



## Nonprofit Agency Endowed Fund Agreement

This Nonprofit Agency Endowed Fund Agreement (“Agreement”), between Rose Community Foundation (the “Foundation”) and the organization listed below (the “Nonprofit”) hereby establishes a Nonprofit Agency Endowed Fund at the Foundation (“Agency Fund” or “Fund”). The Agency Fund is subject to the Foundation’s Nonprofit Agency Endowed Fund Guidelines, as amended from time to time (“Guidelines”). A copy of the current Guidelines is attached to this Agreement.

Further information about Agency 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 \_\_\_\_\_

### Nonprofit Information

Please identify the Nonprofit that is establishing the Fund and will be the sole beneficiary of the Fund. This information may not be changed in a fund restatement.

\_\_\_\_\_  
Nonprofit Name

\_\_\_\_\_  
Federal Tax Identification Number (EIN)

\_\_\_\_\_  
Address

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

The Nonprofit represents that it currently qualifies as tax-exempt under § 501(c)(3) of the Internal Revenue Code and as a public charity under § 509(a)(1), (2), or (3) of the Code (“Qualified Public Charity”). The Nonprofit shall immediately notify the Foundation if it learns that it has lost its status as a Qualified Public Charity or if it has any reason to believe that it may lose such status.

Describe the mission of the Nonprofit. For more space, use the Notes sections later in this document.

## 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: \_\_\_\_\_

The purpose of the Fund is to

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

\_\_\_\_\_

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 Nonprofit shall cease to operate or to exist, 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 Nonprofit's mission and Fund purpose above, use this space to provide additional clarity on the charitable purpose of the Fund and the Nonprofit, such as populations and geography served. For more space, use the Notes sections later in this document.

## Primary Fund Representative

**The Primary Fund Representative is the Executive Director or CEO of the Nonprofit.** The Primary Fund Representative may access information about the Fund, such as monthly statements and the Fund's contribution and grant history, may make the investment recommendations described below, and may request one or more distributions of the Spendable Amount from the Fund, through the Foundation's secure online portal. The Primary Fund Representative may also designate Authorized Parties. The current Primary Fund Representative is listed below.

\_\_\_\_\_  
Name Title

\_\_\_\_\_  
Address

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

\_\_\_\_\_  
Phone E-mail

## Authorized Parties

Additional parties can be authorized by the Primary Fund Representative to view Fund information and Fund documents through the Foundation's online portal. Authorized Parties may not take action on behalf of the Fund or request Fund distributions. Like Primary Fund Representatives, Authorized Parties are assigned by role with the organization. The current Authorized Parties are listed below.

### Authorized Party 1 (optional)

_____		_____	
Name		Title	
_____			
Address			
_____		_____	
City		State	Zip
_____		_____	
Phone		E-mail	

### Authorized Party 2 (optional)

_____		_____	
Name		Title	
_____			
Address			
_____		_____	
City		State	Zip
_____		_____	
Phone		E-mail	

## Opening Contribution *(for new funds only)*

Please indicate the amount and nature of the opening contribution to the Fund. The minimum opening contribution is \$25,000.

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

## Distributions

Distributions from the Fund will be made in accordance with the Foundation's Spending Policy for Endowed Funds, which may be amended by the Foundation's Board of Trustees from time to time (the "Spending Policy"). A copy of the current Spending Policy is attached to this Agreement and explains the authorization needed if an existing Fund wishes to change its distribution percentage.

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.

*Create a paired Nonprofit Designated Fund (optional)* \_\_\_\_\_ (Please initial)  
By opening a paired Nonprofit Designated Fund, the Nonprofit will be able to direct the Foundation to distribute some or all of its annual endowed fund distribution into its Designated Fund, where distributions can remain and grow from year to year and be distributed to the Nonprofit in part or in full at any time. If this option is elected, please provide a name for the Designated Fund. You may indicate an investment option for the Fund below. All other information and authorizations from this fund agreement will also apply to the Designated Fund.

Nonprofit Designated Fund Name: \_\_\_\_\_

### Commencing Distributions (select one):

- The Nonprofit would like to begin annual distributions immediately.
- The Nonprofit would like to wait until (i) the Fund balance is at least \_\_\_\_\_ (fund balance), or (ii) \_\_\_\_\_ (future date) before any distribution is made.

## Investments

Nonprofits establishing an Endowed 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 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

If this form is being used to open an Endowed Fund and a paired Nonprofit Designated Fund, please select an investment option for the Designated Fund below.

- Rose Community Foundation’s Asset Allocation Excluding Private Equity
  - Custom Allocation:
    - \_\_\_\_\_ % Equity Pool
    - \_\_\_\_\_ % Fixed Income Pool
    - \_\_\_\_\_ % Money Market Pool
- 100% TOTAL

## Indemnity

In consideration of the Foundation establishing the Fund at the request of the Nonprofit, the Nonprofit agrees to indemnify and hold harmless the Foundation, its trustees, officers and other representatives (“Foundation parties”) from and against all liabilities, costs, or expenses which the Foundation parties may incur by reason of acting upon instructions or recommendations given to the Foundation by any authorized person, including but not limited to the Primary Fund Representative.

## 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. For additional notes, please use the notes page at the end of this document.

## Representation of Authority

The persons executing this Agreement on behalf of the Nonprofit warrant and represent that they have full legal power, authority and right to enter into this Agreement on behalf of the Nonprofit; that this Agreement has been duly authorized by all necessary actions; and that no remaining actions are required to make this Agreement binding.

## 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.**

On behalf of the Nonprofit, I acknowledge that I have read this Agreement and the attachments to this Agreement (which are incorporated herein by this reference), and the Nonprofit agrees to the terms and conditions set forth herein. The Nonprofit understands 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.

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Printed Name, Nonprofit Executive Director/CEO

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Title

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Signature, Nonprofit Executive Director/CEO

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Date

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Printed Name, Nonprofit Board Chair

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Title

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Signature, Nonprofit Board Chair

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Date

## Acceptance

Thank you for creating a Nonprofit Agency Endowed Fund at Rose Community Foundation. We look forward to our partnership.

Rose Community Foundation

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By: Lindy Eichenbaum Lent, President & CEO

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Date

# Nonprofit Agency Endowed Fund Guidelines

## **Establishing a Fund**

The minimum amount to establish a Nonprofit Agency Endowed Fund at the Foundation is \$25,000. The minimum to establish a Nonprofit Designated Fund is \$10,000. The Designated Fund minimum is waived when opening a paired Designated Fund because the initial contribution will come from the Nonprofit Agency Endowed Fund. Additional contributions to the Fund may be made by the Nonprofit at any time. Acceptance of any non-cash contributions is subject to the Foundation's Gift Acceptance Policies and Guidelines. In addition, if any assets contributed to the fund were previously received by the Nonprofit as donor-restricted gifts, such assets will be added to the fund only if such donor-imposed restrictions are specifically approved and accepted by the Foundation and the dollar amount is greater than \$25,000, in which case the Foundation may establish and account for a separate fund to hold and administer such assets.

## **Tax Status of Funds**

Nonprofit Agency Endowed and Designated funds established at the Foundation are component funds of the Foundation, a 501(c)(3) public charity.

## **Variance Power**

All Nonprofit Agency Endowed and Designated 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 Endowed Fund Distributions**

Nonprofit Agency Endowed funds are established solely to support the operations of the nonprofit establishing the fund. It is the intent of the Foundation and the Nonprofit that endowed funds will be preserved in perpetuity. An annual distribution from the fund will be made to the Nonprofit, the amount of which may be specified by the Nonprofit at the time of establishing the fund. For 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**

Nonprofit Agency Endowed and Designated 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 Nonprofit Agency Endowed and Designated funds in accordance with the Foundation's investment policies, as amended from time to time. A nonprofit establishing a Nonprofit Agency endowment or designated 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 Nonprofit Agency endowment or designated 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**

Nonprofit Agency Endowed and Designated funds established at the Foundation are subject to administrative and investment fees. Administrative fees are charged by Rose Community 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 the Fund for all direct expenses it incurs in administering a Nonprofit Agency endowment or designated fund. In addition, if the Foundation and the Nonprofit agree, the Foundation may provide additional services with respect to the Fund in exchange for an additional fee.

### **Reports**

The Foundation will provide to the Nonprofit 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. The Nonprofit 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 the prior written consent of the Nonprofit.

### **Irrevocable Gifts**

All contributions to a Nonprofit Agency Endowed fund, 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.

Fee Structure	
Rate	Fund balance
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.

Additional Notes

A large, empty rectangular box with a thin black border, intended for additional notes or comments. It occupies the central portion of the page.