

# THE PHILADELPHIA FOUNDATION

The Power of Endless Possibilities.™

## FULLY MANAGED SCHOLARSHIP FUND AGREEMENT

THIS FUND AGREEMENT (“Agreement”) is made this \_\_\_\_\_ day of \_\_\_\_\_, 2015, between THE PHILADELPHIA FOUNDATION, a community foundation (“Foundation”), and \_\_\_\_\_ (“Donor”), to establish a scholarship fund of the Foundation.

### 1. Creation of the Fund.

Initial Contribution. The Donor hereby contributes \$\_\_\_\_\_ to the Foundation to create the \_\_\_\_\_ Fund (“Fund”). The Donor or any other person may make a subsequent contribution to the Fund, upon approval of the Foundation. All contributions 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 Fund.

- (a) The purpose of the Fund is to provide tuition aid for the post-secondary school education and needy students in the Delaware Valley.
- (b) In the event that it becomes unnecessary, undesirable, impractical or impossible to utilize funds for such purposes or to comply with any other condition of this Agreement, the Foundation shall have the right to utilize the funds for scholarships, educational programs, or such other charitable purposes, or to modify such conditions, as it deems appropriate in accordance with its governing instruments.

### 3. Distributions from the Fund.

- (a) The Fund shall be endowed, and the Foundation will make an annual distribution from the Fund calculated in accordance with the Foundation’s Spending Policy as determined from time to time by the Foundation’s Board of Managers. This distribution includes any distribution for scholarships and the Foundation’s administrative fee.
- (b) If the Fund balance has not reached the Minimum Distribution Level for funds of this type, i.e., \$100,000, only the administrative fee shall be distributed from the Fund.
- (c) If the Minimum Distribution Level is not reached within three years, the Foundation, upon approval of the Board of Managers, has the right, using its variance power, to close the Fund and transfer the assets to the Foundation’s General Scholarship Fund.
- (d) The Foundation reserves the right to revise its Spending Policy and fees at any time.
- (e) The Philadelphia Foundation will select the scholarship recipient(s) using an application process.

**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 ultimate control and absolute discretion of the Foundation.

(b) The Fund is intended to be a component part of the Foundation.

(c) The Foundation shall make distributions from the Fund in accordance with the Spending Policy which provides for the Foundation to spend annually 7% of the average quarterly value of the Fund calculated over 20 trailing quarters. The administrative fee for a Designated Scholarship is currently 3% and is included in this distribution. Of that amount, 1% is currently TPF's basic fee and there is a fee for special services of 3% for Designated Scholarships and it is calculated in the same manner as the basic fee. Charges shall be assessed against the Fund consistent with the charges assessed from time to time against similar funds of the Foundation. In addition, a 3% gift processing fee will be assessed on all gifts made to the Fund.

The special services fee of 1.5% will be charged when the endowment reaches the distribution threshold or when the first grant distribution is made, whichever comes later. Fees may change from time to time in accordance with charges for services of 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 in all respects by the laws of the Commonwealth of Pennsylvania.

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

Attest:

**THE PHILADELPHIA FOUNDATION**

\_\_\_\_\_

By: \_\_\_\_\_  
Authorized Officer

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

Witness:

**DONOR**

\_\_\_\_\_

\_\_\_\_\_

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