



Cumberland Community Foundation, Inc.

308 Green Street • P.O. Box 2345 • Fayetteville, NC 28302
www.cumberlandcf.org

Organizational “Agency” Endowment Fund Management Guidelines

Cumberland Community Foundation (Foundation) provides nonprofit organizations the opportunity to create and grow their Organizational Endowment Fund at the Foundation. Starting your organization's endowment or placing your current endowment at the Foundation can be a simple, flexible and efficient way to achieve your endowment goals.

Placing your endowment funds at the Foundation reassures your donors that the funds earmarked for endowment purposes will be used for such and not spent down, knowingly or unknowingly by the future leaders of your organization. This builds donor confidence and may help you grow your endowment.

The following are guidelines and suggestions to consider before establishing your endowment at the Foundation.

1. The minimum balance required before granting from an Organizational Endowment Fund is \$10,000 which may be reached over a five year period. Contributions can be added to the fund at any time and in any amount.
2. All gifts to the Foundation are irrevocable. This includes the amount contributed by your organization to establish the Fund. The Foundation requires acknowledgment from your organization that its governing body understands that the gifts are irrevocable, as well as proof that your Board of Directors made this decision with a quorum and in compliance with your policies and procedures.
3. The Foundation will manage your endowment fund as a part of the Foundation's unitized investment pool. Your organization benefits from a diversified portfolio, professional money management and low fees. In agreeing to place the endowment fund with the Foundation, the organization agrees that the Board of Directors of Cumberland Community Foundation has the authority to modify or eliminate any restrictions on the fund should such designation, restriction or condition become illegal, unnecessary, undesirable, impractical or incapable of fulfillment. This is called variance power.

4. The system for grant distributions to the organization or beneficiary is determined by the fund agreement at the time of inception. The board of directors for the founding organization may establish the terms under which grant distributions will take place. It is important that the charitable purpose of the endowment remain as broad as possible in order to meet the future needs of your organization.
5. Cumberland Community Foundation does not engage in any fund raising events on behalf of organizations placing their endowment funds at the Foundation. The Organizational Endowment Fund may receive the *net proceeds* of any special event, such as golf tournaments, galas, dinners, raffles; however, the expenses for these events may *not* be run through the fund.
6. Cumberland Community Foundation does not accept any liability for activities, programs, or events of your organization. The founding organization should maintain its own insurance coverage at all times.
7. The investment portfolio will be determined by the Foundation. The organization cannot control the investments of the endowment. The investment results are not guaranteed and the investments may lose value.
8. The Foundation will establish a schedule for reports on the organization's fund. At minimum, the organization will receive Fund Statements as of 12/31 each year, annual notification of the amount available for granting, and scheduled notifications of all gifts added to the fund. Additional reports are available upon request.
9. The Foundation charges an administrative fee according to the Administrative Fee Schedule, which may change over the years at the Foundation's discretion. The fee since 1999 has been an annual charge of 1% of the fund balance up to \$500,000, then ¾% on the next \$500,000, and then ¼% on all balances over \$1,000,000. In addition, investment fees charged by the investment managers are passed on to the Fund. This currently averages less than 1/4% annually.
10. The Foundation will promptly acknowledge all donors' gifts to the fund, in writing and according to the requirements of the IRS and Foundation policies. The organization will be notified of those gifts promptly.

*For more information, please contact Cumberland Community Foundation, Inc.
Mary Holmes (910)483-4449 x103*



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[Instructions not part of final agreement.]

A component fund of Cumberland Community Foundation, Inc.

_____ (the "DONOR") and Cumberland Community Foundation, Inc. (the "FOUNDATION") hereby agree to the terms of an irrevocable charitable gift described as _____ *[minimum pledge of \$25,000.00 within five years]* for the purpose of establishing a Scholarship Endowment Fund (the "FUND"). The Fund shall be administered by the Foundation for the benefit of the charitable purpose described below.

Tribute Statement

[Optional memorial or tribute statement]

Fund Name:

The name of the Fund shall be _____ ("Fund").
The Donor or others may add gifts to the Fund at any time. All gifts shall be irrevocable.

Selection Process:

Applications shall be considered annually according to the Fund Agreement, Foundation policies, and best practices for scholarship management, as they may change from time-to-time. The committee reviewing applications shall be the Foundation's Scholarship Selection Committee.

All award recommendations shall be subject to final approval by the Foundation's Board of Directors.

Donor's Intent for Eligibility:

Students may apply who meet ALL of these requirements: *[Must fall into a broad charitable class.]*

Donor's Intent for Priorities: *[Priorities and other selection criteria must be approved by the Foundation.]*

The Scholarship Selection Committee shall consider the following priorities:

Scoring Priorities: These priorities shall be: [Check ONE]

Weighted as indicated above, OR

Weighted equally, OR

Weighted at the discretion of the Scholarship Selection Committee.

Renewable: This scholarship award shall be renewable under the following circumstances: [Check ONE]

Scholarship award shall be renewable if the student continues full time enrollment and maintains GPA of _____ and _____ [other criteria];

or

Other conditions recommended by the Donor: _____

Distributions: Grant awards shall be available for distribution for the charitable purpose indicated above, on a yearly basis, subject to final approval by the Board of Directors of the Foundation and in accordance with the By-Laws, Spending Policy, and other established policies of said Foundation, as amended from time-to-time.

Donor Privacy: The Foundation shall not disclose to the general public or any individual any gift details or any personal donor information. Disclosures shall be made only as necessary to comply with laws or regulations. Unless the Donor / Founder elects in writing to make grants from the Fund *anonymous*, from time-to-time, the Foundation may include the name of the Fund among a list of similar funds in a newsletter or annual report. Unless the Donor / Founder elects in writing to make grants from the Fund *anonymous*, charities receiving grants from the Fund may be notified the name of the Fund in the letter accompanying the grant check.

Notifications: The Foundation shall post notification of availability of this award through any channels necessary to promote the scholarship to the intended beneficiaries. This may include, but is not limited to, informational listings at high school guidance offices, press releases, website listings, listings on international scholarship services, memberships in constituent groups and associations, and targeted newsletters. The Foundation shall also notify _____

Investment: The Board of Directors of the Foundation shall have full authority and discretion as to the investment and reinvestment of the assets of the Fund. Investments may lose value.

Fees: The Foundation will assess administrative and investment management fees against the Fund in accordance with the Foundation's published fee schedule, as amended from time to time. The Foundation may also assess the fund to cover any unusual expenses incurred in connection with the contributed assets, including the cost of disposing of them, and in the administration of the Fund.

Management and Control: It is understood and agreed that the Fund therein shall be administered by the Foundation, subject to its Articles of Incorporation, Schedule of Fees, and By-Laws, as amended from time-to-time, including the *variance power* contained therein for the Board of Directors of the Foundation to modify any restrictions or conditions if in their sole judgment such restriction becomes, in effect, unnecessary or inconsistent with the charitable needs of the area served by the Foundation.

Future Gifts: The Foundation's tax identification number is *58-1406831*. Bequests and other future gifts may be payable to Cumberland Community Foundation, Inc. as an addition to the _____ [Fund Name].

DONOR: _____ **Date** _____

FOUNDATION: _____ **Date** _____