

Northwest Arkansas Community Foundation
AGENCY ENDOWMENT FUND AGREEMENT

THIS AGREEMENT is made as of the ____ day of ____, 20____, between the _____ (“Donor”), a corporation established under the nonprofit corporation law of the State of Arkansas, with its principal office located at _____, and Northwest Arkansas Community Foundation (the “Foundation”), a corporation organized under the nonprofit corporation law of Arkansas, with its principal office located at Springdale.

WHEREAS, the Parties to this Agreement have a common interest in the welfare of the northwest Arkansas community and in serving charitable, scientific or education purposes for the benefit of the northwest Arkansas community;

WHEREAS, each Party is a qualified charitable organization (as defined in paragraph 9);

WHEREAS, the Foundation has been established with a principal purpose to receive and administer funds as endowments for various charitable, scientific or educational purposes and organizations in the northwest Arkansas community, and

WHEREAS, 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 _____, and _____ wishes to have the benefits of such a fund.

NOW, THEREFORE, the Parties agree as follows:

1. Establishment of the Fund. A fund shall be established on the books of the Foundation and shall be known as the _____ Fund (“Fund”). The Foundation acknowledges receipt of the property listed in Schedule “A” attached hereto and made a part hereof as the initial property of the Fund.
2. Property of the Fund. The Fund shall include the property received with the execution of this Agreement, such additional property as may from time to

time be transferred to the Foundation for inclusion in the Fund and accepted by the Foundation, and all undistributed income from the foregoing property. The Fund shall be the exclusive property of the Foundation, held by it in its corporate capacity, and shall not be deemed a trust fund held by it in a trustee capacity. The Foundation shall have the ultimate authority and control over all property in the Fund, and the income derived from it, in accordance with the Articles of Incorporation and Bylaws of the Foundation (as they may be amended from time to time), and the terms of this Agreement, applied in a manner not inconsistent with said Articles and Bylaws.

3. Designation of Purpose. The Fund shall be used for support of the charitable, scientific, or education purposes of _____ and its affiliated agencies (if any).
4. Distributions of Income. Distributions from the fund shall be in accordance with the spending policy established by the Board of the Foundation and shall be paid and distributed annually, or more frequently, as the Parties may from time to time agree.
5. Other Distributions. In transferring its property to the Fund, _____ intends to create a permanent endowment. However, distributions in excess of the amount dictated by the application of the Foundation's spending policy may be made to _____ in any year as determined by the Board of the Foundation provided one of the following conditions is met: (1) the distribution is for the purpose of enabling _____ to acquire or renovate a capital asset; (2) _____ is faced with unexpected financial needs that are not likely to recur, and the distribution will enable _____ to meet those needs. Recommendations for such distributions may be made from time to time to the Foundation by the _____ Advisory Committee, which shall consist of not more than ____ persons appointed from time to time by _____. Recommendations of the Committee shall be solely advisory and not binding on the Foundation.

6. Exercise of Variance Power. This Agreement is subject to the Foundation's authority to vary the terms of the gift. If, and only if, the Board of Directors determines that the charitable purposes have become, in its sole discretion, such as to render obsolete, inappropriate or impractical, the execution of any request, condition, or directive of donors, with respect to property or funds of the corporation, the Board shall have the power to modify or override such request, condition or directive so as to provide for the distribution of such property or funds in a manner which is appropriate, practical and consistent with the charitable needs of the northwest Arkansas area.

The Foundation shall promptly notify Donor of any decision made to exercise the variance power. Notification of the exercise of the power shall be delivered in writing to the last known address of Donor within 30 days following the Board's decision. (Written notice is not required in the event that the Donor is then a defunct organization.) Notwithstanding, Donor approval is not required for the Board to exercise the variance power.

If the 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 _____. If _____ is not then a qualified charitable organization, said assets shall be distributed in such manner and to such organization or organizations in the northwest Arkansas community as satisfy the requirements of a qualified charitable organization and serve purposes similar to those of _____.

7. Separate Accounting. The Fund shall be accounted for separately and apart from other funds of the Foundation, but shall be commingled with other assets of the Foundation for investment purposes. The Foundation agrees to provide to Donor each year a copy of the Foundation's annual financial statements as prepared by independent certified public accountants, as well as such other information relating to the Fund as Donor may reasonably request.
8. Compensation to the Foundation. As compensation for its services, the Foundation shall receive those fees that it customarily charges for services

of a nature similar to those required herein. The fee schedule is reviewed and revised periodically by the Board of Directors of the Foundation and is in keeping with such fees and expenses similarly charged by community foundations and other charitable purposes.

9. Definitions and Construction. As used in this Agreement “Qualified charitable organization” means an organization described in section 501(c)(3), which is other than a private foundation under section 509(a) of the Internal Revenue Code. 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. 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 that is a qualified charitable organization. This Agreement shall be interpreted in a manner consistent with this 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 the Foundation.

IN WITNESS WHEREOF, Northwest Arkansas Community Foundation and Donor have caused this Agreement to be executed by their duly authorized officers or representatives, as of the day and year first above written.

Agency Full Name (please print)

Authorized Signatory

Legal Address

Legal Address

City State Zip Code

City State Zip Code

Office Phone Fax Number

Office Phone Fax Number_

E-mail Address

E-mail Address

<p><u>DONOR</u></p> <hr/> <p>Donor Signature Date</p> <hr/> <p>Title</p> <hr/> <p><u>DONOR</u></p> <hr/> <p>Donor Signature</p> <hr/> <p>Title</p>	<p><u>NORTHWEST ARKANSAS COMMUNITY FOUNDATION</u></p> <p>By: _____</p> <hr/> <p>Name: _____</p> <hr/> <p>Title: _____</p> <hr/> <p>Date Signed: _____</p> <hr/> <p>Effective Date: _____</p> <hr/>
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Exhibit A

Initial Donation

The initial donation to establish the _____ Fund consists of the following real property, cash or other assets to be held in a separate fund of the Foundation: