

# Establishing a Fund at BCF



## Bainbridge Community Foundation

In 2001, community members came together to create the Bainbridge Community Foundation. The vision was simple – to ensure that values and qualities that make life great on Bainbridge Island, can continue for all as the island grows and changes. When you give through Bainbridge Community Foundation, you fund important causes in our community and help ensure a vibrant, healthy future for this place we call home.

By its most basic definition, a community foundation receives contributions from individuals, invests those gifts for long term growth, and distributes funds back into the areas of greatest need in the community. In addition, the Foundation administers Donor Advised Funds and Designated Funds as giving vehicles for individuals, families, and businesses. These giving vehicles help provide donors with personalized short- or long- term strategies for meeting their charitable goals.

Today, our assets are more than \$20 million and we have granted out more than \$16.7 million since inception.

## We Make Giving Easy

With a donor advised fund, donors recommend grants to nonprofits over time. With a designated fund you recommend the causes or organizations when you establish the fund. We provide due diligence to ensure organizations, meet charitable program, governance, and financial standards, and process the grant payment.

## Decide What to Give

We accept cash, publicly traded stock, and often more complex gifts such as privately held stock, real estate, life insurance, etc.

## Make it a Family Affair

Do you want family, colleagues or friends to recommend grants? Do you want your children or grandchildren to succeed you as advisors? You can do both.

## Efficient and Convenient

We have funds that were started with millions of dollars and we have funds that were started with just \$10,000, our minimum to establish a fund. BCF's friendly team will help you complete a fund agreement. You will need to choose a name for your fund and basic provisions, and we're off.

## Philanthropic Advice

You'll have access to experts on the arts, fighting poverty, education, social justice, community development, the environment, health and other issues. We can advise you about great nonprofits and share the latest information on issues you care about.

## Greater Convenience than a Private Foundation:

For many, a donor advised fund in their community foundation is a wiser choice than a private foundation. Administrative costs are often lower; and donors can take advantage of our grantmaking and investment staff and other resources of a local foundation rooted in the community. Many donors have closed private foundations and transferred the assets to the community foundation, freeing up money for causes they care about. Other families use donor advised funds to support causes outside the focus of their private foundation.

## Benefit for Donors

The tax consequences to the donor are even more advantageous than setting up a private foundation. The donor receives an immediate deduction for the entire amount gifted to the fund in a particular year (up to 50% AGI, vs a 30% AGI limit with private foundations), and can spread the actual charitable gifts he or she recommends over several years.

## Choosing the Right Fund:

### **What is a Donor Advised Fund?**

Donor advised funds have three primary elements:

- The donor makes one or a series of irrevocable gifts to Bainbridge Community Foundation to establish the fund.
- The donor retains the ability to advise the Foundation on how the fund's income (or principal and income) should be distributed.
- The original donor can pass on the advisory role to two generations of successor advisors.

### **What is a Donor Designated Fund?**

Donor designated funds are similar to Donor Advised Funds. They differ in that disbursements from the fund are established at the time of the fund's creation and do not require ongoing action on the part of the original donor:

- The donor makes one or a series of irrevocable gifts to the Bainbridge Community Foundation to establish the fund.
- The donor identifies one or more public charities to be the beneficiary of distributions of the fund's income (or principal and income) and the desired terms of those disbursements.
- Per the terms of the agreement, regular disbursements are made from the fund and in the event that one of the original beneficiary charities ceases to exist, the Foundation will redirect that support to a public charity with a similar mission.

## Process

1. After consulting with his/her tax advisor, a donor contacts the Foundation to receive the *Donor Designated and Donor Advised Fund Agreement* form and the Foundation's *Donor Designated and Donor Advised Fund Terms and Conditions*. This form is a legal document that specifies the donor's wishes with regard to the fund name, terms of distribution, and successor advisors in the context of the Foundation's established policies.
2. Once complete, the donor submits the form to the Foundation and makes the gift(s) to establish the fund's value.
3. Following the acceptance of the gift, the Foundation returns copies of the signed agreement to the donor along with a welcome packet containing more information about grant recommendations and ongoing account activity.
4. The new fund is typically eligible for making outgoing grants within 1-2 weeks of the Foundation's receipt of the original gift and signed agreement.

## For Questions or More Information

Please email Jim Hopper ([jim@bainbridgecf.org](mailto:jim@bainbridgecf.org)), Brigitte Yates ([Brigitte@bainbridgecf.org](mailto:Brigitte@bainbridgecf.org)), or Debbie Kuffel ([debbie@bainbridgecf.org](mailto:debbie@bainbridgecf.org)) at the Bainbridge Community Foundation or call 206.842.0433.



## **PART I: GENERAL TERMS**

### **1. TAX STATUS OF FUNDS**

Donor funds established at the Bainbridge Community Foundation (the "Foundation") are component funds of the Foundation, a Section 501(c)(3) charity. Accordingly, all contributions to the Foundation's donor funds are treated for tax purposes as gifts to a Section 501(c)(3) public charity and generally are tax deductible, subject to individual and corporate limitations. Contributions are irrevocable, permanent gifts to the Foundation and cannot be returned nor withdrawn.

### **2. VARIANCE POWER**

All donor funds established at the Foundation are subject to the Foundation's "variance power." 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 charitable 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.

### **3. SPENDING POLICY**

The Foundation anticipates distributions from each fund at least annually of an appropriate percentage of the fund's market value, as determined annually by the Foundation's Board of Trustees. In determining the annual distribution amount, the Foundation's Board of Trustees may consider the expected total return on the investments of the Foundation's permanent funds, the desirability of maintaining the value of the Foundation's permanent funds, and any other factors that it deems relevant. The Foundation reserves the right to spend up to the entire amount of any fund, if by the terms of the donor gift and Foundation's policies, the Foundation determines that such expenditures better satisfy the donor's intentions than a limitation on expenditures.

### **4. DISTRIBUTIONS**

The minimum grant distribution from a fund is \$250. All distributions from donor funds are subject to the Foundation's variance power and its spending policy, as noted above. Donors may, however, at the time they create a fund, recommend that distributions from a fund be made from income only (permanently or for a period of time) ("Income Only Funds") or from income and principal. Nonetheless, the Foundation may in all cases, including with respect to income only funds, make principal distributions from its funds in compliance with its spending policy.

### **5. RESTRICTIONS ON GRANTS FROM FUNDS**

Distributions from donor funds established at the Foundation will be made only if they are consistent with the Foundation's charitable purposes, satisfy community needs identified by the Foundation as deserving of its support, and are compliant with applicable law.

- Fund distributions will not be made for memberships, pledges, sponsorships, tickets, or for any purpose that would otherwise provide a private benefit to the donor or advisors recommending the distribution.
  - Donors and advisors include the donor and any person appointed or designated by the donor who reasonably

expects to have advisory privileges with respect to the distribution.

- The prohibition on private benefit covers the donor family members: the donor, the donor's spouse, ancestors, children, grandchildren, great grandchildren, brothers, sisters, and any of their spouses as well as thirty-five percent (35%) controlled entities.
- Fund distributions may not include loans, compensation, expense reimbursements or similar payments to donors or advisors.
- It is the Foundation's policy that distributions from donor funds may not be made to any specific individual or to organizations that are not described in Section 170(b)(1)(A) or that would result in a taxable distribution.
- Distributions from donor funds will not be made for political campaign or legislative activities.

### **6. INVESTMENT OF ASSETS**

All assets contributed to funds established at the Foundation will be managed by the Foundation. The Foundation funds may be pooled for investment purposes. The Foundation's Investment Committee makes investment decisions for all assets of the Foundation. The Foundation's Board of Trustees approves the recommendations made by the Investment Committee. IRS and Treasury regulations prevent fund donors (those who establish a fund) from making specific investment decisions. Refer to the Foundation's Investment Policy for more details on investment objectives.

### **7. FEES**

Donor funds established at the Foundation are subject to administrative and investment fees. A list of fees is available upon request. The Foundation reserves the right to change its fee structure at any time.

### **8. MINIMUM ANNUAL ADMINISTRATIVE FEE**

The minimum annual administrative support charge is \$250. Funds that have not been assessed this minimum (or a prorated equivalent for funds opening mid-year) by the end of the calendar year will be charged the difference in January of the following year.

### **9. MINIMUM BALANCE**

The donor agrees to maintain a minimum asset balance of \$5,000.00 in the fund. If the fund does not maintain a minimum balance for more than one quarter, the Foundation will contact the donor to obtain additional contributions to raise the asset value above the minimum. If the fund does not achieve and maintain a balance for three (3) consecutive quarters, the Foundation may transfer the fund balance to its unrestricted Foundation Fund and terminate the fund. See "Termination of Fund" below.

### **10. INACTIVE FUNDS**

In order to carry out its policy of consistently distributing charitable dollars to the community, the Foundation will review periodically the grantmaking activity of every advised fund. If a fund has failed to make distributions commensurate in size with the Foundation's spending policy over a two-year period, the Foundation will contact

the advisor(s) to discuss this situation. At that time, the advisor(s) will be given the following options:

- Recommend that the balance of the fund be granted to one or more Section 501(c)(3) public charities of their choice.
- Recommend that the balance of the fund be used to support the community grant making program, where funds will be distributed by the Foundation to meet the most pressing needs of the community. The advisor may also indicate an area of interest, which can also be benefited through the community grant making program.
- Provide a plan for funding a specific charitable project that requires an accumulation of resources for more than a two-year period.

*In the event that the advisor(s) cannot be located or is unresponsive, the balance of the fund will be used to support the Foundation's Community Grantmaking Program or other purpose per the discretion of the Foundation's Board of Trustees.*

#### **11. TERMINATION OF A FUND**

If the Foundation is unable to generate grant recommendations and/or obtain additional contributions from the donor when the fund is inactive and/or the fund drops below the minimum balance for three (3) consecutive quarters, the Foundation may transfer the fund balance to its unrestricted Foundation Fund, and will terminate the fund. The Foundation will send the donor a 90-day notice of termination of the fund. Donors may also assign one generation of successor to advise the fund after the original donors are deceased. After the death of the successor advisors, the fund automatically reverts to the Foundation.

#### **12. SOLICITATION POLICY**

Donors who wish to solicit contributions for a fund at the Foundation must receive advance approval from the Foundation and are required to use the following language in any solicitation: "Funds raised at this event (or for this cause) will be added to the [insert name] Fund (the "Fund") at the Bainbridge Community Foundation, a Section 501(c)(3) organization (the "Foundation"). The Foundation may disburse grants from the fund as recommended by Fund advisors or as community needs dictate. All checks should be made payable to the Bainbridge Community Foundation/[insert name] Fund. The Foundation will not provide any goods or services to you in exchange for a contribution to the Fund. As a component fund of the Foundation, the Foundation has the authority to redirect distributions from the Fund if it becomes necessary to protect donor intent or otherwise comply with the terms and conditions of the Fund."

#### **13. CONFLICT OF TERMS**

In the event of an inconsistency between these terms and conditions, and any terms and conditions appearing elsewhere in

connection with any fund, these terms and conditions as interpreted by the Foundation shall govern, and the Foundation reserves the right to take any actions at any time which, in its discretion, it deems reasonably necessary or desirable for the proper administration of any fund or the Foundation.

#### **14. DISPUTES**

Exclusive jurisdiction over and venue of any suit arising out of or relating to these Fund Terms and Conditions will be in the Superior Court of Kitsap County, Washington, or the Federal District Court for the Western District of Washington. Notwithstanding the foregoing, unless provided otherwise by applicable law, the parties agree that any dispute arising from these Fund Terms and Conditions, any terms and conditions appearing elsewhere in connection with any fund, or related agreements shall be resolved through good faith discussions between the parties over a period of thirty (30) days. If the dispute is not resolved through good faith discussions between the parties, the dispute will be subject to binding arbitration in Kitsap County, Washington, or, if agreed to by the parties, mediation in Kitsap County, Washington, within seventy-five (75) days of the date one party gives notice to the other of a claim.

Any party may submit the matter for final determination to binding arbitration. The arbitration shall be conducted by a single arbitrator experienced in the matters at issue and selected by the parties in accordance with the rules and procedures required by such arbitrator. If the parties cannot agree upon a single arbitrator, the Foundation shall select three (3) arbitrators who are then practicing in Kitsap County, Washington, and the other party shall select a single arbitrator from that list of three (3) arbitrators, who shall be the arbitrator to resolve the dispute. The fees and costs of the arbitrator shall be borne equally by the parties hereto. The arbitrator shall make his or her award in writing and the award will be binding on all parties. Any judgment upon any award, which may include an award of damages, may be entered in any court having jurisdiction thereof. In any dispute between the parties arising out of or under this Agreement, whether or not arbitration or litigation is commenced, the non-prevailing party shall pay the prevailing party's reasonable attorneys' fees, accounting fees and other costs.

In the event of a dispute between the parties arising from this Agreement, each party foregoes and expressly waives any right to a trial by jury or the right to bring a claim in court, individually or as a member of a class or collective action, against the other party. This provision is mandatory.

## **PART II: TERMS APPLICABLE TO SPECIFIC FUNDS**

### **1. DONOR ADVISED FUNDS**

#### **A. Characteristics of Donor Advised Funds**

Donors establishing advised funds are encouraged to make recommendations regarding distributions from the fund for specific charitable purposes or to one or more charitable organizations. Donor advice will be considered only if offered in

writing (including facsimile transmission or electronic correspondence) by the donor(s), or by an advisor(s) or successor advisor(s) to the fund, as designated in writing by the donor(s).

## **B. Role of Advisors**

The Foundation welcomes the involvement and recommendations of its donors with respect to distributions from advised funds, but such recommendations are advisory only and are in no way binding upon the Foundation. In evaluating recommendations for distributions from advised funds, the Foundation staff investigates all prospective grant recipients to ensure that they are organized and operated for charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code; reviews the recommended grantee's financial and program information; and evaluates the advice of donors against the standards and criteria set forth in the Foundation's operating guidelines to ensure that such advice is consistent with specific charitable needs identified by the Foundation as deserving of support and complies with applicable law.

In all cases of two (2) or more advisors, the advisors shall appoint a chairperson and all communications to and from the Foundation will be through the chairperson. In any case where multiple advisors make conflicting recommendations regarding distributions from the fund that cannot be promptly resolved, the Foundation may independently initiate distributions from the fund. In addition, if the advisor(s) fails to make a standing distribution recommendation, or fails to make any distribution recommendations for two (2) consecutive years, the Foundation will contact the advisor(s) to discuss this situation (*see "Inactive Funds" section for more details*).

## **C. Appointment of Additional Advisors**

All requests to appoint additional advisors and successor advisors to an advised fund must be communicated to the Foundation in writing by the donor(s) establishing the fund. If upon the death, resignation, or incapacity of an advised fund's donor(s), the Foundation has not received in writing the names of an additional advisor(s) or successor advisor(s) to the fund, the Foundation will use the fund's balance to support the Community Grantmaking Program to address the most pressing needs in the community or other purpose per the discretion of the Foundation's Board of Trustees.

*Donor advised funds established by corporations and nonprofit organizations, rather than by individuals, are often advised by an appointed committee with a process for selecting new members. Any changes in advisors to the fund must be made in writing by an officer or authorized representative of the corporation or nonprofit organization that established the fund.*

## **2. DESIGNATED FUNDS**

Donors may designate grant distributions to be made to a specific organization, and for a specific purpose at the designated organization.

- The designated organization must be an IRS-determined public charity.
- The donor must provide a directive to the Foundation that outlines the specific grant distribution terms and attach to the Fund Agreement at the time the Fund Agreement is signed.

Supporting fees at the Bainbridge Community Foundation support the annual Community Grants Cycle, the community-based work of the foundation and the grantmaking services provided to donor funds as well as the outside costs of fund investment and maintenance.

**FUND MINIMUMS:**


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<b>New Fund Minimum</b> <i>(A fund must reach this minimum before donors can award initial grants.)</i>	<b>\$10,000.00</b>
<b>Minimum Fund Balance</b> <i>(Donors will be asked to add to their fund when it falls below the minimum.)</i>	<b>\$5,000.00</b>

**ADMINISTRATIVE FEES:**


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*Administrative fees are charged to each fund to help cover general operating costs for gift establishment, receipt of assets and contributions, grants and fund administration, research on nonprofit agencies and issue areas, and BCF other charitable activities. Fees vary depending on the type of fund and lower fees may be negotiated for funds established with a value greater than \$1.5 million. Administrative fees are paid in arrears, collected monthly and withdrawn from the fund's principal.*

<b>Donor-advised funds:</b>	<b>1.25%</b>
<b>Scholarship funds*:</b>	<b>1.25%</b>
<b>Designated funds:</b>	<b>1.05%</b>
<b>Nonprofit Agency funds:</b>	<b>1.05%</b>
<b>Area-of-interest funds:</b>	<b>As determined by BCF Board</b>

\*CONTACT BCF FOR DETAILS. FEES COULD VARY DUE TO ADMINISTRATION.

<b>Minimum Annual Administrative Fee</b> <i>(See Donor Designated and Donor Advised Funds Terms &amp; Conditions)</i>	<b>\$ 250.00</b>
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**INVESTMENT FEES:**


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*Investment fees are charged to each fund to cover fees incurred for professional management of the Bainbridge Community Foundation's investment pool. These fees are set by the managers under contract with the Community Foundation and currently average 0.50% of total market value.*

*Additional fees may be charged for special investing, the use of third party professionals, or other services per the terms of agreement with the fund managers.*



# DONOR DESIGNATED AND DONOR ADVISED FUNDS AGREEMENT

This Donor Designated and Donor Advised Funds Agreement (this "Agreement") is made between \_\_\_\_\_ (the "Donor") and the Bainbridge Community Foundation (the "Foundation"), a publicly supported charitable organization registered in the state of Washington that is tax-exempt under section 501(c)(3) of the Internal Revenue Code (tax number 91-215208).

**1. FUND TYPE**

Donor Designated Fund

Donor Advised Fund

**2. FUND NAME**

Grants made from a fund at the Foundation are accompanied by a letter identifying the name of the fund and the name of the donor(s) recommending the grant, unless anonymity is requested. In accordance with the Foundation's Gift Acceptance Policy, the Foundation's President, Treasurer, Executive Director and key staff have access to the identity of all anonymous donors; this is for legal protection of the Foundation.

Name of Fund: \_\_\_\_\_ *(hereby referenced as the "Fund")*

Is **donor name** anonymity requested?  Yes  No                      Is **fund name** anonymity requested?  Yes  No

**3. DONOR INFORMATION**

Funds may be established by one or more individual donors, by corporate donors or by nonprofit organization donors. Please list donor information below and indicate the primary donor contact. For corporate and nonprofit organization donors, please indicate corporate or organizational representatives, as the case may be, for this fund. Please attach additional sheets if necessary.

**Donor 1**

Name

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Mailing Address

---

City State Zip

---

Home Phone  
(    )

---

Business Phone  
(    )

---

E-mail

---

Date of Birth

---

Primary Contact?  Yes  No

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I would prefer being contacted via:  
 E-mail  Home phone  Business phone  Mail

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Are you working with a professional advisor?  
 Attorney  CPA  Financial Planner  Other

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Professional Advisor's Name

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Company Name

---

Mailing Address

---

City State Zip

---

Phone  
(    )

---

E-mail

**Donor 2**

Name

---

Mailing Address

---

City State Zip

---

Home Phone  
(    )

---

Business Phone  
(    )

---

E-mail

---

Date of Birth

---

Primary Contact?  Yes  No

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I would prefer being contacted via:  
 E-mail  Home phone  Business phone  Mail

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Are you working with a professional advisor?  
 Attorney  CPA  Financial Planner  Other

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Professional Advisor's Name

---

Company Name

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Mailing Address

---

City State Zip

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Phone  
(    )

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E-mail

**4. DESCRIPTION OF GIFT TO THE BAINBRIDGE COMMUNITY FOUNDATION**

The donor(s) hereby assigns, conveys, transfers and delivers to the Foundation the following described property:

- Cash in the amount of \$\_\_\_\_\_
- Securities, Publicly Traded\*
- Personal Property (Please attach description)
- Securities, Privately Held
- Testamentary Gift (Please specify) \_\_\_\_\_
- Real Estate (Please contact the Foundation for transfer procedures and requirements.)
- Other \_\_\_\_\_

\*For a gift of publicly traded securities, please provide the information requested below, attaching additional sheets if necessary. For all gifts other than cash and publicly traded securities, please contact the Foundation for transfer procedures.

Name of Stock
Number of Shares
Approximate Value
Investment Firm Name
Broker's Name
Broker's Phone ( )
Broker's Fax ( )
Broker's E-mail

Name of Stock
Number of Shares
Approximate Value
Investment Firm Name
Broker's Name
Broker's Phone ( )
Broker's Fax ( )
Broker's E-mail

I/we verify that gift assets are from ethical, legal sources.

**5. FUND PROVISIONS**

Note: All Fund Provisions *subject to Donor Designated and Donor Advised Funds Terms and Conditions*

This gift is in memory or honor of: \_\_\_\_\_

The Donor wishes The Fund to follow the selected guidelines:

- Distributions shall be made in a manner that will ensure permanent endowment
- Distributions shall be made according to a maximum annual percentage distribution of \_\_\_\_%
- Distributions may be made from principal and/or interest value
- The Fund is temporarily restricted; Donor wants grant distributions awarded in the following manner: \_\_\_\_\_

(Please indicate time periods and/or fund amounts, minimums or maximums)

**6. GRANTMAKING**

Note: Pursuant to the *Donor Designated and Donor Advised Funds Terms and Conditions*, the minimum grant distribution from a fund is \$250.

**6.1. [For Donor Advised Funds Only] Grantmaking Area(s) of Interest:**

- Arts, Culture & Recreation
- Education
- Environment & Nature
- Health & Human Services
- All Areas
- Other: \_\_\_\_\_

**6.2. [For Donor Advised Funds Only] Community Grantmaking Partnership:**

- I/we would like to participate in the Grants Cycle; please contact me annually.
- I/we do not wish to participate in the Community Grants Cycle at this time.



**6.3. [For Donor Designated Funds Only] Distribution of Grants:**

Pursuant to the *Donor Designated and Donor Advised Funds Terms and Conditions*, Donor recommends that the Foundation awards grants to the following tax-exempt public charities:

<u>Name of Organization</u>	<u>Percentage of Eligible Grant Payable</u>

**7. [FOR DONOR ADVISED FUNDS ONLY] FUND ADVISORS**

Donors establishing an advised fund may designate individuals who will serve as advisors to the fund and who may make recommendations to the Foundation regarding grant distributions from the fund. Donors may designate themselves as advisors, or may designate others in addition to or instead of themselves as advisors.

Once designated, an advisor’s status can only be revoked in writing by the donor(s) establishing the fund. All named advisors have equal rights to recommend grant distributions from the fund. In all cases of two or more advisors, a fund chairperson must be identified. Please note that unless otherwise stated in the comments area, all advisors will receive quarterly fund status reports, grant approval reports and standard mailings from the Foundation. Please indicate below, the advisors to the fund and identify a chairperson. For corporate and nonprofit organization donors, please indicate the individuals who will serve as advisors to the fund on behalf of the corporation or nonprofit organization, as the case may be, and identify a chairperson. Please attach additional sheets, as necessary.

**Advisor 1**

<input type="checkbox"/> If Advisor 1 is same as Donor 1, check here and skip to Chairperson Designation box below
Name
Mailing Address
City State Zip
Phone (     )
E-mail
Relationship to Donor(s)
Comments
Chairperson Designation: <input type="checkbox"/> This advisor will serve as chairperson for this fund.

**Advisor 2**

<input type="checkbox"/> If Advisor 2 is same as Donor 2, check here and skip to Chairperson Designation box below
Name
Mailing Address
City State Zip
Phone (     )
E-mail
Relationship to Donor(s)
Comments
Chairperson Designation: <input type="checkbox"/> This advisor will serve as chairperson for this fund.

**8. SUCCESSION**

**8.1. Succession Plan**

Individual donors establishing a Donor Designated or Donor Advised Fund may choose to create a succession plan for their fund. In the event that the initial donor(s) to this fund dies, resigns, or is otherwise unable to act in this capacity, please:

- Transfer balance of fund to Foundation to support community needs. List specific interests: \_\_\_\_\_
- Transfer balance of fund to an Area-of-Interest Fund (specify): \_\_\_\_\_
- Transfer balance of fund to create Endowed Community Fund of the same name at the Foundation. (\$50,000 minimum)
- [For Designated Funds Only] Continue administration of designated fund per terms of agreement
- [For Donor Advised Funds Only] Transfer fund to a designated fund to support the following charities: \_\_\_\_\_

NOTE: If any of the above boxes are checked, skip Successor Advisor section below.

- [For Donor Advised Funds Only] I wish to permanently endow my fund and name successor advisors below.
- [For Donor Advised Funds Only] I wish to name successors to my fund below.

**8.2. [For Donor Advised Funds Only] Successor Advisors**

Fund advisors can elect individuals as successor advisors to the Fund in the event of death, resignation or loss of capacity. This can be changed by an advisor at any time in writing to the Foundation. Please indicate successor advisors below and identify a chairperson. Please attach additional sheets, as necessary. Founders of advised funds may name two (2) generations of successors; see *Donor Designated and Donor Advised Funds Terms and Conditions*.

**Successor Advisor 1**

Name
Mailing Address
City State Zip
Phone ( )
E-mail
Relationship to Donor(s)
Chairperson Designation: <input type="checkbox"/> This successor advisor will serve as the chairperson

**Successor Advisor 2**

Name
Mailing Address
City State Zip
Phone ( )
E-mail
Relationship to Donor(s)
Chairperson Designation: <input type="checkbox"/> This successor advisor will serve as the chairperson

**9. GRANTS & VARIANCE POWER**

All funds and all distributions from funds established at the Foundation are subject to the Foundation’s variance power and its spending policy; see attached *Donor Designated and Donor Advised Funds Terms and Conditions* documents for more specific details.

**10. OWNERSHIP OF ASSETS**

The Fund is the property of the Foundation. The Fund will include the initial contribution and any property subsequently delivered to the Foundation specifically designated for the Fund and accepted by the Foundation. The Foundation has sole and final authority and discretion as to the investment and reinvestment of the Fund assets as part of the Foundation’s investment portfolio and may commingle the Fund with other Foundation funds. The separate identity of the Fund will be maintained and distributions from the Fund will be clearly identified as such and made in accordance with this Agreement.

**11. AUTHORITY TO MODIFY AGREEMENT**

The Foundation will hold the Fund subject to its Articles of Incorporation and Bylaws, as amended and restated from time to time, including the power of the Foundation’s Board of Trustees to modify any restriction or condition on the distribution of funds for any specified charitable purposes or to specified organizations if in the sole judgment of the Foundation’s Board of Trustees (without the approval of any third party, trustee, custodian or agent) such restriction or condition becomes unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community.

**12. FEES**

The Foundation will charge administrative and management fees on the Fund in accordance with its current fee schedule as approved by the Board of Trustees.

**13. INACTIVE FUNDS**

When the Fund is inactive for a period of twenty-four (24) months, the Foundation will encourage the Donor to recommend grants. If these efforts are unsuccessful, the Foundation may transfer the Fund balance to its unrestricted Foundation Fund and terminate the Fund. See “Termination of Fund” below.

**14. MINIMUM BALANCE**

The Donor agrees to maintain a minimum asset balance of \$5,000.00 in the Fund. If the Fund does not maintain a minimum balance for more than one quarter, the Foundation will contact the Donor to obtain additional contributions to raise the asset value above the minimum. If the Fund does not achieve and maintain a balance in the third consecutive quarter, the Foundation may transfer the Fund balance to its unrestricted Foundation Fund and terminate the Fund. See “Termination of Fund” below.

**15. TERMINATION OF FUND**

See also "Inactive Funds" and "Minimum Balance" provisions above. If the Foundation is unable to generate grant recommendations and/or obtain additional contributions from the Donor when the Fund is inactive and/or the Fund drops below the minimum balance for three (3) consecutive quarters, the Foundation may transfer the Fund balance to its unrestricted Foundation Fund, and will terminate the Fund. The Foundation will send the donor a go-day notice of termination of the Fund.

**16. INTERPRETATION**

This Agreement and the validity and interpretation of this Agreement will be governed by internal laws of the state of Washington, without reference to its choice of law rules. Heading and titles are solely for convenience and may not be used to interpret this Agreement.

**17. COMPLETE AGREEMENT**

This Agreement, including the Foundation's Donor Designated and Donor Advised Terms and Conditions (attached hereto and incorporated herein by this reference), represents the entire agreement between the parties. The Agreement may not be modified, except in writing and signed by all parties.

By signing below the Donor(s) acknowledge that s/he has read this Agreement and the Foundation's *Donor Designated and Donor Advised Funds Terms and Conditions* and agree to the foregoing provisions and the terms and conditions set forth therein. The Donor(s) understand that any contribution, once accepted by the Foundation, represents an irrevocable contribution to the Foundation and is not refundable to The Donor. The Donor(s) hereby certify that, to the best of her/his knowledge, all information presented on this form is accurate and truthful and that s/he will notify the Foundation promptly of any changes to the information contained herein.

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

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

BAINBRIDGE COMMUNITY FOUNDATION:

Executive Director: \_\_\_\_\_ Date: \_\_\_\_\_

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

**18. VOLUNTARY CONTRIBUTION TO THE BAINBRIDGE COMMUNITY FOUNDATION**

- 10% of gift or lump-sum gift (\$ \_\_\_\_\_) to go to the Foundation for operational support.
- 10% of gift or lump-sum gift (\$ \_\_\_\_\_) to go to the Foundation's annual community grantmaking program.

*Please send completed forms to:*

**The Bainbridge Community Foundation**  
299 Madison Ave. N, Suite B  
Bainbridge Island, WA 98110

FOR FOUNDATION ONLY:	Fund Accepted On [Date]: / /	Processed by Staff on [Date]: / /
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# A DONOR BILL OF RIGHTS

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## DEVELOPED BY:



Association of Fundraising Professionals (AFP)



Association for Healthcare Philanthropy (AHP)



Council for Advancement and Support of Education (CASE)



Giving Institute: Leading Consultants to Non-Profits

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**PHILANTHROPY** is based on voluntary action for the common good. It is a tradition of giving and sharing that is primary to the quality of life. To assure that philanthropy merits the respect and trust of the general public, and that donors and prospective donors can have full confidence in the not-for-profit organizations and causes they are asked to support, we declare that all donors have these rights:

## I

To be informed of the organization's mission, of the way the organization intends to use donated resources, and of its capacity to use donations effectively for their intended purposes.

## II

To be informed of the identity of those serving on the organization's governing board, and to expect the board to exercise prudent judgment in its stewardship responsibilities.

## III

To have access to the organization's most recent financial statements.

## IV

To be assured their gifts will be used for the purposes for which they were given.

## V

To receive appropriate acknowledgement and recognition.

## VI

To be assured that information about their donations is handled with respect and with confidentiality to the extent provided by law.

## VII

To expect that all relationships with individuals representing organizations of interest to the donor will be professional in nature.

## VIII

To be informed whether those seeking donations are volunteers, employees of the organization or hired solicitors.

## IX

To have the opportunity for their names to be deleted from mailing lists that an organization may intend to share.

## X

To feel free to ask questions when making a donation and to receive prompt, truthful and forthright answers.



Department of the Treasury  
Internal Revenue Service

P.O. Box 2508  
Cincinnati OH 45201

In reply refer to: 0248421964  
June 02, 2008 LTR 4168C E0  
91-2155208 000000 00 000  
00019606  
BODC: TE

BAINBRIDGE COMMUNITY FOUNDATION  
% THE SEATTLE FOUNDATION  
221 W WINSLOW WAY BOX 30  
BAINBRIDGE ISLAND WA 98110-4915994

16981

Employer Identification Number: 91-2155208  
Person to Contact: Ms. Mitchell  
Toll Free Telephone Number: 1-877-829-5500

Dear Taxpayer:

This is in response to your request of May 21, 2008, regarding your tax-exempt status.

Our records indicate that a determination letter was issued in March 2002, that recognized you as exempt from Federal income tax, and discloses that you are currently exempt under section 501(c)(3) of the Internal Revenue Code.

Our records also indicate you are not a private foundation within the meaning of section 509(a) of the Code because you are described in section(s) 509(a)(1) and 170(b)(1)(A)(vi).

Donors may deduct contributions to you as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for Federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

If you have any questions, please call us at the telephone number shown in the heading of this letter.

Sincerely yours,

Michele M. Sullivan, Oper. Mgr.  
Accounts Management Operations I