

[FUND NAME HERE]
SAMPLE FUND AGREEMENT
Nonprofit Agency Endowment Fund

THIS AGREEMENT, made this ____ day of _____, 200_, between _____
_____ (the "Agency"), and the Whatcom Community Foundation (the "Community
Foundation"), a nonprofit corporation, is as follows:

The Agency desires to create a Nonprofit Agency Endowment Fund (the "Fund") with the following property (cash, securities, or other approved property donations) (the "Property") donated for public educational and charitable purposes of the Agency: _____.

The Agency hereby irrevocably assigns, conveys, transfers and delivers to the Community Foundation the Property together with other property acceptable to the Community Foundation. The Agency or any other person may from time to time add to the Fund, subject to the terms and conditions herein set forth:

FIRST: The Fund shall be known as the "_____ **Fund.**"

SECOND: The Community Foundation shall hold, manage, invest and reinvest the Fund, shall collect the income and shall pay and disburse the distributable amount for public educational and charitable uses and purposes, in accordance with the policies of the Community Foundation. The distributable amount of the Fund shall be calculated using a twelve-quarter trailing average working backward from the June 30 balance each year. The distribution rate in effect at the time of the distribution is a percentage of the fair market value of the Fund pre-approved by the Foundation Board of Directors for all endowed funds. The spending rate is announced annually in May.

THIRD: The Donor desires that the distributable amount of the Fund be paid to: _____
_____. The Foundation is required by law to pay out the full distributable amount of all nonprofit agency and designated funds every year, rather than accumulating distributions. Should the Designated Beneficiary of this Fund wish to return all or part of this distribution to its endowed Fund, it will be considered a new gift and added to the historic value of the Fund.

FOURTH: The Fund will be charged an annual service fee as spelled out in the Foundation's policies. The Agency has been given a written copy of the current Administrative Service Fee Policy of the Foundation.
The parties hereto have executed this agreement in duplicate as of the date and year first written above.

FIFTH: The Foundation has explained the Uniform Management of Investment Funds Act (UMIFA) to the Donor, who understands that there could be some years in which a full distribution cannot be made because it would drop the balance below the historic value of the Fund. The historic value of the Fund is the sum total of all the gifts made to the Fund, but does not include any investment income earned by the Fund.

SIXTH: The Fund is protected from obsolescence. The Board of Directors of the Whatcom Community Foundation has the authority to modify any restriction or condition on the distribution of funds for any specified charitable purposes if in the sole judgment of the board, such restrictions or conditions become, in effect, unnecessary, incapable of fulfillment or inconsistent with the charitable needs of the community or area being served. This provision is consistent the Foundation Board's variance power as set forth in tax regulations, 1.170A-9(e)(11)(V)(B), (C) and (D).

BY: _____
Donor

BY: _____
CEO, Whatcom Community Foundation

Donor