



FUND AGREEMENT BETWEEN
SOUTH DAKOTA COMMUNITY FOUNDATION
PO BOX 296, PIERRE, SOUTH DAKOTA 57501

AND

DONOR OR ORGANIZATION
ADDRESS
CITY, STATE, ZIP

THIS AGREEMENT is made and entered into on {DATE}, between South Dakota Community Foundation, 2310 Patron Parkway, PO Box 296, Pierre, South Dakota 57501 (hereinafter "Foundation"), and {NAME} (hereinafter "Donor").

WHEREAS:

- (i) Foundation is a charitable organization as described in Section 501(c)(3), of the Internal Revenue Code;
- (ii) Donor is a(n) {individual(s), organization, etc.} contributing the assets shown on **Exhibit A** to the Foundation to establish a Community Savings Account within the South Dakota Community Foundation with the expectation that earnings from the contribution will be distributed by Foundation for charitable, religious, educational, or scientific purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended;
- (iii) Donor's charitable purposes are set forth on **Exhibit B**;
- (iv) Foundation and Donor believe that the cooperative ties defined by this Agreement are desirable and would be mutually beneficial to Foundation and Donor, and to their respective constituencies; and accordingly

FOUNDATION AND DONOR HEREBY MUTUALLY AGREE AS FOLLOWS:

1. There is hereby established in the South Dakota Community Foundation as a part thereof a Community Savings Account, named and referred to as the {FUND NAME}, to receive gifts in whatever form or property is acceptable to Foundation, and to administer the same in accordance with Guidelines approved

from time to time by Foundation's Board of Directors.

2. Donor irrevocably transfers to Foundation, all of its right, title, and interest in and to the **Exhibit A** assets, and Donor represents to Foundation that the total thereof are not subject to any restrictive type of Donor recommendation, all of such assets to be designated as a deposit to the {FUND NAME}.

3. Distributable income from the {FUND NAME} shall be distributed in accordance with the charitable purposes set forth in **Exhibit B**. Distributions shall be made by Foundation consistent with its Articles of Incorporation, Bylaws, and Guidelines as the same now exist or are amended from time to time by Foundation's Board of Directors, endeavoring to adhere to Donor's charitable wishes, to the extent reasonably possible. All distributions must be made to a verified public charity under section 170 (b) (1) (A) of the IRS master file. Foundation shall have the power to modify any restriction or condition on the distribution of funds for any specified charitable purpose or to specified organizations if, in the sole judgment of Foundation (without any 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.

4. The {FUND NAME} is the sole and exclusive property of Foundation, held by it in its corporate capacity, and is not a trust fund held by Foundation in any kind of a trustee relationship. Foundation has absolute and ultimate authority and control over all property in the {FUND NAME}, and in the income derived therefrom.

5. Any cost to Foundation in accepting, transferring, or managing the property donated to Foundation shall first be paid from the {FUND NAME}; further, the {FUND NAME} (as must all funds of Foundation) shall share proportionately in the total administrative cost of the South Dakota Community Foundation, and any such administrative cost shall be charged annually or in some equal installment against the {FUND NAME} determined in accordance with the then current fee structure or Guidelines which have been established by Foundation's Directors.

6. Distributable income from the fund will be made available for distribution not less often than annually, which may be on an annualized basis, or a calendar year basis, or a portion of either, as determined by Foundation's Directors.

7. Contributions to the {FUND NAME} may be commingled with other Foundation property for administrative and investment purposes. If the contribution to the {FUND NAME} is so commingled, Foundation will allocate to this fund a reasonable portion of investment income earned by the commingled property, using such allocation formula or method as Foundation may from time to time determine to be equitable under the circumstances.

8. Additional contributions may be added to the {FUND NAME} by Donor or other third parties from time to time. All questions which may arise with regard to principal or income of the {FUND NAME} shall be determined by Foundation's Directors, which determination shall be deemed final and binding upon all parties to this Agreement, and upon any successor contributors to the {FUND NAME}.

9. The parties intend that the {FUND NAME} shall be a component part of Foundation, and that nothing in this Agreement shall affect the status of Foundation as an entity which is a qualified charitable organization as described in Section 501(c)(3) of the Internal Revenue Code of 1986. This Agreement shall be interpreted in a manner consistent with such intention, and so as to conform to the requirements of the

Internal Revenue Code and any regulations issued pursuant thereto applicable to the intended status of Foundation.

10. All correspondence from Foundation regarding the {FUND NAME} shall be directed to the FUND CONTACT below. Donor agrees that, in the event its (or an Advisor’s) address is changed, Donor will advise Foundation within 10 days following the date of such change, and that any notice which Donor should receive from Foundation will be satisfied by mailing such notice to the address above noted, by U.S. Mail, first class postage prepaid.

FUND CONTACT:

Name:

Address:

Phone(s):

Email:

IN WITNESS WHEREOF, Foundation and Donor have executed this Agreement by their duly authorized officers effective as of the day and year first above-written.

SOUTH DAKOTA COMMUNITY FOUNDATION

BY: _____ Date: _____
Stephanie Judson, President & CEO

DONOR

BY: _____ Date: _____
Name, (Title or on behalf of Donor/Organization)

Development Advisor: _____

EXHIBIT "A"

A \$ _____ contribution from {NAME} to the {FUND NAME} within the South Dakota Community Foundation, with additional contributions later.

EXHIBIT "B"

The {FUND NAME} is established for the following charitable purpose(s):

To provide financial support to charitable and nonprofit purposes [in _____ (city/region), SD (and the surrounding area)] at the recommendation of the {CSA name} Advisory Council. The _____ (CSA name) may allow the establishment of sub-funds within the _____ (CSA name) through mutual agreement at the inception of the sub-fund. (When creating the fund agreement or memorandum of understanding, be clear about the relationship of sub-fund to the CSA. Will the CSA board have the right to make recommendations on the distribution of available dollars now or at some point in the future; or, is the sub-fund operating with a separate board/committee/group of advisors and there is no intent to confer the right to make recommendations on the distribution of available dollars now or at some point in the future). The minimum contribution to start a sub-fund is \$10,000, but CSAs may impose a larger floor if they so desire.

Donor(s) Initials: _____ Date: _____

Donor(s) Initials: _____ Date: _____

SDCF Distribution Policy Revised October 20, 2017

RESOLVED that the annual grantmaking distribution be no more than five (5) percent of the average fair market value of total endowment. The current distribution rate of the restricted fund types managed by the Foundation is 4.5%. The distribution rate on all unrestricted funds managed by the Foundation is 4.0%. Average to be computed based on sixteen quarter trailing average or actual quarters during first four years of the fund's existence.

New funds will be eligible for valuation after being invested with the South Dakota Community Foundation for one full year. The fund's average fair market value will be calculated December 31 of the year the fund becomes eligible and money will be available the following year.

In order to make distributions from a fund, the principal balance for such fund must be \$10,000 or above.

For example, a fund established in _____ (DATE) will be valued as of December 31, _____ (YEAR) and dollars will be made available for distribution in January of _____ (YEAR).

Inactive Funds Policy

To ensure charitable objectives are being met, South Dakota Community Foundation funds must make a distribution every three years. If any fund fails to make a distribution within this timeframe, the Foundation will contact the fund advisor or beneficiary agency to ensure the fund is not deemed inactive.

If the fund is declared inactive, the Foundation will initiate distributions from the fund per policy.

To access the full text of SDCF's inactive funds policy, please refer to our website.