

COMMUNITY FOUNDATION FOR LOUDOUN
AND NORTHERN FAUQUIER COUNTIES
AGENCY ENDOWMENT FUND

1. Gift. We/I, XXXXXXXX, a Virginia nonprofit corporation, wish to establish a component fund with the Community Foundation for Loudoun and Northern Fauquier Counties (hereafter "the Foundation"), a Virginia nonprofit corporation, with the gift of the following-described property:

\$XXXX endowment

The initial contribution totaling less than \$10,000.00, will be placed in a separate subaccount maintained by the Foundation until the amount of the money in the sub-account equals or exceeds \$10,000.00. Until the amount of the money in the separate sub-account equals or exceeds \$10,000.00, the income from the money will be periodically deposited into the general unrestricted account of the Foundation. If the amount of the money in the separate subaccount does not equal or exceed \$10,000.00 within five years after the date of this letter, all money in the subaccount shall be redirected at the discretion of the Board of Directors. All money shall immediately upon contribution become the property of the Foundation over which the Foundation shall exercise exclusive legal control, and shall not be refundable under any circumstances.

OR

The initial contribution equaling or exceeding \$10,000.00, will be placed in a separate subaccount maintained by the Foundation. All monies shall immediately upon contribution become the property of the Foundation over which the Foundation shall exercise exclusive legal control, and shall not be refundable under any circumstances.

2. Fund Name; Fundraising/Outreach. The fund shall be known as the "Community Foundation for Loudoun and Northern Fauquier Counties XXXXXXXXXXXX" which name shall be used at all times when referring to the fund (herein referred to as "the Fund").

Any public display, event, or fundraising program held for the purposes of promoting contributions to the Fund shall require prior written consent of the Foundation and will be subject to the policies of the Foundation.

3. Administration.

a. The Fund is intended as a perpetual endowment for charitable purposes and shall be dedicated to the payment of grants from time to time as described herein (hereafter "the

charitable purpose”) in the amounts determined under the Foundation’s Distributions Policy in effect from time to time.

b. Distributions from this Fund shall be subject to Foundation policies that track both current market value of the Fund and Historic Dollar Value, defined as the market value of the endowment funds at the time it is established, as increased by each donation to the Fund and by accumulations as directed by the applicable Fund instrument. (Historic Dollar Value does *not* include interest, dividends, appreciation, or other earnings, to a fund’s balance unless the fund instrument so specifies. It also does not include grant distributions that are not distributed or taken during any given fiscal year.) Unless otherwise determined by the Board of Directors or its designated committee, current market value Fund balances that are equal to or less than Historic Dollar Value shall suspend grant-making distributions in order to protect future grant-making provisions of a Fund.

c. We recommend that the Fund’s investment advisor shall be determined by the Foundation Board of Directors (hereafter “Board of Directors” or “Board”). or its designated committee.

d. The Fund shall be open-ended, i.e., additional contributions of cash or property are permitted to be made by any person or entity.

e. We recognize that the Foundation’s administrative fee of up to one percent (1%) will be calculated and deducted from the Fund under the Foundation’s Distribution Policy. In addition, investment fees as assessed by investment advisors will be calculated and deducted from the Fund.

4. Charitable Purpose. The Fund is intended as a perpetual endowment to the benefit the programs and operations of XXXXXXX, (hereafter “the designated charitable beneficiary”) and shall be dedicated to making annual distributions to the designated charitable beneficiary to meet the objectives and mission of the charitable beneficiary.

Upon the written request of the governing board of the designated charitable beneficiary, the Foundation may withhold a full or partial distribution in any year and add such distribution to the Fund, or upon written request of the governing board, hold such funds for future spendable “pass-through” distributions.

OPTIONAL: In the event of an emergency need of the designated charitable beneficiary and upon the written request and **majority** voted resolution of the governing board of the designated charitable beneficiary, the Foundation may, in its discretion, make a distribution from the Fund of an amount in excess of the amount determined pursuant to the preceding paragraph. Provided, however, that only one such excess distribution may

be made in any one calendar year, and at least 75% or \$10,000, whichever is higher, must remain in the Fund's current market value after such excess distribution. We also understand the Foundation may request written application for such funds that may include a written plan to replace funds distributed.

The Community Foundation prohibits grants to or the establishment of component funds for organizations that promote hate, violence, or harm to specific groups or individuals and to organizations that negatively affect the actual and perceived safety and wellbeing of others, both explicit and implied.

5.Variance Power; Investment Authority. We recognize and consent that the Fund is subject to the terms and provisions of the Articles of Incorporation and Bylaws of the Foundation, including the ability of the Foundation's Board of Directors of the Foundation (a) to modify any restriction or condition on the distribution of funds for any specified charitable purpose or purposes or to a specified charitable organization or organizations if in the sole judgment of the Board (without the necessity of the approval of any participating 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; (b) to replace any participating trustee, custodian, or agent for breach of fiduciary duty under Virginia law; and (c) to replace any participating trustee, custodian, or agent for failure to produce a reasonable return of net income over a reasonable period of time, as determined by the Board all without the necessity of obtaining my approval or the approval of any other person or interested party.

The Foundation is authorized, at its discretion, to direct the investment advisor to invest any part or all of the Fund in securities or in other property, real or personal, as ordinarily prudent businesspeople are investing their own funds from time to time, without regard to any statute or law now or hereafter in force in the Commonwealth of Virginia restricting investments made by fiduciaries. The Fund may be co-mingled with other funds for investment purposes however the Foundation shall keep records that detail all fund gift and market activities and provide regular statement and/or reports regarding the balance and performance of the Fund. We recognize that the Fund will not hold interests in any closely-held businesses, unless specific provision is made therefore.

6. Fund Acceptance. We recognize that the Fund must be approved by the Board of Directors of the Foundation, and will not be approved if implementation of the objectives of the Fund are not within the parameters permitted so that such implementation would negatively impact on the Foundation's status as a tax-exempt organization exempt from income taxes as a community foundation under Internal Revenue Code Section 501(c)(3).

XXXXXX, Board President/Chair

Date

AGENCY
ADDRESS

APPROVED AS AUTHORIZED:
Community Foundation for Loudoun and Northern Fauquier Counties

President
Community Foundation for
Loudoun and Northern Fauquier Counties

Date

SAMPLE