



## Donor Designated Fund Agreement

This Donor Designated Fund Agreement (“Agreement”), between Rose Community Foundation (the “Foundation”) and the donor(s) listed below (the “Donor(s)”) hereby establishes a Donor Designated Fund at the Foundation (“Fund”). A Donor Designated Fund is a fund owned and managed by the Foundation for the support of a named 501(c)(3) public charity (“Designated Beneficiary”). The Fund is subject to the Foundation’s Donor Designated Fund Guidelines, as amended from time to time (“Guidelines”). A copy of the current Guidelines is attached to this Agreement. Further information about Donor Designated Funds, this Agreement and charitable giving is available at <https://rcfdenver.org>

This Agreement is

- an agreement for a new fund or
- a restatement of an original Fund Agreement dated \_\_\_\_\_  
for the fund named \_\_\_\_\_

### Donor Information

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**Donor 1 Name**

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Address

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City State Zip

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Home Phone E-mail

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Cell Phone Work Phone

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**Donor 2 Name (optional)**

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Address

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City State Zip

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Home Phone E-mail

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Cell Phone Work Phone

## Designated Beneficiary Information

Please identify the Designated Beneficiary of the Fund. This information may not be changed in a fund restatement.

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Beneficiary Name

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Federal Tax Identification Number (EIN)

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Address

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City

State

Zip

Please describe the mission of the Designated Beneficiary:

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## Fund Name and Purpose

The Fund shall be known by the name below and will be listed in Foundation publications unless anonymity for the Fund is requested. This information may not be changed in a fund restatement.

Fund Name

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The purpose of the Fund is to

- Provide general support for the Designated Beneficiary
- Provide support for the following programs or projects of the Designated Beneficiary:

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Other:

## Continuity

The Fund shall continue so long as assets are available in the Fund and the purposes of the Fund can be served by its continuation. If, at any time and for any reason, the Designated Beneficiary shall cease to operate or to exist, or shall cease to be qualified as a 501(c)(3) public charity, the Foundation shall devote any remaining assets in the Fund exclusively for charitable purposes that: (a) are within the scope of the charitable purposes of the Foundation, and (b) most nearly approximate, in the good faith opinion of the Board of Trustees of the Foundation, the original purpose of the Fund.

*Optional:* If not sufficiently captured by the Designated Beneficiary’s mission and Fund purpose above, use this space to provide additional clarity on the charitable purpose of the Fund and the Designated Beneficiary, such as populations and geography served.

## Primary Fund Representative

**The Primary Fund Representative is the Executive Director or CEO of the Designated Beneficiary.** The Primary Fund Representative may access information about the Fund, such as monthly statements and the Fund’s contribution and grant history; make the investment recommendations described below; and may be authorized by the Donor to request distributions of the Spendable Amount from the Fund to the Designated Beneficiary. The Primary Fund Representative may also designate Authorized Parties.

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Name Title

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Address

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City State Zip

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Phone E-mail

## Authorized Parties

Additional parties can be authorized by the Primary Fund Representative to view Fund information and documents through the Foundation’s online portal. Authorized Parties may not act on behalf of the Fund or request Fund distributions. The Donor may elect to be an Authorized Party. Additional Authorized Parties are assigned by role with the organization. Current Authorized Parties listed below.

Indicate here if the Donor is designated as an Authorized Party.

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**Authorized Party 1 Name (optional)** Title

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Address

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City State Zip

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Phone Email

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**Authorized Party 2 Name (optional)** \_\_\_\_\_ Title \_\_\_\_\_

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Address \_\_\_\_\_

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City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

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Phone \_\_\_\_\_ Email \_\_\_\_\_

### Opening Contribution - *new funds only*

Please indicate the amount and nature of the opening contribution to the Fund. The minimum opening contribution is \$10,000 for a non-endowed fund or \$25,000 for an endowed fund.

- Check, ACH or Wire Transfer: Amount \_\_\_\_\_
- Marketable Securities: \_\_\_\_\_ shares of \_\_\_\_\_  
from \_\_\_\_\_
- Mutual Funds: \_\_\_\_\_ shares of \_\_\_\_\_  
from \_\_\_\_\_
- Other \_\_\_\_\_

### Endowed or Non-endowed

Donor Designated Funds may be established as endowed or non-endowed funds. For endowed funds, it is the intent of the Donor and the Foundation that the Fund will be preserved in perpetuity. Annual distributions will be available to the Designated Beneficiary in accordance with the intent of the Donor and the Foundation's Spending Policy for Endowed Funds, which may be amended from time to time (the "Spending Policy"). A copy of the current Spending Policy is attached to this Agreement.

For non-endowed funds, it is the intent of the Donor and the Foundation that the Designated Beneficiary may receive distributions from the principal in the Fund. This option allows for a larger portion of the Fund to be available to support the Designated Beneficiary in the short-term.

In either case, the Foundation strongly encourages Donors to be in conversation with the Designated Beneficiary about the fund type and purpose that will best meet the Designated Beneficiary's needs in advance of establishing the fund.

This fund is:

- Endowed
- Non-endowed

## Distributions – for endowed funds only

Distributions from the Fund will be made in accordance with the Spending Policy. Please indicate the Annual Distribution Percentage. Note: Under the current Spending Policy, the Annual Distribution Percentage may be up to 5% per year.

**Annual Distribution Percentage:** \_\_\_\_\_%

The amount available for distribution (“Spendable Amount”) will be calculated by the Foundation annually in January. The Primary Fund Representative may request one or more distributions from the Spendable Amount at any time during the year from February through December. Any Spendable Amount remaining at the end of December will be returned to Fund principal and a new Spendable Amount will be calculated in January for the new year.

### Commencing Distributions (select one):

- The Designated Beneficiary may begin annual distributions immediately.
- The Designated Beneficiary must wait until (i) the Fund balance is at least \_\_\_\_\_ (fund balance), or (ii) \_\_\_\_\_ (future date) before any distribution is made.

## Distributions – for non-endowed funds only

The Donor may allow the Designated Beneficiary to request distribution amounts according to the Designated Beneficiary’s timing or may designate a distribution amount and frequency for distributions.

<b>AMOUNT</b>	<input type="checkbox"/> Distribute a specific amount: \$ _____ <input type="checkbox"/> Distribute _____% of the value of the assets of the Fund <input type="checkbox"/> Distribute any amount requested by the Designated Beneficiary
<b>FREQUENCY</b>	<input type="checkbox"/> Annually <input type="checkbox"/> Quarterly <input type="checkbox"/> At any time requested by the Designated Beneficiary

## Investments

Donors establishing an Endowed Designated Fund may choose how the Fund will be invested initially, and the Primary Fund Representative may change the investment recommendation on an annual basis in December. Please select an investment option below.

- Rose Community Foundation’s Asset Allocation Excluding Private Equity
- Rose Community Foundation’s Asset Allocation Including Private Equity (*endowed funds only*)
- Custom Allocation:
  - \_\_\_\_\_ % Equity Pool
  - \_\_\_\_\_ % Fixed Income Pool
  - \_\_\_\_\_ % Money Market Pool
  - \_\_\_\_\_ % Private Equity Pool (*endowed funds only*)
  - 100% TOTAL

## Notes

Use this section to provide any information not addressed elsewhere in this Agreement or to complete any sections of the Agreement where space was otherwise too limited.

## Governing Law

This Agreement shall be interpreted and enforced in accordance with laws of the State of Colorado, without giving effect to its conflict of laws provisions.

## Acknowledgement and Signatures

**Instructions: Use the Adobe Fill & Sign feature or print the form, sign manually, and scan.**

I acknowledge that I have read this Agreement and the attachments to this Agreement (which are incorporated herein by this reference) and agree to the terms and conditions set forth herein. I understand that any contribution to the Fund, once accepted by the Board of Trustees of Rose Community Foundation, is an irrevocable contribution to Rose Community Foundation and will not be returned to me/us.

\_\_\_\_\_  
Donor 1 Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Donor 2 Signature (if applicable)

\_\_\_\_\_  
Date

## Acceptance

Thank you for creating a Donor Designated Fund at Rose Community Foundation. We look forward to our partnership.

Rose Community Foundation

\_\_\_\_\_  
By: Lindy Eichenbaum Lent, President & CEO

\_\_\_\_\_  
Date

## Donor Designated Fund Guidelines

### Establishing a Fund

The minimum amount to establish an endowed designated fund at the Foundation is \$25,000. The minimum to establish a non-endowed designated fund is \$10,000. Additional contributions may be made by the Donor at any time. Acceptance of any non-cash contributions is subject to the Foundation's Gift Acceptance Policies and Guidelines.

### Tax Status of Funds

Designated funds established at the Foundation are component funds of the Foundation, a 501(c)(3) public charity. Accordingly, all contributions to a designated fund are treated for tax purposes as gifts to a 501(c)(3) public charity and are tax deductible to the extent allowed by law, subject to individual and corporate limitations. Please consult your legal or tax advisor regarding the application of such limitations to your personal situation.

### Variance Power

All funds established at the Foundation are subject to the Foundation's "variance power," as set forth in its bylaws. The variance power gives the Foundation the authority to modify any donor recommendation or condition on distributions from a fund for any specified charitable purpose or to any specified organization, if in the sole judgment of the Foundation, such recommendation or condition becomes unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community served by the Foundation. In the unlikely event the Foundation is required to exercise its variance power with respect to a fund, it will endeavor to exercise that power so that the modifications conform in a manner as near as possible to the original intent of the fund.

### Restrictions on Designated Fund Distributions

Donor designated funds are established solely to support the operations of the named Designated Beneficiary, which must be a 501(c)(3) public charity. For endowed funds, it is the intent of the Foundation and the Donor that the Fund will be preserved in perpetuity. Distributions from an endowed designated fund will be made in accordance with the Foundation's Spending Policy for Endowed Funds. For non-endowed designated funds, the Donor establishing the fund may specify, at the time the fund is established, the amount and frequency of distributions. Alternatively, for non-endowed funds, the Donor may specify that the amount and frequency of distributions should be upon request of the Designated Beneficiary.

All distributions must be approved by the Foundation. Requests for distributions of \$25,000 or more may require additional processing time. For all distribution purposes, the value of the fund is determined in accordance with the Foundation's valuation policies and procedures in effect, which may be amended from time to time.

### Management and Investment of Assets

Funds at the Foundation are the property of the Foundation and are administered by the Foundation in accordance with these Guidelines and applicable laws, including the Internal Revenue Code and Colorado's Uniform Prudent Management of Institutional Funds Act, all as amended from time to time. The Foundation invests the assets in its funds in accordance with the Foundation's investment policies, as amended from time to time. A donor establishing a fund may choose to have the fund invested using the Foundation's asset allocation or may choose its own allocation among the Foundation's pool of investments. For investment purposes, the Foundation may commingle the assets of a fund with those

of other Foundation funds, so long as it maintains separate accounting records with respect to each fund. The Foundation may, in its sole discretion, delegate to its committees, officers, employees or agents authority with respect to investment of its funds. In addition, the Foundation may contract with and pay compensation to independent investment professionals, banks or trust companies.

### **Fees**

Funds established at the Foundation are subject to administrative and investment fees. Administrative fees are charged by the Foundation based on the attached Board-approved fee schedule which may be amended from time to time.

Investment fees are calculated separately and are deducted from investment earnings; investment earnings will always be reported net of investment fees.

The Foundation reserves the right to change its fee structure at any time. The Foundation may also pay or reimburse itself from a fund for all direct expenses it incurs in administering the fund. In addition, if the Foundation and the Donor agree, the Foundation may provide additional services with respect to a fund in exchange for an additional fee.

### **Reports**

The Foundation will provide quarterly reports showing the then-current balance in the fund and listing all contributions to the fund, distributions from the fund, fees charged to the fund, and net investment gains (losses) allocated to the fund during the period covered by the report. Donors and Designated Beneficiaries may also view fund details through the online Fundholder Portal.

### **Confidentiality**

The Foundation agrees not to use any confidential information provided in connection with the establishment of a fund for purposes other than those for which it was provided, without receiving prior written consent of the Donor.

### **Irrevocable Gifts**

All contributions to funds at the Foundation, once accepted by the Foundation, represent irrevocable gifts to the Foundation.

## **Rose Community Foundation Fee Schedule**

*Current as of January 1, 2021*

For funds held by Rose Community Foundation, administrative fees are charged according to the Board-approved schedule below, which may be amended from time to time. These fees are separate from and in addition to investment management fees. Investment returns are always reported net of fees.

<b>Fees</b>	
<b>Rate</b>	<b>Fund balance</b>
1.0%	for funds with assets up to \$1 million
0.5%	for funds with assets over \$1 million
\$250	Minimum Annual Fee



# Spending Policy for Endowed Funds Held by Rose Community Foundation

## I. Purpose

- A. The purpose of this Spending Policy for Endowed Funds (this “Policy”) of Rose Community Foundation (the “Foundation”) is to set forth rules and guidelines for spending from the Foundation’s endowed funds, other than the Foundation’s own unrestricted endowment (the “Funds”). The overall objective of the Policy is to balance the needs of the Funds’ beneficiary organizations for distributions to support their current charitable activities, and the need to preserve the purchasing power (real value) of the Funds in order to support the beneficiary organizations’ future charitable activities.
- B. The Policy is comprised of three components: 1) a determination of spendable amount, 2) rules relating to the suspension of distributions in certain situations when a Fund’s value declines below its historic dollar value, and 3) rules relating to distribution authorization and the commencement of distributions.

## II. Determination of Spendable Amount

- A. The amount available for distribution annually from each Fund (the “Spendable Amount”) shall be calculated using the following formula: an amount equal to the Annual Distribution Percentage (defined below) of a Fund’s trailing twelve quarter Fund balance as of December 31 of the year preceding the calculation. The Spendable Amount from Funds that are fewer than three years old shall be calculated using the following adjusted formula: an amount equal to the Annual Distribution Percentage of a Fund’s trailing quarterly Fund balance for the number of quarters the Fund has been in existence as of December 31 of the year preceding the calculation.
- B. The Annual Distribution Percentage is:
  - i. In the case of Funds for which the Fund Agreement states a percentage, that percentage.
  - ii. In the case of Funds for which the Fund Agreement does not state a percentage, the percentage determined by the Foundation’s Board of Trustees.
- C. The Annual Distribution Percentage may not exceed 5%.
- D. The Annual Distribution Percentage may be changed:
  - i. In the case of an Endowed Fund established by the beneficiary agency, by vote of its Board of Directors and approval by the Foundation’s Board of Directors.
  - ii. In the case of an Endowed Fund established by a donor, by direction of the donor and approval by the Foundation’s Board of Directors or by the sole determination of the Foundation’s Board of Directors.
  - iii. In no event may the Annual Distribution Percentage exceed the percentage allowed by this Policy, as it may be amended from time to time.

## III. Suspension of Distributions

- A. A Fund’s historic dollar value (“HDV”) is the sum of original and subsequent contributions to the Fund, not including investment earnings or losses. In the case where a distribution from a Fund

would result in the Fund balance falling below the Fund's HDV, such distribution must be authorized by both the primary fund representative (defined below) and the Board Chair of the beneficiary organization.

- B. Notwithstanding authorization by the primary fund representative and the Board Chair of the beneficiary organization, the Foundation shall suspend distributions from any Fund if a distribution would result in the Fund balance falling below sixty-six percent (66%) of the Fund's HDV.
- C. Administrative fees paid to the Foundation shall continue even when distributions are suspended.

**IV. Distribution Authorization and Commencement**

- A. The primary fund representative for a Fund will be the Executive Director or CEO of the beneficiary organization. The primary fund representative is authorized to request one or more distributions of the Spendable Amount from the Fund.
- B. Unless a target fund balance or future distribution date is stated in the Fund Agreement, annual distributions may begin at fund inception.

**V. Review and Revision**

- A. This Spending Policy will be reviewed and reconfirmed or revised on a regular basis by the Foundation's Board of Trustees.

APPROVED THIS 15<sup>th</sup> DAY OF DECEMBER 2020 BY THE BOARD OF TRUSTEES OF ROSE COMMUNITY FOUNDATION.