



Springfield Foundation
For good. For ever.®

LETTER OF TRANSMITTAL
FUND AGREEMENT

**SAMPLE AGENCY ENDOWMENT FUND
(Provides Right to Request Principal)**

THE (NAME OF FUND) ENDOWMENT FUND

To the Board of Trustees:

This Agreement is made this _____ day of _____, 2009, between the (Name of Organization) (hereinafter Donor), a corporation established under the non-profit corporation law of the State of Ohio, with its principal office located in Clark County, Ohio and the Springfield Foundation (hereinafter Foundation), a corporation organized under the non-profit corporation law of the State of Ohio, with its principal office located in Springfield, Ohio;

WHEREAS, the Parties to this Agreement have a common interest in the welfare of the Clark County community and in serving charitable and educational purposes for the benefit of the Clark County community;

WHEREAS, each Party is a qualified charitable organization as defined herein; and

WHEREAS, the Springfield Foundation has been established with a principal purpose to receive and administer funds as endowments for various charitable and educational purposes and organizations in the Clark County community, various interested persons have expressed a desire to establish a fund in the Foundation in the nature of an endowment to provide current income and long term protection for the operations of (Name of Organization) and (Name of Organization) is desirous of having the benefits of such a fund;

NOW THEREFORE, in consideration of the mutual covenants contained herein, the parties agree as follows:

1. Establishment of Fund. A Fund shall be established on the books of the Springfield Foundation which shall be known as the **Name of Fund** (hereinafter Fund). Foundation acknowledges receipt of the property listed in Schedule "A" attached hereto and made a part hereof as the initial property of the Fund. The Donor and others shall have the right to add to this fund from time to time.

2. Property of the Fund. The Fund shall include the property received herewith, such property as may from time to time be transferred to Foundation by the Donor for inclusion in the Fund, such property as may from time to time be transferred from any other source for inclusion in the Fund and accepted by Foundation, and all undistributed income from the foregoing property. The Fund shall be the property of the Springfield Foundation held by it in its corporate capacity and shall not be deemed a trust fund held by it in a trustee capacity. The Springfield Foundation shall have the ultimate authority and control over all property in the Fund, and the income derived therefrom, in accordance with the Articles of Incorporation and By-laws of the Foundation as they may be amended from time to time, but subject to terms of this Agreement limiting such authority.

3. Designation of Purposes. The Fund shall be used for (Insert type of support – i.e. unrestricted) support of the charitable or educational purposes of (Name of Organization) and its affiliated agencies. In the event that the (Name of Organization) ceases to exist, the income of this fund will be distributed to organizations which serve (specific purpose) or the (Name of Secondary Organization).

4. Distributions of Income. Distributions from the fund will take place at least annually. The Donor may elect to transfer to principal any or all of the distribution amount.

5. Other Distributions. Distributions in excess of the customary payout of the Fund may be made to the Donor by way of a written request approved by 75% of the Governing Board of the Donor. Any distributions in excess of the customary payout of the fund will be made in a manner which allows the Foundation adequate time for orderly conversion of assets.

6. Grants to Organizations. Donor organization does not expect special consideration in applying for grants from other funds of the Foundation because of this Fund; nor does the existence of this Fund disqualify the Donor organization from eligibility for such grants from other funds.

7. Variance Power. The variance power of a community foundation gives a community foundation greater flexibility to adapt to the changing charitable needs of the community it serves. The variance power is an I.R.S. legal requirement of all community foundations in the United States. Specifically, the variance power gives a community foundation unilateral power to change the charitable purpose of a fund if circumstances have sufficiently changed to make the original restriction inappropriate. The governing board of a community foundation must have and commit itself toward exercising the variance power over charitable purposes. The governing body must have the power to modify any restriction or condition on the distribution of funds for any specified charitable purpose or to any specified organization if, in the sole judgement of the governing body, such restriction or condition becomes, in effect, unnecessary,

incapable of fulfillment, or inconsistent with the charitable needs of the community or area served.

- (a) Foundation agrees that if its Governing Board proposes to exercise the variance power, the exercise of such power shall not be effective earlier than at least thirty (30) days after Foundation notifies the Donor in writing of (1) its intent to exercise such power and (2) the manner in which Foundation proposes to vary the purposes, uses or methods of administration of the Fund. During the notice period, the Donor may advise Foundation of its views regarding the proposed exercise of the power and take such other action as it deems appropriate. If Foundation becomes aware of any other action instituted or proposed by any person to vary the purposes, uses or method of administration of the Fund, it will promptly notify the Donor.
- (b) If the Springfield Foundation ceases to be a qualified charitable organization or if the Foundation proposes to dissolve, the assets of the Fund shall, after payment or making provision for payment of any liabilities, properly chargeable to the Fund, be distributed to the Donor. If the Donor is not then a Qualified Charitable Organization, said assets shall be distributed in such manner and to such an organization or organizations in the Clark County community as satisfies the requirements of a Qualified Charitable Organization and serves purposes similar to those of the Donor and which meets the restrictions of the original donor.

8. Charges to the Fund. Additionally, the expenses of operating the Fund shall be paid from the net income of the fund.

9. Definitions and Construction.

- (a) As used in this Agreement
 - (1) “Qualified Charitable Organization” means an organization described in 501 (c) (3) and which is other than a private foundation under 509 (a) of the internal Revenue Code.
 - (2) References to any provision of the Internal Revenue Code shall be deemed references to the U.S. Internal Revenue Code of 1986 as the same may be amended from time to time and the corresponding provision of any future U.S. Internal Revenue Code.
- (b) It is intended that the Fund shall be a component part of the Foundation and that nothing in this Agreement shall affect the status of the Foundation as an entity which is a Qualified Charitable Organization.

This Agreement shall be interpreted in a manner consistent with the foregoing 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.

IN WITNESS WHEREOF, each Party hereto has executed this Agreement by its duly authorized officers effective as of the day and year first above written.

DONOR (Name of Organization)

SPRINGFIELD FOUNDATION

Authorized Signature

Ted Vander Roest, Executive Director

Title

Date

Date

Schedule A

Property transferred to the Springfield Foundation to establish the **(Name of Fund)**:

- 1.