



DESIGNATED FUND AGREEMENT

This agreement, made and entered into on this day of , 202 , by and between the **Community Foundation of the Texas Hill Country**, a Texas nonprofit corporation (the "Foundation") and _____, hereinafter referred to as the "Donor."

The Donor has transferred the sum of \$ _____, or the absolute transfer of property, described in Exhibit A, to the Foundation. This transfer constitutes an **outright and irrevocable** gift by the Donor to the Foundation to be used in carrying out its general charitable purposes as set forth in the Foundation's Articles of Incorporation and Bylaws and for the purposes and conditions set forth in this agreement.

The purpose of this gift is **to establish a designated fund of the Foundation** which will be known as the _____ **Fund** (the "Fund") for the benefit of _____. The Fund will be distributed upon the following terms and conditions.

1. The net income from the Fund can be distributed in the form of grants. Distributions of net income from the Fund will be made at such time or times as the Foundation will determine to be appropriate. In exercising its discretion with respect to such distributions, the Foundation will take into consideration administrative convenience and efficiency, valuation and distribution dates from time to time established for its comingled funds, the needs and convenience of the grantee(s), and other relevant factors. The term "net income" as used in this agreement means the amount available for distribution from the Fund in accordance with the Foundation's Investment and Spending Policy in effect from time to time. All grants from this Fund will acknowledge this Fund as their source. The Fund will be the property of the Foundation, held by it in its normal corporate capacity, and it will not be deemed a trust fund held by it in a trustee capacity.
2. The Fund will include the donation received from the Donor, such property as has been or as may be, from time to time, transferred to the Foundation by the Donor for inclusion in the Fund, and such property as may from time to time be received by the Foundation from any other source and accepted by it for inclusion in the Fund, and all accumulated income derived there from.

3. Assets of the Fund may be commingled for purposes of investment with other assets of the Foundation. Control over the investment or reinvestment of such assets and the asset management of the Fund will be exercised exclusively by the Foundation. Upon signing of this fund agreement the donor wishes the monies to be invested in the:

XX Fully Diversified Investment Account, or the
_____ Short Term Cash Equivalents Account

4. If, over time, the designated entity benefiting from the Fund described above: (i) goes out of business; (ii) becomes "for-profit"; (iii) substantially alters its mission so that it no longer fits the Donor's original intent or the Foundation's mission; or (iv) a specified field of interest ceases to exist; the Foundation's Board of Trustees will seek alternate beneficiaries to ensure the Donor's original charitable goals continue to be met.

However, if the Foundation is unable to find alternate beneficiaries, the Board will have the power to modify any restriction or condition on the distribution of funds for any specified charitable purpose(s) or to any specified organization(s), if in the sole judgment of the Foundation's Board of Trustees, such restriction or condition becomes: (i) unnecessary; (ii) incapable of fulfillment; or (iii) inconsistent with the charitable needs of the community served.

5. If, over time, the _____ Fund decreases below its "historic fund value," distributions will cease until the Fund is restored to its "historic fund value;" however, the restriction that distributions may only be made from net income will not apply to distributions from principal to cover the Foundation's administrative fees nor will it apply to investment management fees.
6. The Foundation will provide accounting and related financial management services associated with the Fund. It is understood that the investment objective will be to preserve capital and to increase long-term granting power. The Fund will be charged an administrative fee based on a percentage of its principal balance, from time to time, in addition will include any amounts paid to investment managers or advisors as according to the Foundation's policies. Fees are reviewed periodically and may increase or decrease from time to time.
7. It is intended that the Fund will be a component part of the Foundation and not a separate trust, and nothing in this agreement will affect the status of the Foundation as an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, and as an organization which is not a private foundation with the meaning of Section 509(a) of the Code. This agreement will be interpreted in a manner consistent with the foregoing intention and so as to conform to the requirement of the foregoing provisions of the federal tax laws and regulations issued pursuant thereto. The Foundation is authorized to amend this agreement to conform to the provisions of any applicable law or government regulation in order to carry out the foregoing intention. References herein to provisions of the Internal Revenue Code of 1986 will be deemed references to the corresponding provisions of any future Internal Revenue Law.

8. The Articles of Incorporation and Bylaws of the Foundation, as they exist from time to time, are incorporated herein by reference and made part hereof. Together they constitute the governing instruments of the Foundation. The Donor hereby agrees that the Fund will be administered by the Foundation subject to its governing instruments.

I HEREBY ACKNOWLEDGE THAT THIS AGREEMENT and the gifts it represents are absolute and irrevocable and that, after the execution of this fund agreement, we will have no right, title, interest, or incidents of ownership in the property described in Exhibit A or any additional property transferred into the Fund. Further, we will not have unilateral right to alter, amend, or terminate this fund agreement.

Donor

Date

THE FOUNDATION HEREBY ACKNOWLEDGES RECEIPT OF THE ABOVE GIFT, and agrees to administer this Fund in accordance with the terms and conditions set forth in this fund agreement under the provisions of the Articles of Incorporation and Bylaws of the Foundation.

Austin Dickson
Chief Executive Officer
Community Foundation of the Texas Hill Country

Date

Donor Initials

Date

Exhibit A

_____ **Fund**

Description of property donated: \$ _____.

Exhibit B

_____ **Fund's Beneficiaries**

A list of specific charitable beneficiaries.