

DESIGNATED FUND AGREEMENT
SAMPLE LANGUAGE

DO NOT CHANGE THE WORDING
Please call the foundation with any questions.

[Donor's Name]
[Address]

[Date]

Community Foundation Alliance, Inc.
123 N.W. Fourth Street, Suite 322
Evansville IN 47708-1712

Re: _____ Fund

Dear Board Members:

I [We] hereby deliver to the Community Foundation Alliance, Inc., on behalf of the _____ County Community Foundation, a fund of the Community Foundation Alliance, Inc., the property described in the attached schedule to be used to establish a designated component fund within the Community Foundation Alliance. This contribution is made subject to the following conditions:

1. The Fund created by this gift will be known as the _____ Fund and will be so identified by the Community Foundation Alliance in all relevant literature, reports, promotional material, and other public documents.

2. Income and principal of the Fund will be distributed at least annually in accordance with the Community Foundation Alliance, Inc. Spending Policy as revised from time to time to _____, (the "Agency"), a 501(c)(3) organization, located in _____, _____ [specific purpose, if any].

3. The Fund will include the property described in the attached schedule together with any property which may later be delivered to the Community Foundation Alliance by the undersigned or any other person when specified to be included in the Fund and accepted by the Community Foundation Alliance. The Community Foundation Alliance will establish a separate account for accounting control of this gift, funds received from the Agency or from other persons or organizations wishing to directly make gifts to the Community Foundation Alliance for the purpose of benefiting the Agency.

4. The Board of Directors of the Community Foundation Alliance shall have final authority and discretion as to the investment and reinvestment of the assets of the Fund as part of the Community Foundation Alliance's investment portfolio. The Community Foundation Alliance shall provide all routine accounting, as well as reporting to the Indiana Attorney General and Internal Revenue Service regarding the Fund.

5. This Fund shall be the property of the Community Foundation Alliance held by it in its corporate capacity and shall not be deemed a trust fund held by it in a trustee capacity. It is intended that the Fund shall be a component fund of the Community Foundation Alliance and that nothing in this Agreement shall affect the status of the Community Foundation Alliance as an organization described in Sections 509(a)(1) and 170(b)(1)(A)(vi) of the Internal Revenue Code. This Agreement shall be interpreted in a manner consistent with the foregoing intention and so as to conform to any applicable requirements of the Internal Revenue Code and IRS Regulations.

6. It is understood and agreed that all assets held in the Fund shall be subject to the Articles of Incorporation and Bylaws of the Community Foundation Alliance, including the power contained therein for the Board of Directors of the Community Foundation Alliance to modify any restriction or condition on the distribution of funds for any specified charitable purposes or to specified organizations if, in its sole

judgment (without the approval of any trustee, custodian, or agent), such restriction or condition becomes, in effect, unnecessary, incapable of fulfillment or inconsistent with the charitable needs of the community or area served by the Community Foundation Alliance. If the Community Foundation Alliance intends to modify any restriction or condition on the distribution of funds, the Community Foundation Alliance will notify the designated representative of the Fund prior to such modification.

7. In the event of the dissolution of the Agency, the Community Foundation Alliance shall thereafter continue to hold the assets constituting the Fund and shall distribute the net income and/or principal therefrom to such organizations as, in the opinion of the Board of Directors of the Community Foundation Alliance, most nearly meet the purposes of the Agency.

8. It is intended that the Fund shall be continued as long as the need for the Fund exists and assets are held in the Fund for its purposes. If the Fund is terminated or if, for any reason, the Community Foundation Alliance dissolves, ceases to hold or administer the Fund or otherwise to function under this Agreement, then the net assets of the Fund shall be distributed to such organizations as the Board of Directors of the Community Foundation Alliance may select with primary consideration given to the Agency or to an organization or for a purpose recommended by the Agency.

9. I [We] understand and agree that the Fund will share a fair portion of the total administrative costs of the Community Foundation Alliance. The administrative costs charged against the Fund will at all times be reasonable, will be in accordance with the current fee schedule applicable to funds of this type, and will not exceed usual and customary rates.

Please indicate your acceptance of this donation in accordance with these terms and conditions by signing below and returning a copy of this letter to me [us].

Very truly yours,

Donor

Accepted:
Community Foundation Alliance, Inc.

By: _____
Chair, Board of Directors

Date: _____

Description of Property Delivered to the Community Foundation Alliance, Inc.

\$ _____ cash
Or # _____ shares of _____ common stock
(add, if necessary: *with a pledge to reach a minimum
of \$10,000 in gifts by the year _____*)

Note: No distribution will be made from the fund
until the fiscal year after the historic gift value reaches a minimum of \$10,000.
If the fund does not reach the minimum in the above stated time,
the Community Foundation Alliance reserves the right to place the balance in the
general unrestricted fund of the _____ County Community Foundation.

Donor's signature