

Agreement Information

Charitable funds are guided by an agreement established between the donor and the Community Foundation. The charitable fund becomes established when a signed agreement and a qualifying gift are accepted by the Community Foundation board of trustees.

We regularly work with individuals and couples to draft and sign an agreement that will become active after their deaths and an estate gift is received by the Foundation.

Charitable fund agreements typically have three areas needing customization by the establishing donor:

1. **The Name of the Fund**—A Fund is often named after the donor, their loved one, a benefiting organization, or a meaningful phrase that protects a donor's anonymity. The fund's name is noted in Foundation publications and in letters accompanying grant checks. Recipient organizations often list charitable fund names in their donor recognition lists.
2. **The Purpose of the Fund** – This is the guiding paragraph of the agreement. Often one or two sentences, it identifies the causes, geographic areas, organizations, demographic groups or other eligibility factors that may benefit from grants (including scholarships). The purpose may be broad to affect a wide range of organizations or regions or narrow to specifically focus upon an organization or community need. Some fund types, such as scholarships and donor advised funds, contain other customizable sections to further explain appropriate eligibility or involvement with the fund.
3. **The Continuity of the Fund** –A donor specifies whether gifts (principal) to the charitable fund must be preserved (endowed) or partially or completely spent (non-endowed). Some donors request that certain conditions be met before principal may be disbursed. Many donors want a charitable fund to continue in perpetuity to support their favored cause or organization and, therefore, create the charitable fund as an endowment.

Other sections of the agreement covering topics regarding legal and accounting issues are standard.

The charitable fund becomes a component of the Community Foundation of Shelby County. The board is responsible for prudent investment and stewardship to help the fund stay on the path outlined by the donor. The Community Foundation's board of trustees has variance power to continue the granting intent of the donor, should the originally stated benefiting cause or organization cease to exist or laws impacting the Foundation require modification.

Contact Jessica Fortkamp, Donor Relations Director at (937) 497-7800 or jfortkamp@commfoun.com to discuss drafting a charitable fund agreement to suit your personal goals.