

**Northwest Arkansas Community Foundation
DESIGNATED FUND AGREEMENT**

THIS AGREEMENT (“Agreement”) is made and entered into as of the ____ day of _____ 20__, by and between Northwest Arkansas Community Foundation, a nonprofit corporation and community foundation (“Foundation”), and _____ (“Donor”), to create a designated fund (“Fund”) of the Foundation. The Foundation, the Donor, and all persons and organizations making contributions to the Fund created hereunder shall be bound by the terms of this Agreement.

1. Purpose. The Foundation and Donor hereby agree to establish an endowment fund for the benefit of _____, within the general charitable purposes of the Foundation as set forth in its governing instruments, as amended from time to time.
2. Name of Fund. The name of the fund created hereby is the _____ Fund. The recipient organization shall be advised that such benefits are from the named Fund.
3. Contributions. The Donor hereby assigns, conveys, transfers and delivers to the Foundation real property, cash or other assets to be held in a separate component fund of the Foundation. The Foundation, Donor, and any person or organization may from time to time make additional contributions to the Fund. All contributions to the Fund shall be irrevocable and are subject to the terms and conditions hereinafter set forth.
4. Incorporation of Governing Instruments of the Foundation. The Foundation agrees to hold, manage, invest and administer all contributions to the Fund under this Agreement and to make distributions from the Fund, on the terms and subject to the conditions set forth in the Foundation’s governing instruments, including its articles of incorporation and bylaws, as amended from time to time. All the provisions of such governing instruments of the Foundation and such resolutions and procedures adopted by the Board of Directors of the Foundation are incorporated in the Agreement and by this reference made a part hereof.

5. Distributions. It is the general policy of the Foundation that a substantial part of the Fund shall remain as a permanent endowment of the Foundation and that only the net income, or an amount equal to the annual spending rate (a percentage of market value), be distributed in the form of grants each year. In addition, so much of the principal of the Fund as the Foundation in its discretion shall from time to time determine, shall be committed or granted in furtherance of the purposes of the Fund. The Donor reserves the right to consult with, advise, and make recommendations to the Foundation with respect to any distribution of income and/or principal from the Fund. The advice and recommendation of the Donor shall be solely advisory and shall not limit the ultimate authority and control vested by law in the Foundation.
6. Foundation as Owner of the Fund. The Foundation is a nonprofit Arkansas corporation exempt from federal income taxation pursuant to Sections 501(c)(3) and 170(b)(1)(A)(vi) of the Internal Revenue Code. This Fund shall be the property of the Foundation and shall be owned by it in its normal corporate capacity. In such capacity, the Foundation shall have the ultimate authority and control of all property of the Fund, and the income derived therefrom, for the charitable purposes of the Foundation.
7. Continuity. It is intended that the Fund continue in perpetuity or until such time as such charitable purpose, in the reasonable judgment of the Board of Directors of the Foundation, shall become unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the northwest Arkansas community. Reg. Sec. 1.170A-9(e)(11)(v)(B)(1). In any of such events, the Foundation shall provide ninety (90) days advance written notice to Donor and the recipient organization(s) of its determination to terminate the Fund and the reasons for its determination. (Written notice to the recipient organization is not required in the event that it is then a defunct organization.) Following such notification, the Fund shall cease to be a separate fund and shall thereafter be commingled and administered as part of the general endowment funds of the Foundation; provided, however, that to the extent practicable and permitted under the then existing federal and state laws, the Foundation shall endeavor to make distributions from

its general endowment funds to carry out those charitable purposes most closely aligned with the purposes for which this Fund was originally created.

8. 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.
9. 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 funds.
10. Definitions. For purposes of the Agreement, "charitable purposes" includes charitable, religious, scientific, literary or educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code, contributions for which are deductible under Section 170(c)(2) of the Internal Revenue Code. All references in this Agreement to the federal tax laws and to Sections of the Internal Revenue Code shall be considered references to the Internal Revenue Code of 1986, as from time to time amended, and to the corresponding provisions of any applicable future United States Internal Revenue Law and to all regulations issued under such sections and provisions.
11. Amendments. This Agreement may be amended at any time and from time to time by mutual agreement of the Foundation and Donor, except that Paragraphs 3 and 6 hereof may not be amended.

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.

Donor's Full Name (please print)

2nd Donor's Full Name (Spouse if applicable)

Legal Address

Legal Address

City State Zip Code

City State Zip Code

Home Phone Office Phone

Home Phone Office Phone

E-mail Address Fax Number

E-mail Address Fax Number

<u>DONOR(s)</u>	<u>NORTHWEST ARKANSAS COMMUNITY FOUNDATION</u>
Donor Signature _____ Date _____	By: _____
2 nd Donor Signature _____ Date _____	Name: _____
<u>DONOR(s)</u>	Title: _____
Donor Social Security Number _____	Date Signed: _____
2 nd Donor Social Security Number _____	Effective Date: _____