



## Sample Agreement Organizational Fund

On this date, \_\_\_\_\_, 200\_, and with this Organizational Fund Agreement (the “Agreement”), \_\_\_\_\_ [*name of organization*] (“Donor”), makes an irrevocable gift of \$\_\_\_\_\_ to the Hampton Roads Community Foundation (“Foundation”), a Virginia nonstock corporation described in Section 501(c)(3) of the Internal Revenue Code authorized to receive and hold charitable funds under its charter and bylaws, which accepts that gift subject to the terms and conditions of this Agreement. This gift shall be used to establish a permanent component fund on the books and records of the Foundation, to be known as the \_\_\_\_\_ [*name of fund*] (“Fund”). The donor may make additional gifts to the Foundation for the Fund, subject to the Foundation’s gift acceptance policies.

The purpose of the Fund shall be to provide support for [*e.g., “Donor,” “Donor and its affiliated agencies,” name of program, etc.*]. Each year, the Foundation shall determine the amount available for distribution to [*the Donor*] on the basis of the Foundation’s spending policy for permanent funds and shall distribute that amount to [*the Donor*], and charge such distribution(s) against the Fund, except that the Foundation may distribute a lesser amount during any year if so requested by [*the Donor*].

### Administrative Provisions

1. The Foundation shall have absolute authority and discretion as to the investment of the assets of the Fund.
2. All property and money comprising the Fund shall be the exclusive property of the Foundation, may be co-mingled with other Foundation assets, and shall not be deemed to be held in trust, and the Foundation shall not be deemed to act as Trustee with respect to the Fund. The Foundation shall not be required to segregate the assets of the Fund for investment purposes, but the Foundation shall be required to maintain a separate accounting of the Fund on its books and records. The Foundation shall own the assets comprising the Fund notwithstanding the manner in which the Foundation may be required to report these assets on its financial statements.
3. If the Foundation in good faith determines that any condition or restriction on which the Fund is held, including any condition or restriction in the Agreement, has become in effect, unnecessary, undesirable, impractical or incapable of fulfillment, or inconsistent with the charitable needs of southeastern Virginia, then the Foundation is authorized to modify such

condition or restriction. The Foundation shall notify the Donor in writing of any exercise by the Foundation of its modification power, (i) within 10 days after the Foundation's act exercising that power, and (ii) at least 30 days before the modification takes effect. Subject to the foregoing provisions of this paragraph 3, if Donor ceases to exist as a charitable organization exempt from federal income tax, then the Foundation shall thereafter hold the Fund for charitable and benevolent purposes that the Foundation in its good faith determination most nearly approximate the original charitable and benevolent purposes of the Donor.

4. The Foundation may charge against the Fund annually a share of the Foundation's administrative and other expenses incurred in support of the Foundation's community philanthropic activities. The Foundation shall determine the share of those expenses properly allocable to, and to be borne by, the Fund and other funds held by the Foundation.

5. In transferring its property to the Foundation, the Donor intends to create a permanent organizational fund. However, the Donor upon an affirmative vote of three-fourths of its governing body, may request distributions from the Fund in excess of the Foundation's spending policy in any year, provided that one of the following conditions are met: (a) the distribution is for the purpose of enabling the Donor to acquire or renovate a capital asset; (b) the Donor is faced with unexpected financial needs that are not likely to recur, and the distribution will enable the Donor to meet those needs; or (c) the distribution is believed to be in the best interests of the community. This request is subject to approval by the Foundation, in its sole discretion.

**Hampton Roads  
Community Foundation**

**Donor**

\_\_\_\_\_  
Angelica D. Light, President & CEO

\_\_\_\_\_  
Name