trustee, custodian or agent), such restriction or condition becomes, in effect, unnecessary, incapable of fulfillment or inconsistent with the charitable needs of the community or area served.
- Charitable Purposes.** Funds and assets of the Foundation may only be used for the "charitable purposes" described in the Articles of Incorporation of the Foundation as educational, scientific, literary, public or other purposes permitted to be carried on by organizations described in Sections 170(c)(1) and 170(c)(2) of the Internal Revenue Code of 1954, as amended, and corresponding provisions of future revenue laws.

BOARD OF TRUSTEES

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5. **Administrative Provisions.** The Foundation will hold and administer the Fund in accordance with the terms of this Agreement and all procedures, rules and regulations of the Foundation; including future amendments thereto (all of which provisions and amendments are incorporated by reference). The Foundation may charge the Fund with a share of the Foundation's operating and administrative expenses. The administrative fee charged against the fund shall be determined in accordance with the current fee policy. Fees for agency funds are currently 1% for funds of \$250,000 or more; 1.25% for funds of \$100,000 to \$250,000; 1.5% for funds under \$100,000.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date and year first above written.

COMMUNITY FOUNDATION of NORTHERN COLORADO:

By _____
Ray Caraway, President

Agency:

By _____
(Print Name) (Signature)

Address:

City/State/Zip:

Email:

Phone: