



COMMUNITY FOUNDATION ALLIANCE

Providing leadership and support for member Community Foundations in Daviess, Gibson, Knox, Perry, Pike, Posey, Spencer, Vanderburgh, and Warrick counties as they promote philanthropy and build endowment to serve their communities.

Disclosure Statement

The Community Foundation Alliance (the "Alliance") takes seriously its stewardship responsibility as the manager of many different donor funds. We recognize that each donation, no matter the size, reflects an implicit trust in the Alliance's ability to invest resources wisely and use the income produced in accordance with each donor's charitable wishes.

Under the stewardship of the Alliance's finance and investment committees, with the advice of investment management consultants, we invest fund assets in a diverse portfolio carefully selected to provide security of principal and asset growth. We scrutinize investment returns and have Alliance funds audited each year. Copies of our most recent IRS 990 filing and internal audit are available on our website (www.alliance9.org) or by contacting the Alliance at the address below.

Money and property given by donors to the Alliance for the purpose of creating an endowed charitable fund are considered gifts and, as such, become the legal property of the Alliance. The Alliance does not provide financial benefits of any sort to third-party participants in the gift-planning process. A formal, binding Fund Agreement between the donor and the Alliance Board of Directors gives the Alliance full control over decisions and actions regarding investment and administration of endowed funds, as well as decisions regarding grants from endowed funds. In order to abide by the Internal Revenue Service's "completed gift" requirement, the Alliance must assume and maintain control of a donor's gift upon execution of the Fund Agreement, which ensures that the gift meets criteria to qualify for applicable tax-exempt standing.

The Alliance Board retains variance power in administering endowed funds. Variance power allows the Alliance Board to alter the purpose of an endowed fund when the purpose stated in the Fund Agreement is no longer valid (for example, a fund created for cancer research can no longer serve its purpose when a cure for cancer is discovered) or when an organization named to receive grants no longer exists (for example, a fund created to benefit a hospital that, over the course of time, ceases to operate). When the Alliance Board must exercise variance power, the fund's assets are redirected to a purpose that most closely matches, in the Board's estimation, the original purpose stated in the Fund Agreement. The Fund Agreement is a legal contract, and as such, the Alliance Board recommends that the agreement be reviewed by the donor's financial and legal advisors prior to signing.

My/our signature on this document confirms that I/we have read and understand this Disclosure Statement.

Printed Name

Signature and Date

Printed Name

Signature and Date

Printed Name

Signature and Date

Printed Name

Signature and Date