



**UNITING DONORS TO SHAPE THE FUTURE**

**FUND AGREEMENT**

THIS AGREEMENT is made as of the \_\_\_\_\_  
Day, month, year  
in Renton, Washington, between \_\_\_\_\_ ("Donors"), of  
Donor(s) names

\_\_\_\_\_  
Donor's address

\_\_\_\_\_  
Phone Email address

and the Renton Community Foundation ("Foundation"), a corporation organized under the nonprofit corporation laws of the State of Washington, with its principal office located at 1101 Bronson Way N, Renton, WA 98057.

**SECTION I - Establishment of Fund:** A fund shall be established on the books of Foundation which shall be known as the: \_\_\_\_\_ Fund (the "Fund").  
Fund Name

The Fund is established as a:  Non-endowed Fund  Endowed Fund  
(The original principal of an endowed fund shall remain intact, while distributions made from the Fund will be made from income generated by the Fund. Principal as well as income may be distributed from a non-endowed fund.)

The Fund shall be used for the following purpose(s):  
\_\_\_\_\_  
\_\_\_\_\_

Identify general purpose of the Fund.

These purposes shall be maintained unless changed by request of the original fund donors. Purposes of the fund may be communicated in Foundation publications.

**SECTION II - Contributions to the Fund:** The Foundation acknowledges receipt of the property listed hereto, and made a part hereof, as the initial property of the Fund.

I/we give the following property to the Renton Community Foundation to become property of the \_\_\_\_\_ Fund.  
(Name of Fund)

Description of Property:

Cash in the amount of \$\_\_\_\_\_

Other (Stocks, personal property): Please list below:

(All non-cash contributions are subject to 3<sup>rd</sup> party valuations and in accordance with IRS regulations.)

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**SECTION III - Types of Funds:** Donors may choose from a variety of fund types to meet their goals and objectives. A minimum of \$10,000 is required to establish any fund within the Renton Community Foundation.

*Donor-Advised Funds* - Donor-advised funds allow the donor to benefit any charitable cause or institution, while retaining the right to recommend distributions to the Foundation Board. Distributions from a donor-advised fund cannot benefit an individual, nor reimburse an individual for expenses paid in the course of their charitable work. *Agency-advised funds are similar in type, but established by other nonprofit agencies.*

*Field of Interest Funds*- A Field of Interest Fund distributes grants to specific charitable organizations working within a broad "area" of interest, such as the arts, education, human services, healthcare, etc. Donors may identify the area(s) of interest and the geographic scope of the Fund and then rely on the Foundation to make appropriate distributions to meet priority needs within that category.

*Designated Funds* - A Designated Fund identifies specific nonprofit organizations the donor wishes to benefit. The Foundation makes distributions from the Fund to meet priority needs of those organizations.

*Scholarship Funds* - Donors may establish scholarship funds for the purpose of awarding grants to support post-secondary education for individuals. Awards are to be used exclusively for tuition, fees or school supplies at accredited educational institutions consistent with Foundation *Scholarship Guidelines and Procedures*. All awards are paid to the qualifying institution and not to the individual.

*Fiscal Sponsorship Fund* - The Foundation agrees to extend its tax umbrella over a limited number of charitable groups within the community that do not have tax exempt status. A separate application is required for this type of fund. Please contact the Foundation office for further information.

**SECTION IV - Selection of Fund Type:** Please indicate your chosen type of fund below. If you need more detailed information before making your choice, please contact the Foundation office at (425) 282-5199.

- |  |   |
|--|---|
| <input type="checkbox"/> Unrestricted Community Fund                             | <input type="checkbox"/> Designated Fund        |
| <input type="checkbox"/> Donor-Advised Fund                                      | <input type="checkbox"/> Field of Interest Fund |
| <input type="checkbox"/> Scholarship Fund  | <input type="checkbox"/> Agency-Advised Fund    |
| <input type="checkbox"/> Fiscal Sponsorship Fund (Separate application required) |   |

Designated Fund: (Please identify specific organizations you wish to support.)

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Field of Interest Fund: (Please identify specific areas of interest you wish to support.)

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Scholarship Fund: (Please identify specific parameters the Foundation will follow in awarding this scholarship. Attach a separate sheet if necessary.)

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Please initial that you have reviewed Foundation Scholarship Guidelines & Procedures \_\_\_\_\_.

Please note: Every grant made from a fund at Renton Community Foundation is accompanied by a letter identifying the name of the fund. Fund names are often listed in Foundation publications as well, unless the donor requests anonymity.

- I/we would like the above fund to remain anonymous.
- I/we would like the above fund to remain anonymous only in Foundation publications.

**SECTION V - Property of the Fund:** The Fund shall include the property received herewith, such property as may from time to time be transferred to Foundation by these Donors for inclusion in this fund, and such property as may from time to time be received from any other source for inclusion in the Fund, and all undistributed income from the foregoing property. The receipt of such property is subject to acceptance by

the Foundation in accordance with its *Gift Acceptance Policy*. The Fund shall be the property of Foundation held by it in its corporate capacity. The Foundation shall have the ultimate authority and control over all property in the Fund, and the income derived therefrom, in accordance with the Articles of Incorporation and Bylaws of Foundation (as they may be amended from time to time), and the terms of this Agreement applied in a manner not inconsistent with said Articles and Bylaws.

## **SECTION VI: - Distributions**

- A. Distributions from the Fund shall be made upon written request of the Fund Advisors at least thirty days prior to the date when the grant is to be made. Requested distributions shall be made in accordance with current Foundation guidelines and on the Foundation's *Distribution Request Form*. Attached hereto is Attachment A: authorizing the proper person(s) to execute the written distribution notice to Foundation. Included are specimen signatures of the authorized person(s). At such time as the Fund Advisors change, an updated copy of such attachment, certified to be correct, shall be delivered to the Foundation.
- B. All distributions from funds established at Foundation are subject to the Foundation's variance power and its spending policy, as described in the "Fund Terms & Conditions" attached hereto. No grant distributions will be made from endowments which shall cause the balance in the Fund to fall below either \$10,000.00, or the current permanently endowed level of the Fund. The Foundation reserves the right to request the Donor's advice on complete distribution of non-endowed funds should the principal balance fall below \$10,000.00.
- C. Reinvestment of income into the principal of the Fund shall be pursuant to Foundation policy which seeks to adjust for the effects of inflation over time.
- D. Special Considerations: Donors may make *non-binding* recommendations that the fund be paid out over a period of time, or that no distributions be made until the fund reaches a certain dollar amount. Please indicate your distribution recommendations here:

I request Renton Community Foundation consider my request to:

- Impose no restrictions on distribution of principal.
  - Make distributions over \_\_\_\_\_ years.
  - Make no distributions until the fund reaches \$\_\_\_\_\_, at which time make distributions over \_\_\_\_\_ years.
  - Make no distributions until the fund reaches \$\_\_\_\_\_, then make distributions in a manner that will ensure permanent endowment
- E. The Fund Advisors will retain the right to request disbursement of the entire fund at such time as the need may arise and to fulfill the purpose of this agreement.

**SECTION VII - Fund Advisor(s):** Donors establishing a Donor-Advised Fund, and nonprofit agencies establishing an Agency-Advised Fund, may designate individuals to serve as Fund Advisors to the Fund who may make recommendations to the Foundation regarding grant distributions. Donors may designate themselves as Fund Advisors, or may designate others in addition to, or instead of themselves. Agencies may select key staff and/or volunteers to act as Fund Advisors. All named Fund Advisors have equal rights to recommend grant distributions from the Fund, but if two or more Fund Advisors are designated, a Fund Chairperson must also be identified. Once designated, a Fund Advisor's status can only be revoked in writing by the Donor(s) who established the Fund.

Unless otherwise stated, a designated Fund Advisor will receive monthly fund reports, donor reports and standard mailings from the Foundation. Please indicate individuals who will serve as Fund Advisors below. Please also identify a Fund Chairperson and a designated individual to receive monthly reports if other than a Fund Advisor, attaching additional sheets as necessary.

**Fund Advisor 1:** This Fund Advisor will serve as Fund Chairperson for this fund.

Name \_\_\_\_\_

Address \_\_\_\_\_

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

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

Relationship to Donor(s)  
\_\_\_\_\_

Comments \_\_\_\_\_

**Fund Advisor 2**

Name \_\_\_\_\_

Address \_\_\_\_\_

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

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

Relationship to Donor(s): \_\_\_\_\_

Comments \_\_\_\_\_

Please note that the Foundation will only consider written recommendations provided on a *Distribution Request Form*. The Foundation will not make any distribution to satisfy a pledge or other legal obligation of a donor or donor advisor. All distributions must comply with Foundation operating procedures.

**Successor Advisor Information** - A successor advisor can be authorized to recommend grants from the Fund in the event the Fund Advisor(s) named above dies, resigns or is otherwise unable to act in this capacity. Once designated, a successor Fund Advisor's status can only be revoked in writing by the Donor(s) establishing the fund. All successor Fund Advisors have equal rights to recommend grant distributions from the Fund. In cases of two or more Fund Advisors, a single Chairperson must be identified. Please indicate the names of successor Fund Advisors on the following page and identify a Chairperson.

**Successor Fund Advisor 1:** This Fund Advisor will serve as Chairperson for this fund.

Name \_\_\_\_\_

Address \_\_\_\_\_

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

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

Relationship to Donor(s): \_\_\_\_\_

**Successor Fund Advisor 2**

Name \_\_\_\_\_

Address \_\_\_\_\_

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

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

Relationship to Donor(s)  
\_\_\_\_\_

- I/we have informed the successor Fund Advisors of my/our succession plan.
- I/we would like the successor Fund Advisors to receive mailings and event invitations.

*If Successor Fund Advisors are listed here, please skip Section 7.*

**SECTION VIII - Future Planning** (*Donor-advised funds only*)

**Future Planning for Funds Without Successor Fund Advisors**

Donors establishing a donor-advised fund have the option to recommend a future plan for their fund in the event the initial Fund Advisor(s) to the Fund dies, resigns, or is otherwise unable to act in this capacity. Please select an option.

- Transfer the balance of my fund to the Foundation's *Area of Greatest Need Fund*, which supports Foundation operations and organizations working to improve the well-being and vitality of the greater Renton area.
- Transfer the balance of my fund to one or more of the Foundation's *existing funds* that support organizations working to address local community needs in the following area(s) of interest:

_____ % Arts and Culture	_____ % Health
_____ % Community Development	_____ % Human and Social Services
_____ % Education	_____ % Other _____

- Establish an *Unrestricted Community Fund* with the balance (\$10,000 minimum):

Name of Fund: \_\_\_\_\_

- Establish a *Field of Interest Fund* with the balance (\$10,000 minimum):

Name of Fund: \_\_\_\_\_

Identify Field(s) of Interest:

\_\_\_\_\_

- Establish a *Designated Fund* to support the following nonprofit organization(s) (\$10,000 minimum):

\_\_\_\_\_

\_\_\_\_\_

- Treat my fund as permanently endowed (i.e., distributions generally limited to investment returns, subject to Foundation annual Spending Policy).

**If none of the above options are chosen, or following the death or resignation of successor fund donors or advisors, the income of the Fund will be distributed to the Foundation's *Area of Greatest Need Fund*.**

**SECTION IX - Fee Schedule:** Funds are subject to administrative and investment fees. A list of current fees is available upon request. The Foundation reserves the right to change its fee structure at any time. Fees are charged monthly based on the value in the Fund as of the last day of the month. Fees are deducted first from income and, in the case of endowments, may be deducted from the principal of the fund if the income is insufficient.

**SECTION X – Indemnification:** Each party hereto shall indemnify and save harmless the other, its directors, officers and affiliates, against all claims made against the other, including reasonable attorney’s fees and other expenses of litigation incurred by the indemnified party, arising solely out of the acts or failures to act of the party from whom indemnification is requested. The indemnifying party shall defend any claims against the indemnified party and shall pay, satisfy and discharge any judgments, orders and decrees which may be recovered against the indemnified party.

**SECTION XI - Acknowledgement & Signature:**

I acknowledge that I/we have read this agreement and the Foundation's “Fund Terms and Conditions” (attached hereto and incorporated herein by this reference) and agree to the terms and conditions set forth therein. **I understand that any contribution, once accepted by the Foundation, represents an irrevocable contribution to the Foundation and is not refundable.**

Donor Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Donor Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Renton Community Foundation

\_\_\_\_\_  
Executive Director/Officer of the Board Date

**Renton Community Foundation  
P.O. Box 820  
Renton, WA 98057  
Phone: (425) 282-5199  
Fax: (425) 282-5889**



# Fund Terms & Conditions

- 1. Tax Status of Funds.** Donor funds established at Renton Community Foundation (the “Foundation”) are component funds of the Foundation, a Section 501(c) (3) public charity. Accordingly, contributions to the Foundation's donor funds are treated for tax purposes as gifts to a Section 501(c) (3) public charity and are generally tax deductible, subject to individual and corporate limitations.
- 2. Variance Power.** All donor funds established at the Foundation are subject to the Foundation’s “variance power.” The variance power gives the Foundation the authority to modify any donor recommendation or condition on distributions from a fund for any specified charitable purpose, or to any specified charitable organization if, in the sole judgment of the Foundation such recommendation or condition becomes unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community.
- 3. Distributions.** The Foundation anticipates that distributions will be made from each fund at least every two years. Donors may, at the time they create a fund, recommend that the fund be managed as a permanent endowment and be paid out in accordance with the Foundation’s *Endowment Spending Policy* or be paid out over a period of time. Donors may also specify that no distributions be made until the fund reaches a certain dollar amount.
- 4. Spending Policy.** Unless otherwise specified by the Donor, the Foundation anticipates that distributions will be made from each fund at least every two years. In determining the distribution amount to be paid annually from *endowed funds*, the Foundation's Board of Directors may consider the expected total return on the fund's investments, the desirability of maintaining the value of those funds, and any other factors that it deems relevant. The Foundation reserves the right to spend the entire amount of any fund, if by the terms of the Donor’s gift agreement the gift is subject to the Foundation's Spending Policy and the Foundation determines that such expenditures better satisfy the donor's intentions than a limitation on expenditures.
- 5. Restrictions on Grants from Funds.** Distributions from donor funds established at the Foundation will be made only if the request is made in writing on the Foundation’s *Distribution Request Form*; are consistent with the Foundation's charitable purposes; satisfy community needs identified by the Foundation as deserving of its support and are consistent with the Foundation’s operating procedures, as may be amended from time to time. Fund distributions will not be made for memberships, pledges, tickets, sponsorships, or for any purpose that would otherwise benefit the Donor or Fund Advisor recommending the distribution. Distributions may not involve loans, compensation, expense reimbursements or similar payments to Donors, Fund Advisors or related parties. Distributions from donor funds may not be made to any specific individual, or for political activities.

**6. Investment of Assets.** All assets contributed to funds established at Foundation will be managed in the Foundation's general investment fund.

**7. Fees.** Donor funds established at Foundation are subject to administrative and investment fees. A list of fees is available upon request. The Foundation reserves the right to change its fee structure at any time.

**8. Solicitation Policy.** Donors who wish to solicit contributions for a fund at the Foundation are required to get approval from the Foundation in advance. Once approved, donors/volunteers must use the following language in any solicitation:

"IRS regulations require us to note that the Foundation will not provide any goods or services to you in exchange for a gift to the \_\_\_\_\_ Fund. As a component fund of the Foundation, the Foundation has the authority to redirect distributions of the \_\_\_\_\_ Fund if it becomes necessary to protect donor intent."

"Funds raised at this event (or for this cause) will be added to the \_\_\_\_\_ Fund at Renton Community Foundation, a 501(c) (3) organization. The Foundation will disburse grants from the fund as recommended by \_\_\_\_\_ Fund Advisors or as community needs dictate. Make checks payable to Renton Community Foundation/ \_\_\_\_\_ Fund."

**9. Conflict of Terms.** If an inconsistency arises between these terms and conditions, and any terms and conditions appearing elsewhere in connection with any fund, these terms and conditions as interpreted by the Foundation shall govern. The Foundation reserves the right to take any actions at any time which, in its sole discretion, it deems reasonably necessary or desirable for the proper administration of any fund in the Foundation.

## Terms Applicable to Donor-Advised Funds

### **Characteristics of Donor-Advised Funds.**

Donors establishing donor-advised funds are urged to make recommendations regarding distributions from the fund for specific charitable purposes, or to one or more charitable organizations. Donor recommendations will be considered only if provided on the Foundation's *Distribution Request Form*, signed by the Donor or the donor's designated Fund Advisor.

**Role of Fund Advisors.** The Foundation welcomes the involvement and recommendations of its donors with respect to distributions from advised funds, but such recommendations are advisory only and are in no way binding upon the Foundation. In evaluating recommendations for distributions from advised funds, the Foundation staff investigates prospective grant recipients to ensure that they are organized and operated for charitable purposes, typically as described in Section 170 (b) (1) (a) of the Internal Revenue Code; reviews the recommended grantee's financial/program information; and evaluates the recommendation of donors against the standards and criteria of the Foundation's operating guidelines to ensure that such recommendation is consistent with specific charitable needs identified by the Foundation as deserving of support and complies with all applicable federal tax requirements.

In all cases of two or more advisors, the Fund Advisors shall appoint a Chairperson and all communications to and from the Foundation concerning recommended grants will be made through the Chairperson. If multiple advisors make conflicting recommendations regarding distributions from the Fund that cannot be promptly resolved, the Foundation may independently initiate distributions from the Fund. In addition, if the Fund Advisor(s) fails to make a standing distribution recommendation, or fails to make any distribution recommendations for two consecutive years, the Foundation will contact the advisor(s) to discuss this situation (see Inactive Funds below for more details).

**Appointment of Additional Fund Advisors.** All requests to appoint additional Fund Advisors and successor Fund Advisors to an advised fund must be communicated to the Foundation in writing by the Donor(s) establishing the Fund. If, upon the death, resignation, or incapacity of an advised fund's donor(s), the Foundation does not receive in writing the names of an additional Fund Advisor(s) or successor Fund Advisor(s) to the Fund, the Foundation will use the fund's balance to support the Foundation's *Area of Greatest Need Fund*.

*Donor-Advised Funds that are established by corporations, rather than by individuals, are often advised by an appointed committee with a process for selecting new members. Any changes in advisors to the Fund must be made in writing by an officer or authorized representative of the corporation that established the fund.*

**Scholarship Funds.** Donors may establish an advised fund for the purpose of making grants to be used exclusively for tuition and fees at accredited educational institutions (Scholarship Fund). According to law, neither the Donor nor the designated Fund

Advisor can have the deciding vote in awarding the scholarship(s). Therefore, all scholarship funds shall be administered by the Foundation in accordance with its Scholarship Guidelines and Procedures, as may be amended from time to time and applicable federal tax laws. The Donor or designated Fund Advisor may serve as a member of the Scholarship Committee.

**ATTACHMENT A**  
**FUND DISTRIBUTION**  
**AUTHORIZED SIGNATURES**

Please use this form to update individuals authorized to request distributions from your fund. Updates should be submitted whenever there is a change in Fund Advisors and be accompanied by either a corporate resolution or board minutes giving authorization.

**FUND NAME** \_\_\_\_\_ **Date** \_\_\_\_\_

The following person(s) are authorized to request distributions from the above named fund.

\_\_\_ Requires one signature \_\_\_ Requires two signatures #\_\_\_ will serve as Chairperson

<b>Individual</b>	<b>Sample Signature</b>
1. _____	_____
2. _____	_____
3. _____	_____
4. _____	_____
5. _____	_____

**Primary contact:** Please indicate who you wish to receive all formal communication regarding your fund (monthly financials, newsletters, donor reports).

\_\_\_\_\_  
(Name) \_\_\_\_\_ (Email address)

Phone: Work \_\_\_\_\_ Home \_\_\_\_\_ Cell \_\_\_\_\_

Please return to:

*Lynn Bohart, FAHP*  
*Executive Director*  
Renton Community Foundation  
P.O. Box 820  
Renton, WA 98057  
lbohart@rentonfoundation.org