



Springfield Foundation
For good. For ever.®

LETTER OF TRANSMITTAL
FUND AGREEMENT

**SAMPLE DEFERRED FAMILY ADVISED FUND
WITH SUCCESSOR GENERATION ADVISORS**

To the Board of Trustees:

I/we have made a provision for a future gift to the Springfield Foundation, an Ohio not-for-profit corporation, for its charitable, educational and public purposes.

Provided the gift is at least \$10,000, my/our gift shall create a fund as provided for or contemplated by Articles of Incorporation and Code of Regulations establishing the Springfield Foundation subject to all the terms and conditions contained therein, and any amendments or additions thereto at any time made, except as hereinafter set forth. If the gift is less than \$10,000 it shall be deposited into the general endowment fund of the Springfield Foundation.

I. NAME OF FUND

The Fund so established shall be known as the (NAME OF FUND) Fund of the Springfield Foundation.

II. PURPOSE

Donor(s) reserve the right to have immediate children serve as Successor Generation Advisors and suggest annually to the Trustees of The Springfield Foundation as to the distribution of the fund's income among those charitable organizations as are eligible to receive distributions by the terms of the Articles of Incorporation and Code of Regulations of The Springfield Foundation. In all events The Springfield Foundation shall have the right to make final determination on the distribution of said funds.

At the death of the last Successor Generation Advisor, the Advised Fund shall become a (TYPE OF FUND) Endowment Fund of the Springfield Foundation. Income shall be distributed from the Fund for the purpose of (EXPLAIN PURPOSE) at the discretion of the Foundation's Board of Trustees.

III. OPERATION OF FUND

Donor understand and acknowledge that the Fund will be administered by Foundation on the following terms and conditions:

- A. Income from the Fund shall be distributed not less than annually for the purpose described in Item II hereinabove. The Donor may also choose to reinvest into the principal of the Fund all or a portion of said income.

“Income” shall be herein defined as the amount distributable under the Statement of Investment Policy for Foundation for endowment funds in effect at the time this Fund is activated and as may be amended from time-to-time by Foundation’s Governing Board.

- B. Foundation shall have full authority and discretion as to the investment and reinvestment of the assets of the Fund. Assets will be invested with other permanent assets within Foundation for maximum safe return at economical management costs.
- C. Foundation will keep accurate financial and other records related to the administration and management of this Fund and shall provide written reports on the activity of the Fund. In addition, the Fund will be included in the annual report of Foundation, and in other appropriate printed documents, in keeping with the reporting for other similar, named funds within Foundation.
- D. Foundation may assess an annual fee to satisfy the administrative and investment costs of this Fund. These operating expenses shall be paid from the net income of the fund. In addition, the usual fees associated with liquidating various contributed assets (such as stockbroker transaction fees) shall be paid from the fund.
- E. This is a Family Advised Fund with Successor Generation Advisors which allows for Second Generation Family members (immediate children of the Donor) to serve as Successor Generation Advisors and to participate in recommending distributions from the Fund. During the Donor’s lifetime, the Donor(s) shall be the Advisors. Donor and spouse reserve the right to appoint a Second Generation family member (an immediate child) as a Successor Generation Advisor, subject to the Foundation’s approval.

In the event a Successor Generation Advisor is unwilling or unable to serve, he or she may *appoint* a sibling to serve as a Successor Generation Advisor. If, for health reasons or due to cause of death, a Successor Generation Advisor is unable to serve and *fails to appoint* a successor, a committee composed of at least three family members may designate another child of the original Donor to serve as a Successor Generation Advisor. At any one time there is to be only one Advisor.

Appointment and approval of Successor Generation Advisors shall be in such form as found in **Appendix A** to this Agreement.

It is the Donor's hope that his or her children and other family members will contribute to this fund and will participate with the Advisor in making grant recommendations from the fund. In any event, it is the family's responsibility to appoint the Successor Generation Advisor and to provide suggestions to that Advisor. At any given time, the Successor Generation Advisor may inform the Foundation in writing that the Donor's family no longer wishes to act as the Advisor to the fund, such change to be made in writing to the Foundation.

If the Foundation is unable to contact the Successor Generation Advisor and no effort is made by the Successor Generation Advisor to contact the Foundation regarding grant suggestions for two successive years, the Family Advised Fund shall become a (TYPE OF FUND) Endowment Fund as identified in Section II. PURPOSE of this Agreement.

- F. It is intended that the Fund will be a component part of Foundation as defined in Treasury Regulation 1.170A – 9(e) (11) (ii) and not a separate trust. Furthermore, nothing in this Agreement shall affect the status of Foundation as an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, and as an organization which is not a private foundation within the meaning of Section 509(a) of the Code.

This Agreement will be interpreted in a manner consistent within the foregoing intentions and so as to conform to the requirements of the foregoing provisions of the federal tax laws and any regulations issued pursuant thereto.

Foundation is authorized to retroactively amend this Agreement to conform to the provisions or any applicable law or government regulation in order to carry out the provisions contained hereinabove.

- G. The Donors understand and declare that this Agreement and the donations it represents are absolute and irrevocable and that, after the execution of this instrument, the Donors shall have no right, title, interest or incidents of ownership in the property described in Schedule A or any additional property transferred to this fund. Further, the Donors shall have no unilateral right to alter, amend or terminate this agreement.
- H. 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 judgment 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.

IV. ADDITIONS TO THE FUND

Donors and others shall have the right and are encouraged to add to this fund from time to time.

V. ACCEPTANCE

By execution of this Agreement, Donors and Foundation signify their acceptance of the terms and conditions as set forth herein.

Signature

Date

Donor Name

We hereby acknowledge receipt of the above gift, and agree to administer the same under the Articles of Incorporation of the Springfield Foundation.

Ted Vander Roest, Executive Director

Date

Schedule A

Property transferred to the Springfield Foundation to establish the (NAME OF FUND)
Endowment Fund:

- 1.

Appendix A
APPOINTMENT OF SUCCESSOR ADVISORS

I hereby appoint the following to succeed me in serving as the Fund Advisor:

_____ Spouse _____ Son _____ Daughter

Full Name: _____

Daytime Phone Number: _____

Evening Phone Number: _____

Address 1: _____

Address 2: _____

City: _____ State: _____ Zip Code: _____

Subject to acceptance o The Springfield Foundation, this individual shall begin serving as the fund advisor:

_____ Immediately, since I hereby resign as the fund's advisor.

_____ Upon my death, resignation or incapacity.

If the individual named above is not available or does not wish to serve as the fund advisor, I hereby appoint the following to succeed me in serving as the Fund Advisor:

_____ Spouse _____ Son _____ Daughter

Full Name: _____

Daytime Phone Number: _____

Evening Phone Number: _____

Address 1: _____

Address 2: _____

City: _____ State: _____ Zip Code: _____

Subject to acceptance o The Springfield Foundation, this individual shall begin serving as the fund advisor:

_____ Immediately, since I hereby resign as the fund's advisor.

_____ Upon my death, resignation or incapacity.

(Donor's Name)

Date

Accepted by The Springfield Foundation:

Ted Vander Roest, Acting Director

Date