



AGENCY ENDOWMENT FUND AGREEMENT

An Agency Endowment Fund offers non-profit organizations the benefits of fund management, professional investment oversight, an excellent investment performance record, and a vehicle with which to safeguard the corpus of the fund in perpetuity.

A Resolution to establish a fund with the SRCCF may be required by the Agency Board of Directors prior to the approval of the Fund.

THIS AGREEMENT is made and entered into on _____ by and between the _____

____ (the "Agency") and the **Starved Rock Country Community Foundation**, (the Foundation).

WITNESSETH:

WHEREAS, the Agency desires to create a charitable designated endowment fund with the Foundation; and

WHEREAS, the Foundation is a non-profit Illinois corporation exempt from taxation under Internal Revenue Code; a public charity described in section 170(b)(1)(A)(vi) of the Code, and accordingly an appropriate institution within which to establish such a charitable endowment; and

WHEREAS, the Foundation is willing and able to create such a Fund as an Agency Endowment Fund, subject to the terms and conditions hereof;

NOW, THEREFORE, the parties agree as follows:

1. NAME OF THE FUND. There is hereby established in the Foundation a fund designated as the _____ Agency Endowment Fund to receive gifts, in whatever form of money or property, and to administer the same.

2. PURPOSE. The primary purpose of the _____ Endowment Fund shall be to provide long-term financial stability for the future of the _____.

3. GIFTS. The Agency will transfer irrevocably a contribution of \$_____ to establish the _____ Agency Endowment Fund. The Agency and other donors may make additional gifts to the Foundation for the purposes of the Fund by a transfer to the Foundation of property acceptable to the Foundation in whole or in part for the Fund. All gifts, bequests and devises to this Fund shall be irrevocable once accepted by the Foundation.

4. DISTRIBUTIONS. An endowment fund established by an organization which is also the recipient of distributions of that fund must be a permanent endowment. Otherwise, the fund could be considered as a vehicle for short-term investments, and the SRCCF is not permitted to act as solely an investment advisor or portfolio manager for the donor organization.

5. AMOUNT OF DISTRIBUTION. The _____ Agency Endowment Fund may grant to the Agency that portion of its total assets as permitted by the spending rate policy adopted by the Board of Directors of the SRCCF.

6. OTHER DISTRIBUTIONS. Grants of the *realized net appreciation of Fund principal* may be distributed to the Agency. Recommendations for such distributions may be made from time to time to the SRCCF by the named Advisor(s) to the Fund. All recommendations from the Agency advisor shall be solely advisory, and the Foundation may accept or reject them, applying reasonable standards and guidelines with regard thereto. No distribution shall be made from the Fund to

any entity if such distribution will, in the judgment of the Foundation, endanger the Foundation's Code section 501(c)(3) status.

7. ADMINISTRATIVE PROVISIONS. Notwithstanding anything herein to the contrary, the Foundation shall hold the Fund, and all contributions to the Fund, subject to the provisions of the applicable Illinois laws and the Foundation's Articles of Incorporation and Bylaws. The Board shall monitor the distribution of the Fund to ensure it is used exclusively for charitable or other exempt purposes (within the meaning of Code section 170(c)(1) or (2)(B) and shall have all powers of modification and removal specified in United States Treasury Regulations Section 1.170A-9(e)(11)(V)(B),(C), and (D).

8. CONDITIONS FOR ACCEPTANCE OF FUNDS. The Agency agrees and acknowledges that the establishment of the Fund herein created is made in recognition of, and subject to, the terms and conditions of the Articles of Incorporation and Bylaws of the Foundation as from time to time amended, and that the Fund shall always be subject to such terms and conditions, including, but not by way of limitation, provisions for:

- a) Presumption of Agency's intent;
- b) Variance from Agency direction;
- c) Amendments.

9. CONTINUITY. The fund shall continue so long as assets are available in the Fund and the purposes in the Fund can be served by its continuation. If the Fund is terminated, the Foundation shall devote any remaining assets in the Fund exclusively for charitable or other exempt purposes that:

- a) are within the scope of the charitable or other exempt purposes of the Foundation's Articles of Incorporation, and,
- b) most nearly approximate, in the good faith opinion of the Board, the original purpose of the Fund.

10. NOT A SEPARATE TRUST. The Fund shall be a component part of the Foundation. All money and property in the Fund shall be part of the pool of funds and held as general assets of the Foundation and not segregated as trust property of a separate trust.

11. ACCOUNTING. The receipts and disbursements of the Fund shall be accounted for separately and apart from those of other gifts to the Foundation and the Foundation shall provide the Agency with a quarterly accounting of the Fund. The Financial Accounting Standards Board has issued Standard 136, which sets out the accounting rules for a fund established with the SRCCF by an organization that is also the recipient of distributions from that fund. Assets that are placed with the SRCCF by the Agency itself can be recorded as an asset on the Agency's balance sheet. Assets that are contributed to the SRCCF by donors other than the Agency must be recorded as assets of the SRCCF.

12. INVESTMENT OF FUNDS. The Foundation shall have all powers necessary, or in its sole discretion desirable, to carry out the purposes of the Fund, including, but not limited to, the power to retain, invest and reinvest the Fund and the power to commingle the assets of the Fund with those of other funds for investment purposes. Investments shall be made in accordance with written investment objectives, policies and procedures adopted by The Foundation, a copy of which will be provided to a Donor upon request.

13. COSTS OF THE FUND. In order that the Fund shall share a fair portion of the total investment and administrative costs of the Foundation, the Foundation shall be entitled to withdraw an administrative fee of 2% annually. The fee is calculated and paid to the Foundation on a quarterly basis. The fee may change at the discretion of the SRCCF Board of Directors. Investment fees apply.

IN WITNESS WHEREOF, the Agency has executed this Agreement and the Foundation has caused this Agreement to be approved by its Board and to be executed by a duly authorized officer, all as of the day and year first above written.

BY: _____
Officer, Board of Directors

BY: _____
Officer, Board of Directors

Date

BY: _____
President and CEO, SRCCF

Date

The Starved Rock Country Community Foundation includes information about donors, grantees and funds in our social media, website and other printed materials. Sharing stories of the funds our donors establish inspires others. Indicate your recognition preferences below:



- This Fund name may be included in print and online publications, and my/our name(s) can be disclosed.
- This Fund story may be included in print and online publications.
- Do not list my/our name(s) or Fund on fund listings.
- Other: _____

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