

# THE PHILADELPHIA FOUNDATION

The Power of Endless Possibilities.™

## ORGANIZATIONAL ENDOWMENT FUND AGREEMENT

THIS FUND AGREEMENT (“Agreement”) is made this \_\_\_\_ day of \_\_\_\_\_, 201\_, between THE PHILADELPHIA FOUNDATION, a community foundation (“Foundation”), and \_\_\_\_\_ (“Organization”) to establish an organizational endowment fund of the Foundation.

### 1. Creation of the Fund

- (a) Background. The mission of the Organization is to \_\_\_\_\_
- (b) Initial Contribution. The Organization hereby contributes \$ \_\_\_\_\_, minimum of \$25,000, to the Foundation to create the \_\_\_\_\_ Fund (“Fund”). The Organization or any person or other organization may make a subsequent contribution to the Foundation for the Fund. All contribution to the Fund shall be administered pursuant to the terms and conditions of this Agreement. The Fund shall be held by The Philadelphia Foundation, Inc.

### 2. Purpose of the Fund

- (a) The purpose of the Fund is to provide a permanent income stream to the Organization and for the charitable purposes of the Organization so long as the Organization is recognized as exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code or any successor provision of federal tax law.
- (b) In the event that it becomes unnecessary, undesirable, impractical or impossible to utilize the funds for such purposes, the foundation shall have the right to utilize the Fund for such charitable purposes as it deems appropriate in accordance with its governing instruments.
- (c) The Foundation shall not make any determination that it is unnecessary, undesirable, impractical or impossible to use the funds for the purpose set forth in this Agreement without having given at least 30 days prior written notice to the Organization. Notice shall be deemed sufficient if mailed certified mail, return receipt requested, to the last known address of the Organization, whether or not received or received by the Organization.

### 3. Distributions from the Fund

- (a) The Foundation shall make distributions (“Distribution”) from the Fund in accordance with a Spending Policy adopted by the Foundation’s board of Managers (the Board) for component funds of the Foundation. The Spending Policy is designed to allow the funds to be invested on a “total return” basis to maintain and, if possible, increase the real value (as adjusted for inflation) of the funds, while at the same time providing a relatively steady and predictable level of funding for grantees.
- (b) The Spending Rate in effect on the date hereof provides for the Foundation to spend annually 5% of the average fair market value of the Fund calculated over 20 trailing quarters. The administrative fee of 1% (or \$250 minimum) is included in this spending policy.

**4. Administration**

- (a) The Foundation shall administer the Fund in accordance with the terms of this Agreement, under and subject to the Foundation’s governing instruments, as amended from time to time, and in accordance with procedures for the administration of similar funds of the Foundation, including charges for Foundation services. The Fund, and distributions from the Fund, shall be subject to the Foundation’s ultimate control and absolute discretion.
- (b) Fees: Each fund will be charged an annual administrative fee as indicated in 3(b). In addition, all contributions will be charged a processing fee of 1%.
- (c) It is intended that the Fund shall be a “component part” of the Foundation.
- (d) The Foundation shall provide the Organization such information relating to the Fund as either may reasonably request from time to time.
- (e) Charges shall be assessed against the Fund consistent with the charges assessed from time to time against similar funds of the Foundation.

**5. Gift Irrevocable, Limited power of Amendment.**

Gifts to this Fund are irrevocable. The parties or authorized representatives may amend this Agreement by mutual written consent. In addition, for the purpose of ensuring that the Fund qualifies as a component part of the Foundation for federal tax purposes, the Foundation acting alone shall have the power to modify the terms of this Agreement.

**6. Controlling Law**

This Agreement shall be governed by the laws of the Commonwealth of Pennsylvania.

IN WITNESS WHEREOF, the Foundation and the Donor have executed this Agreement.

**THE PHILADELPHIA FOUNDATION**

By: \_\_\_\_\_

Authorized Officer

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

**ORGANIZATION**

\_\_\_\_\_  
Board Chair

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

\_\_\_\_\_  
Treasurer

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

\_\_\_\_\_  
Executive Director

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

Witness:

\_\_\_\_\_