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Designated Fund Agreement Sample

THIS DESIGNATED FUND AGREEMENT is executed this ____ day of _____, 201_, by and between the COMMUNITY FOUNDATION OF GREATER NEW BRITAIN, INC., a Connecticut non-profit corporation (hereinafter the "Foundation"), and _____ (the "Donor").

1. **CONTRIBUTION AND ESTABLISHMENT OF DESIGNATED FUND** The Foundation hereby acknowledges receipt of the property listed on attached Schedule A, contributed to the Foundation to be held, administered and distributed as herein provided. A component fund of the Foundation, the fund shall be known as _____ Fund (hereinafter the "Fund"). This Fund shall provide distributions to support the following organization(s): (names and addresses of organizations for the purposes described here, e.g. for their general purposes or for a specific purpose).

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

3. **INVESTMENT OF FUND** The Foundation, through its Board of Directors or its designee, shall invest and reinvest the assets held in the Fund. 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 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, or its designee, determine, in its or their sole discretion, without restriction.

4. **DISTRIBUTIONS** The amount available for distribution annually from this Fund will be derived in accordance with the Spending Policy as approved by the Foundation's Finance Committee and Board of Directors, and which may be amended from time to time.

All distributions to the Organization from the Fund shall be used by the Organization for the general purposes of the Organization (or insert another purpose) as determined by the Organization's governing body.

5. **PRINCIPAL DISTRIBUTIONS** (Check one and initial) For purposes of this restriction, principal means all gifts to the Fund and growth of the Fund 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.

_____ The Foundation's Board of Directors, with a 2/3 affirmative vote, may authorize on rare occasions a distribution of principal from the Fund upon receipt of a written request from the

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organization's Board of Directors following a 2/3 affirmative vote. The remainder in the fund may not drop below \$5,000.

6. 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. Fees incurred for investment services are allocated to individual funds held by the Foundation on a proportionate basis.

7. 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.

8. CONDITIONS AND RESTRICTIONS All assets held in the Fund shall be subject to the Certificate 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 an organization named in this Agreement ceases to exist or ceases to be a 501(c)(3) organization, the assets originally designated by the donors to the organization in question shall be designated to support equally the remaining named organizations. If a time comes when none of the named organizations continues to exist, the Fund shall become: a field of interest fund to support health care in the Greater New Britain area, encompassing Berlin, New Britain, Plainville and Southington.

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

Signature of Donor

Date

James G. Williamson, President

Date

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