

THE PHILADELPHIA FOUNDATION

The Power of Endless Possibilities.™

DESIGNATED FUND AGREEMENT

(Endowed)

THIS FUND AGREEMENT ("Agreement") is made this _____ day of _____, 201_ between THE PHILADELPHIA FOUNDATION, a community foundation ("Foundation"), and _____ ("Donors"), to establish a Designated fund of the Foundation.

1. Creation of the Fund.

Initial Contribution. The Donors hereby contribute \$_____ to The Philadelphia Foundation to create the _____ Fund ("Fund"). Any other person or organization may make a subsequent contribution to the Foundation for the Fund. All contributions to the Fund shall be administered pursuant to the terms and conditions of this agreement. The Fund shall be held by The Philadelphia Foundation, Inc.

2. Purpose of the Fund.

(a) The purpose of the Fund is to provide funds for the following organization(s): _____. [If more than one organization is named, the total amount distributed annually from the Fund shall be divided equally between/among the named organizations.]

(b) In the event that it becomes unnecessary, undesirable, impractical or impossible to utilize funds for the Organization, the Foundation shall have the right to utilize the Fund for charitable purposes consistent with the mission of the Organization or for such other charitable purposes as it deems appropriate in accordance with its governing instruments.

3. Distributions from the Fund.

The Foundation shall make distributions from the Fund once a year in June in accordance with a Spending Policy adopted by the Foundation's Board of Managers for component funds of the Foundation. The Spending Policy is designed to allow the funds to be invested on a "total return" basis to maintain and, if possible, increase the real value (as adjusted for inflation) of the funds, while at the same time providing a relatively steady and predictable level of funding for grantees. The Spending Rate in effect on the date hereof provides for the Foundation to spend annually 5% of the average fair market value of the Fund calculated over 20 trailing quarters. The administrative fee of 1% (minimum \$250) is included in this distribution.

4. Administration.

(a) The Foundation shall administer the Fund in accordance with the terms of this Agreement, under and subject to the Foundation's governing instruments, as amended from time to time, and in accordance with procedures for the administration of similar funds of the Foundation, including charges for Foundation services. The Fund, and distributions from the Fund, shall be subject to the Foundation's ultimate control and absolute discretion.

(b) Fees: each Fund will be charged an annual administrative fee as indicated in 3(a). In addition, all contributions will be charged a gift processing fee of 1%.

(c) It is intended that the Fund shall be a "component part" of the Foundation.

(d) No distribution shall be made from the Fund to individuals, either in the form of checks written directly to an individual or to an entity for the benefit of a specified individual.

(e) Any recipient of benefits from the Fund shall be advised that such benefits are from the Fund.

(f) Charges shall be assessed against the Fund consistent with the charges assessed from time to time against similar funds of the Foundation.

5. Gift Irrevocable; Limited Power of Amendment.

Gifts to this Fund are irrevocable. The parties or authorized representatives may amend this Agreement by mutual written consent. In addition, for the purpose of ensuring that the Fund qualifies as a component part of the Foundation for federal tax purposes, the Foundation acting alone shall have the power to modify the terms of this Agreement.

6. Controlling Law.

This agreement shall be governed by the laws of the Commonwealth of Pennsylvania.
IN WITNESS WHEREOF, the Foundation and the Organization have executed this Agreement.

Attest:

THE PHILADELPHIA FOUNDATION

By: _____
Authorized Officer

Date: _____

Witness:

DONOR

Date: _____

Funds in the _____ (Fund) shall be distributed equally to the following Organizations, for the charitable purposes of these Organizations so long as they are recognized as exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code (the "Code") or any successor provision of federal tax law.

Name _____ %____
Address _____
City, State, Zip _____
EIN: _____

Name _____ %____
Address _____
City, State, Zip _____
EIN: _____

Name _____ %____
Address _____
City, State, Zip _____
EIN: _____

This addendum will be in effect until altered by mutual agreement of the Donor and the Foundation, or until any contribution is made to the Fund. In the event that any of the Organizations should lose its 501(c)(3) status or cease to operate, the distribution originally intended for that Organization shall be equally shared among the remaining Organizations.

Attest: _____ **THE PHILADELPHIA FOUNDATION**

Authorized Officer

Date: _____

Witness: _____ **DONOR**

Date: _____

SAMPLE