

\_\_\_\_\_ **DONOR DESIGNATED FUND**  
**OF**  
**EAST TEXAS COMMUNITIES FOUNDATION**

1. **Agreement** - This agreement is made on this date of \_\_\_\_\_ between \_\_\_\_\_ (the “Donor”) and East Texas Communities Foundation, a Texas nonprofit corporation (the “Foundation”).
2. **Fund Name** - The Donor hereby contributes the assets listed in Addendum I to the Foundation to establish a Donor Designated Fund to be known as the \_\_\_\_\_ Donor Designated Fund (the “Fund”).
3. **Purpose** – The purpose of this gift is to support the charitable work of \_\_\_\_\_ (the Nonprofit), which includes (describe charitable work or emphasis of gift) \_\_\_\_\_.
4. **Distributions** - Distributions from the Fund shall be made from: (select one) \_\_\_\_\_ income, or \_\_\_\_\_ both income and principal. Distributions may only be made to the Nonprofit, which meets the requirements of a public charity as defined by 170(b)(1)(A) of the Internal Revenue Code (i.e. churches, schools, hospitals, government entities, and publicly supported 501(c)(3) organizations). The Foundation defines income as 5% of the value of the Fund as of the preceding December 31.
5. **Ownership and Administration** - This contribution is irrevocable and the Foundation shall be the sole and exclusive owner of the Fund. The Fund shall be administered in accordance with the Foundation's Articles of Incorporation, Bylaws and Policy for Donor Designated Funds, as amended from time to time, copies of which shall be provided to the Donor upon request.
6. **Variance Power** - In accordance with IRS regulations and the Bylaws of the Foundation, the board of directors shall have the power to modify any restriction or condition imposed by a donor on the investment or distribution of assets if, in the sole judgment of the board of directors, such restriction or condition becomes illegal, unnecessary, uneconomical, impossible to perform, or inconsistent with the charitable needs of the community or area served, and such modification would more effectively serve the charitable purposes of the foundation taking into consideration the wishes of the donor.
7. **Recommendations** - The Donor, or any person properly designated by the Donor, may make recommendations to the Foundation regarding the investment of the Fund and/or distribution of the Fund to the Nonprofit. However, such recommendations are advisory only, and the Foundation shall not be bound by such recommendations.
8. **Succession** - Upon the Foundation’s receipt of notice of the resignation, incapacity, or death of the Donor, the first person listed as Successor Donor Advisor in Addendum II who is then living and willing shall serve as Successor Donor Advisor to the Fund. The Successor Donor Advisor shall be authorized to make recommendations regarding investment of and distributions from this Fund, and shall assume all authority of the Donor regarding naming Successor Donor Advisors to the Fund. Upon the resignation, incapacity, or death of the Successor Donor Advisor, if he /she has not signed a new Addendum II naming Successor Donor Advisors, the next person who survives the Successor Donor Advisor on the most recent Addendum II shall serve as Successor Donor Advisor.

9. **Remainder**

- a. **Successor Advisor Termination** - In the event there is no properly designated Donor Advisor or Successor Donor Advisor to the Fund, any remaining balance of the Fund shall be transferred to an endowment fund at the Foundation for the benefit of the Nonprofit.
- b. **Nonprofit Termination** - If the Nonprofit ceases to exist with no successor, or if the Nonprofit ceases to qualify as a public charity as defined in Section 170(b)(1)(A) of the Internal Revenue Code, and such condition is not cured within 30 days following written notice delivered by the Foundation to the Nonprofit at its last known address, then the Fund shall terminate and its assets shall become unrestricted assets of the Foundation.
- c. **Foundation Termination** - If the Foundation ceases to exist with no successor, or if the Foundation ceases to qualify as a public charity as defined in Section 170(b)(1)(A) of the Internal Revenue Code, and such condition is not cured within 30 days, then the assets of the Fund shall be transferred to the Nonprofit.

10. **Pledges and Benefits** - No distribution from the Fund shall be made to satisfy a written pledge or legal obligation of the Donor or any other person, and neither the Donor nor any other person may receive any benefit or privilege (such as gifts or tickets to events) in return for a distribution from the Fund.

Donor:

East Texas Communities Foundation

\_\_\_\_\_

\_\_\_\_\_

Kyle L. Penney, President

Date \_\_\_\_\_

Date \_\_\_\_\_

**ADDENDUM I**

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**DONOR DESIGNATED FUND AGREEMENT**

\_\_\_\_\_, 20\_\_\_\_

**Initial Transfer of Assets  
and Initial Investment**

**Initial Transfer of Assets**

The Donor transfers the following assets to the East Texas Communities Foundation to establish the

\_\_\_\_\_ Donor Designated Fund:

\_\_\_\_\_

**Initial Investment**

The Donor(s) recommend that the funds be initially invested in the (select one):

- Cash Fund
- Money Market Fund
- Conservative Fund
- Moderate Fund
- Moderate Index Fund, or
- Growth Fund.

If no recommendation is made, assets will be invested in the Moderate Fund.

Donor:

East Texas Communities Foundation:

\_\_\_\_\_

\_\_\_\_\_

Kyle L. Penney, President

**ADDENDUM II**

**DONOR DESIGNATED FUND AGREEMENT**

\_\_\_\_\_, 20\_\_

**Designation of Successor Donor Advisors**

**Successor Donor Advisors**

The Donor hereby designates (and revokes any prior designation) \_\_\_\_\_ to serve as Successor Donor Advisor to the Fund after the resignation, incapacity, or death of the Donor, if he/she is living and willing to serve, and if not, the Donor appoints \_\_\_\_\_ to serve as Successor Donor Advisor to the Fund after the resignation, incapacity, or death of the Donor, if he/she is living and willing to serve, and if not, the Donor appoints \_\_\_\_\_ to serve as Successor Donor Advisor to the Fund after the resignation, incapacity, or death of the Donor. The Successor Donor Advisor shall have all the authority of the Donor Advisor, including the authority to recommend investment of the Fund, to recommend grants from the Fund and to name and change Successor Donor Advisors to the Fund.

DONOR:

\_\_\_\_\_

Date: \_\_\_\_\_