



Racine Community Foundation, Inc Organization Endowment Fund

This agreement is entered into on [Date of Agreement] by and between Racine Community Foundation, Inc. (“the Foundation”), a nonprofit corporation established under the laws of the state of Wisconsin, with its principal office at 245 Main Street, Garden Level, Racine, Wisconsin and [insert Name of Organization] (“Organization”), a nonprofit corporation established under the laws of [insert name of state] with its principal office at [insert address of principal office], Racine, Wisconsin, for the purpose of establishing an organization endowment fund within the Foundation. Each party is a Qualified Charitable Organization.

The parties to the agreement have a common interest in the welfare of the Racine community and in serving charitable and educational purposes for the benefit of the Racine community. The Foundation has been established with a principal purpose to receive and administer funds as endowments for various charitable and educational purposes and organizations in Racine County.

1. NAME. The name of the fund shall be the [Name of Fund] (“the Fund”).

2. CONTRIBUTION TO THE FUND. The Organization gives to the Foundation and the Foundation accepts and acknowledges the receipt of property described in Exhibit A which is incorporated herein by reference as the initial contribution to the Fund. Additional contributions may be made by either the Organization and/or other parties which are in accordance with the terms of the agreement and subject to acceptance by the Foundation. Any contributions to the Fund which are made by parties other than the Organization shall be separately tracked so that the records of the Foundation will reflect what portion of the Fund relates to contributions made by the Organization and what portion of the fund relates to contributions made by third parties. As required by law, the Foundation has exclusive legal control over all contributed assets and all contributions made to the Fund are irrevocable.

3. TERM. The Fund shall continue indefinitely.

4. DISPOSITION UPON DISSOLUTION OF FOUNDATION. If the Foundation ceases to be a Qualified Charitable Organization or if the Foundation proposes to dissolve, the assets of the Fund, after payment or making provision for payment of any liabilities properly chargeable to the Fund, shall be distributed to the Organization. If the Organization is not then a Qualified Charitable Organization, then the assets shall be distributed in such manner and to such organization(s) in the Racine community as to satisfy the requirements of a Qualified Charitable Organization and community services whose purposes are similar to those of the Organization consistent with the agreement established for the Fund within the Foundation.

5. CONTINGENCY IF THE ORGANIZATION CEASES TO EXIST. If the Organization ceases to exist then the distributions under paragraph 6 shall be made to the Organization’s

[insert name of the Fund]

successor in interest. If there is no such successor then distributions under paragraph 6 shall be made to an organization closely aligned with the purpose and mission of the Organization.

6. ADMINISTRATION. Principal provisions for administration of the Fund are:

- A. Purpose. The purpose of the Fund is to support the designated charitable or educational purposes of the Organization. The Fund shall be used exclusively for the benefit of the Organization's mission, activities and projects.
- B. Financial Reports. The Foundation will provide an annual financial report of the Fund without request. The Organization may request, and the Foundation agrees to deliver, the Foundation's annual audited financial statements, including the notes thereto.
- C. Notification of Additional Donations. The Foundation will notify the Organization of any donation made to the Foundation on behalf of the Organization.
- D. Distributions/Fund Availability. Distributions from the Fund shall only be made to the Organization. Distributions of the Available Distribution Amount shall be made available annually to the Organization in accordance with the Foundation's spending policy as in effect from time to time and shall be distributed to the Organization upon the Foundation's receipt of a written request for distribution of the Available Distribution Amount signed by the Organization's President or Treasurer. If the Foundation does not receive such a written request for distribution from the Organization, then the Available Distribution Amount shall not be distributed but shall remain and accumulate in the Fund and shall not be added to subsequent annual Available Distribution Amounts (i.e. if the Organization does not request the Available Distribution Amount during a particular year then the Organization's ability to request that year's Available Distribution Amount shall lapse and the following year the Organization shall be entitled to request only the Available Distribution Amount for the new year.)
- E. Emergency Purpose Distributions. Distributions in excess of the Available Distribution Amount may be made to the Organization for emergency and/or other extraordinary purposes with the approval of no less than 75% of the Organization's governing board and approval by the Board of Directors of the Foundation, except that only that portion of the fund relating to contributions made by the Organization may be made available in excess of the Available Distribution Amount (in other words, amounts relating to contributions made by third parties shall not be available for distribution in excess of the Available Distribution Amount). Recommendations of the Organization's governing board shall be solely advisory and not binding on the Foundation. The exact uses of the funds distributed will be determined by the Organization in accordance with the general framework expressed above.

7. ADMINISTRATIVE FEE; OUT-OF-POCKET EXPENSES. The Foundation shall charge a reasonable annual fee to the [Name of Fund] to cover Fund administrative expenses. This fee shall be subject to change at the discretion of the Foundation. As of the date of this Agreement, the annual fee is one percent of the fund balance, calculated as follows: the fee is prorated and charged monthly, and the amount of the fee each month is based on the average daily balance. In addition, the Fund shall be responsible for out-of-pocket expenses directly attributable to creation or operation of the Fund.

[insert name of the Fund]

8. OVERALL INVESTMENT RETURN. Assets of the Fund may be comingled and invested with other assets of the Foundation. The Foundation shall determine the Fund's *pro rata* share of the Foundation's annual investment return, net of its direct expenses, such as investment advisors' fees, and allocate the net investment return to the Fund annually. The Foundation's investment return includes both realized and unrealized return. (Presently, the Foundation calculates its annual investment return and allocates it among all its funds following the preparation of audited financial results each year.) Notwithstanding the foregoing, the Foundation may in its discretion separately identify assets of the Fund (for example, shares of one or more mutual funds) and account for its annual investment return separately from the main portfolio of the Foundation.

9. GOVERNANCE AND VARIANCE POWER. The Fund shall at all times be subject to the Foundation's (a) Articles of Incorporation and Bylaws, as amended from time to time, including Article X (g) of the Bylaws (variance power) which, in accordance with federal tax law, provides the Foundation's Board of Directors with authority to vary the terms of gifts as stated in that section of the Bylaws. For example, the variance power may be necessary if conditions or circumstances have changed making literal compliance with a restriction impractical or impossible or the restriction is not consistent with the Foundation primarily serving effectively the charitable needs of the geographic area served by the Foundation.

10. DEFINITIONS. The following definitions apply to this Agreement:

"Available Distribution Amount" means the amount available for distribution annually which is determined by the Foundation in accordance with its established investment and spending policies reflected in the Foundation records, as amended from time to time. As of the date of this Agreement the annual Available Distribution Amount is equal to 5% of the average of the last 12 quarters of the market value of the Fund, as explained in detail in the Foundation's Investment Policy.

"Organization Endowment Fund" means an organization may establish an organization endowment fund to help a nonprofit organization meet its future needs and fulfill its mission in perpetuity.

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

"Internal Revenue Code" shall be deemed references to the U.S. Internal Revenue Code of 1986, as it may be amended from time to time, and the corresponding provisions of any future U.S. Internal Revenue Code.

Dated as of the date first set forth above.

DONOR ORGANIZATION:

Authorized Signature

[insert name of the Fund]

RACINE COMMUNITY FOUNDATION, INC.

By: _____
President, Racine Community Foundation, Inc.

Revised 2011

[insert name of the Fund]

EXHIBIT A

[insert description of contributed property]