

SAMPLE

AGREEMENT FORM – CURRENT-USE DONOR-ADVISED FUND

On this date, _____, 201_, and with this agreement (“Agreement”), _____ (“Donor”) makes an irrevocable gift of \$_____ to the Hampton Roads Community Foundation (“HRCF” or “Foundation”), a 501(c)(3) organization authorized to receive and hold charitable funds in accordance with its Articles of Incorporation and Bylaws.

A. HRCF accepts this gift subject to the terms and conditions of this Agreement as follows:

1. That the gift is to be used to establish a fund at the Foundation to be known as the _____ Donor-Advised Fund (“Fund”).
2. That the Donor(s) understands that any contribution, once accepted by the Foundation, represents an irrevocable gift to the Foundation and is not refundable.
3. That, subject to the Foundation’s Gift Acceptance and Donor-Initiated Fundraising policies, additional contributions may be made by the Donor or others to the Fund to ensure its growth.
4. That the Donor(s) has received and reviewed the *Procedures for Establishing and Operating Current-Use Donor-Advised Funds* and agrees to the terms and conditions described therein.
5. That the Donor(s) understands that any recommendations made regarding charitable distributions from the fund are advisory and that final judgment rests with the HRCF Board of Directors whose charge is to see that all distributions affirm the charitable purpose for which the fund was created and are within the broad charitable purposes of the Foundation. The Foundation has exclusive legal and fiduciary control over the contributed assets.
6. That the Donor(s) designates the following Advisor(s):

Donor(s) shall serve as Advisors to the Fund[, with _____
_____ serving as the primary advisor contact (if more than one Donor)].

Or

Donor(s) name the following individual(s) to serve as Advisors to the Fund[, with _
_____ serving as the primary advisor contact (if more than one Advisor)]:

Name, Date of Birth _____
Address _____
Email Address _____
Business Address _____
Phone Numbers _____



Procedures for Establishing and Operating Current Use Donor-Advised Funds

Authorization

The Hampton Roads Community Foundation (the "Foundation") has authorized the establishment of Current Use Donor-Advised Funds by resolution of the Board of Directors adopted on December 18, 2000 and last amended September 11, 2007. These procedures may be amended from time to time when deemed necessary or desirable.

Definition

A Current Use Donor-Advised Fund at the Hampton Roads Community Foundation is a component fund where the Donor (or persons designated by the Donor) may make non-binding recommendations to the board of directors of the Foundation suggesting charitable organizations to receive grants from the fund. Assets contributed to a Current Use fund are intended to be spent down over a period of time, typically one to three years.

Nature and Terms of Contributions

Each Current Use Donor-Advised Fund will be subject to the terms of the articles of incorporation and by-laws of the Hampton Roads Community Foundation. Contributions to Current Use Donor-Advised Funds represent irrevocable gifts subject to the legal and fiduciary ownership and control of the Foundation's board of directors. The Hampton Roads Community Foundation has exclusive legal control over the contributed assets. A Donor may not impose any material restriction or condition that prevents the Foundation from freely and effectively employing the contributed assets, or income derived therefrom, in furtherance of a charitable purpose of the Foundation.

Role of Fund Advisors

The Foundation welcomes the involvement and recommendations of the fund's advisors with respect to distributions from Current Use Donor-Advised Funds, but such recommendations are advisory only and are in no way binding upon the Foundation.

The Foundation actively encourages engagement and communication with the fund's advisors. If, however, the fund advisor 1) dies or resigns or evidence of his or her incapacity is provided to HRCF, and if no successor advisor has been named; 2) all named successor advisors are unwilling or unable to serve as such; 3) no recommendations are made with respect to grants for a period of three years, and during such period, the advisor or successor advisor does not reply to HRCF's attempts to contact them, the fund will be deemed inactive.

In the event a fund becomes inactive, HRCF will deem the advisory period to have ended and will initiate distributions from the fund in accordance with the provisions of the fund agreement.

Starting a Current Use Donor-Advised Fund

The minimum amount to establish a Current Use Donor-Advised Fund is \$50,000. Additional gifts may be added at any time by the Donor or other donors.

Spending Policy

It is anticipated that the money contributed to this fund will be granted out over a period of one to three years. Grant recommendations, by the donor advisor(s), can be made at any time in amounts of at least \$250.

Distributions

Advisor recommendations on grant distributions will be considered if offered through a completed Donor Recommendation Form, submitted in writing, by fax, by e-mail or online through FundXpress. Grant recommendations should be of a minimum amount of \$250 per grantee organization. Unless otherwise requested on the Donor Recommendation Form or in the establishing agreement, any distribution from a Donor-Advised Fund will identify the grantee organization and the name of the Fund from which the distribution is made. Grants of \$25,000 or less to organizations described in Section 501(c)(3) and 170(b)(1)(A) of the Internal Revenue Code may be approved by the president/CEO of the Foundation. Recommendations for grants over \$25,000 may have to await board approval at the next regularly scheduled quarterly board meeting. Donors will receive a quarterly fund statement, generally within 30 days of the close of the quarter, which provides a summary of a fund's asset value and any activity in the fund.

Evaluation of Donor Recommendations

In evaluating recommendations for distributions from Current Use Donor-Advised Funds, the Foundation staff investigates all prospective grant recipients. The Foundation also provides a list of charitable organizations that have been previously approved by the Board of Directors for distributions to facilitate grantmaking. All distributions from Current Use Donor-Advised Funds must be either approved or ratified by the Foundation's board of directors.

Restrictions on Distributions

Fund distributions will not be made for any purpose or to any organizations that would provide more than an incidental benefit to the Donor, Advisor or any related party in exchange for, or in connection with, the recommended distribution. Distributions from Current Use Donor-Advised Funds may not be used to satisfy pledges made by Donors, Advisors or any related party. Distributions may not be made to the Donor, Advisors or related parties as grants, loans, compensation or similar payments. It is the Foundation's policy that distributions from Current Use Donor-Advised Funds may not be made to individuals or to Type III supporting organizations described under Section 509(a)(3) of the Internal Revenue Code that are not functionally integrated. Distributions to international organizations or agencies require approval of the Foundation's Board of Directors before any distribution is made.

Additional Advisors

The privilege of making recommendations shall be extended to those individuals listed in the agreement establishing the fund. All requests to change or add advisors must be communicated in writing by the Donor(s) establishing the fund.

Conflict of Terms

In the event of inconsistency between these procedures and any procedures, terms, or conditions appearing elsewhere in connection with any fund, these procedures, as interpreted by the Foundation, shall govern, and the 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 or the Foundation.



Policy on General Support from Component Funds

The Foundation depends on annual support from administrative fees assessed on component funds to provide general philanthropic services to the community and to support its community leadership activities. In keeping with the charitable purposes of the Foundation, our objective is to keep operating expenses at a moderate level and to provide a high quality service to all donors and charitable organizations.

Services provided by the Foundation to donors include administrative, audit, grantmaking, grantee accountability and reporting functions specific to each component fund. Foundation staff also research program models to assist donors in the design of a focused or special purpose grant program. In cases where special grant administrative services may be required, direct costs to the Foundation will be reimbursed by the fund in addition to the annual contribution made for general support.

Services provided by the Foundation to charitable organizations include information and referral and community workshops on Foundation programs and related matters.

Annual support from component funds is based on the type of fund established. The support contribution percentage shown below is applied to the trailing twelve-quarter average asset value or the number of quarters the fund has been in existence if fewer than twelve. Typically, the support contribution is calculated as of September 30 of the prior year; however, if the fund is received in the fourth quarter of a given year, the December 31 asset value will be used to calculate the support contribution of the fund for the first year.

Any direct costs incurred to evaluate, acquire or sell a complex gift asset, such as real estate, partnership interest, or closely held stock, will reduce the net proceeds credited to the beneficiary fund.

Fund Type	Fee
Unrestricted Fund	1.10%
Field-of-Interest Fund	1.10%
Designated Fund	1.00%
Permanent Organizational Fund	.75%
Scholarship Fund	1.50%
Current Use Fund*	2% of gifts plus investment earnings
Endowed Donor Advised Fund*	No minimum fee
Up to \$1 million	1.00%
\$1,000,001 - \$4,999,999	.65%
\$5 million +	.50%
Supporting Organizations	
\$2.5–10 million	.75% to .50% (plus direct costs)
\$10-25 million	.50% to .35% (plus direct costs)
\$25 million +	.35% to .15% (plus direct costs)

*International Grant Recommendations: A fee to cover legal expenses will be assessed based on actual costs for determining charitable status of any recommended organizations outside the U.S. In addition, the Foundation charges the fund a \$50 fee per grant made to charitable organizations outside the United States.