

**YOUR FUND**  
**Donor Advised**

This Agreement is made and effective on the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, between ----- and ----- (hereinafter the “Founding Contributors”) and the Mid-Shore Community Foundation (the “Foundation”), establishing **Your Fund of the Mid-Shore Community Foundation**, as a permanent endowment.

The Foundation is a non-profit Maryland corporation exempt from taxation under Internal Revenue Code section 501(c)(3), a public charity described in Section 170(b)(1)(A)(vi) of the Code, and therefore an appropriate institution within which to establish this fund.

NOW THEREFORE, in consideration of the mutual covenants contained herein, the parties agree as follows:

**Establishment of the Fund**

A fund to be known as the Your Fund of the Mid-Shore Community Foundation (the “Fund”) is hereby established as a component fund of the Foundation. The Foundation acknowledges receipt of the below-described initial property of the Fund (the “Initial Contribution”):

\$ \_\_\_\_\_

The Foundation is authorized to accept additional contributions to the Fund, including gifts via bequest, in terms substantially similar to those set forth herein. Subject to the right of the Foundation to reject any particular donation, all such gifts, bequests and devises to this Fund shall be irrevocable once accepted by the Foundation.

**Purpose**

This Fund is being established to make distributions for charitable purposes to *[non-profit organizations addressing the needs of Mid-Shore residents and other causes recommended by the Fund Advisors]*.

**Fund Advisors**

The Fund Advisors for this fund shall be the Founding Contributors, ----- and -----.

**Distributions**

Founding Contributors desire that the annual net income from the Fund be available for distribution during each 12-month period following the Foundation’s fiscal year-end (6/30), in accordance with both their recommendations and the charitable purposes set forth in the Bylaws of the Community Foundation. Net income shall be computed annually based upon the then current spending policy of the Foundation (currently 5% of the average past three year-end Fund balances.) It is our wish that **Your Fund of the Mid-Shore Community Foundation** be able to distribute 5% of the fiscal year-end

value of its endowed assets each year, regardless of the fund's current value relative to its historic asset value.

Distribution shall be made by the Grants Committee of the Foundation, or such other committee(s) as may be designated by the Board of Directors of the Foundation, after receiving the recommendation(s) in writing from the Fund Advisors.

Both the principal and interest of the Fund must be committed, granted or expended for purposes described in Code Section 170(c)(2)(b) to organizations described in Code Sections 509(a)(1), (2) or (3). No distribution shall be made if such will, in the judgment of the Board of Directors, endanger the Foundation's Code section 501(c)(3) status.

If any gifts to the Foundation for this Fund are received and accepted subject to a Donor's conditions or restrictions, such will be honored subject to the Foundation's authority to vary the terms of any gift if continued adherence to any condition or restriction is, in the judgment of the Foundation, unnecessary, incapable of fulfillment or inconsistent with the charitable needs of the communities served by the Foundation.

### **Successor Advisors**

When our privilege to advise the Fund terminates upon our deaths, resignation or incapacity to serve, the successor Fund Advisor to the Fund shall be ----. When two persons are eligible to be successor advisors, they shall act by unanimous consent; when more than two persons are eligible, then a grant recommendation by a majority of such persons shall constitute an effective recommendation for consideration by the Foundation.

Successor Fund Advisors shall have the ability to recommend grant distributions from the Fund by advising the Foundation in writing. Successor Fund Advisors may not change the purpose, type, terms or conditions of this Fund that were established by the Founding Contributors.

When no successor advisors are available, the Board of the Community Foundation will serve in this capacity. At such time, Founding Contributors direct that the Fund retain its name and that all remaining assets be made into an unrestricted fund, for general and charitable purposes as set forth in the Foundation Bylaws.

### **Fees & Investments**

Founding Contributors hereby acknowledge receipt of the Administrative Fee Schedule attached hereto as Exhibit A and accept the terms of said schedule. We further understand that the fee schedule is subject to modification at the sole discretion of the Foundation, and agree to be bound by the most current schedule of fees published by the Foundation.

The Foundation shall have all powers necessary, or in its sole discretion desirable, to carry out the purposes of the Fund including, but not limited to, the power to retain, invest and reinvest the endowed assets of the Fund.

**Procedures & Variance Power**

Founding Contributors are familiar with and accept the terms of the Procedures for the Establishment and Operation of Funds, and corresponding Sections of the Bylaws of the Foundation. We also understand that the Foundation, through its duly authorized committees, reserves the right to make the final decision regarding distributions from the Fund. In addition, we agree that the Fund shall at all times be subject to such terms and conditions including, but not by way of limitation, provisions for:

- (a) Presumption of Donors’ intent;
- (b) Variance from Donors’ direction;
- (c) Amendments

IN WITNESS WHEREOF, the Founding Contributors have executed this Transfer and the Foundation has caused this Transfer to be approved by its Board of Directors and to be executed by a duly authorized officer, all as of the day and year written below.

Submitted by Founding Contributors:

\_\_\_\_\_, 20\_\_\_\_.  
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\_\_\_\_\_, 20\_\_\_\_.  
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Mid-Shore Community Foundation

\_\_\_\_\_, 20\_\_\_\_.

## *Administrative Fee Schedule*

This administrative fee schedule applies to all funds of the Mid-Shore Community Foundation. These fees are used to support the Community Foundation's operating expenses. Through economies of scale, MSCF is able to charge nominal fees, compared to the cost of establishing and maintaining a private foundation.

### **Annual administrative fees on the market value of endowed fund assets:**

- 1.25% for funds up to \$500,000, and then;
- 1.00% for funds up to \$5,000,000, and then;
- 0.75% on funds above \$5,000,000.

Multiple funds established by the same donor-advisor(s) may not be combined for purposes of calculating fund fees.

The above annual fees are assessed quarterly, based upon the average fair market value of assets at the time of assessment. For newly established funds, the minimum annual fee will be pro-rated over the remainder of the fiscal year (ending 6/30).

### **Provisional Fees**

Short-term "Provisional" funds that are established solely for pass-through purposes will be charged a flat fee at the time each deposit to the fund is made, and on an annual basis thereafter. Such fees will range from 2.5% to 10%, depending upon the extent of fund management time that is estimated to be required. Lower fees may be negotiated if the transfer activity is nominal.

In addition, no interest earnings will be credited to provisional funds. The exception to this are provisional funds that maintain at least \$50,000 in assets and which are held by MSCF for six months or more. In such cases, such funds may be allocated the return from cash equivalent investments.

### **Fees for Additional Services**

Funds may be charged for any extraordinary direct expenses incurred on their behalf, such as a commission for the sale of contributed stock or expenses associated with the sale of a gift of property. Any such fees will be deducted from the net value of the contribution but will not affect the tax value of the gift. Additional fees may be assessed for extra services such as special grant processing, program development and management, scholarship review, extraordinary technical support, or other non-standard services.