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AGENCY ENDOWMENT FUND AGREEMENT SAMPLE

The _____ Fund

An Agency Endowment fund provides permanent support for a specified charitable organization. An agency endowed fund ensures that all or part of a nonprofit organization's capital endowment will be protected and generate income in perpetuity.

THIS AGENCY ENDOWMENT FUND AGREEMENT is executed this ___ day of _____, 201_ by and between the Community Foundation of Greater New Britain, Inc., a Connecticut nonprofit corporation (hereinafter the "Foundation"), and _____ (the "Agency").

1. CONTRIBUTION AND ESTABLISHMENT OF AGENCY ENDOWMENT FUND The Foundation hereby acknowledges receipt of the property listed on Schedule A attached hereto and incorporated herein which is hereby contributed to the Foundation to be held, administered and distributed as herein provided. Such property shall be held by the Foundation as a separate component fund, to benefit the Agency and named the _____ Fund (hereinafter the "Fund").

2. PROPERTY OF THE FUND The Fund shall include the property received with the execution of this Agreement, and such additional property as may from time to time be transferred or contributed to the Foundation for inclusion in the Fund and accepted by the Foundation, and all undistributed income from the foregoing property. The Fund shall be the exclusive property of the Foundation, held by it in its corporate capacity, and shall not be deemed a trust fund held by it in a trustee capacity. The Foundation shall have the ultimate authority and control over all property in the Fund, and the income derived from it, in accordance with the Certificate of Incorporation and Bylaws of the Foundation (as they may be amended from time to time), and the terms of this Agreement, applied in a manner not inconsistent with said Certificate and Bylaws.

3. IRREVOCABILITY It is understood that, except as otherwise specifically provided herein, this Agreement and all the contributions to the Fund are irrevocable.

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4. INVESTMENT OF FUND The Foundation shall have the right, power and authority to invest and reinvest the assets of the Fund in any form of investment that the Board of Directors of the Foundation determine, in its sole discretion, without restriction. The Foundation may commingle the assets held in the Fund with other assets held by the Foundation for investment purposes. The Foundation shall maintain detailed accounting records specifically identifying the portion of the investments of the Foundation which are properly allocable to the Fund and therefore subject to the provisions of this Agreement. The value of the Fund is not guaranteed by the Foundation, as it may fluctuate depending on investment performance.

5. DISTRIBUTIONS The amount available for distribution annually from this Fund will be for the general purposes of the Agency **(or insert another purpose)** as determined by the Agency's governing body. Distribution amounts shall be derived annually in accordance with the Spending Policy as approved by the Foundation's Board of Directors, and which may be amended from time to time.

6. PRINCIPAL DISTRIBUTIONS For purposes of this restriction, principal means all gifts to the Fund and growth as set forth in the Spending Policy from time to time.

_____Distributions beyond those determined annually through the Foundation's Spending Policy shall not be made for any reason.

_____On rare occasions, the Foundation may make distributions beyond those allowed by spending policy to benefit the Agency, but only upon a 2/3 affirmative vote of the Foundation's Board of Directors, and upon a nonbinding recommendation adopted by a 2/3 affirmative vote of the Agency's Board of Directors.

Notwithstanding anything contained herein, any amounts distributed from the Fund to the Agency shall be used solely for the purposes set forth in Section 5 above and solely for purposes allowed by Internal Revenue Code Section 501(c)(3), as amended.

7. RESERVING OR RETURNING DISTRIBUTIONS TO THE FUND The Agency may elect to contribute all or any part of the amount distributed from the Fund back to the Fund upon written notice to the Foundation. The Agency may ask the foundation's board to consider that the amount of this contribution be distributed to the Agency in the future if requested in writing by the Agency.

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8. EXPENSES ALLOCATED TO THE FUND The Foundation may establish a fee schedule and amend it from time to time to cover the costs of administering the Fund. Any applicable administrative fees will be taken from the amount available for distribution. Fees incurred for investment services are allocated to individual funds held by the Foundation on a proportionate basis.

9. REPORTS The Foundation shall furnish fund statements at least annually with a written accounting of the assets held in the Fund and all additions to and distributions from the Fund.

10. CONTRIBUTIONS TO THE FUND Anyone may make additional contributions to the Fund. All such additional contributions shall be administered and distributed in accordance with the terms and conditions of this Agreement.

11. CONDITIONS AND RESTRICTIONS All assets held in the Fund shall be subject to the Articles of Incorporation and Bylaws of the Foundation, including the variance power contained therein which allows the Board of Directors of the Foundation to modify any restrictions or conditions on the distribution of assets for any specified charitable purpose or to specified organizations, if, in their sole judgment (without the approval of any trustee, custodian or agent), such restriction becomes, in effect, unnecessary, incapable of fulfillment or inconsistent with the charitable needs of the area served by the Foundation or to maintain qualification as a designated component fund.

In the event that the Agency shall cease to exist or cease to be a Tax-Qualified Organization, then distributions from the Fund shall be made to such Tax-Qualified Organization(s) as determined by the Foundation's Board of Directors most nearly meet the purposes and objectives for which the Fund was established.

Notwithstanding anything contained in this Agreement, no discretion or authority granted herein shall be exercised in any manner to jeopardize the Foundation's status as an organization described in sections 501(c)(3), 170(b)(1)(A)(vi), 170(c) and 509(a)(1) of the Internal Revenue Code, as amended.

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12. DEFINITIONS

- a. "Tax-Qualified Organization" means an organization described in section 501(c)(3), and which is other than a private foundation described under 509(a), of the Internal Revenue Code.

- b. "Internal Revenue Code" shall mean the Internal Revenue Code of 1986 as this may be amended from time to time in the corresponding provision of any U.S. Internal Revenue Code.

IN WITNESS WHEREOF, the Foundation and the donor have caused this Agreement to be executed the day and year as written above.

Chairperson of the Board of the Agency

Date

James G. Williamson, President
Community Foundation of Greater New Britain, Inc.

Date