



AGREEMENT ESTABLISHING A SCHOLARSHIP FUND OF
THE HOPE CHRISTIAN COMMUNITY FOUNDATION
WWW.HOPECCF.ORG

This agreement is made and entered into the ____ day of _____, 20____, by and between the Hope Christian Community Foundation, Inc. ("Foundation"), and _____ ("Donor").

Whereas, Donor desires to create a donor advised fund with the Foundation in order to carry out the Donor's charitable purposes; and whereas, Donor believes that the Foundation, a not for profit Tennessee corporation exempt from taxation pursuant to the Internal Revenue Code, is the appropriate institution within which to establish a donor advised fund; and Whereas, the Foundation is willing and able to create a donor advised fund subject to the terms and conditions hereof;

Now, therefore, the parties agree as follows:

1. Name of Fund

The fund shall be named the _____ Scholarship Fund of the Hope Christian Community Foundation (hereinafter "Fund").

2. Conditions of Acceptance

Donor acknowledges that the assets transferred to the Foundation shall be subject to all terms and conditions of the Charter and Bylaws of the Hope Christian Community Foundation as they now exist, and as they may from time to time be amended. Donor may not impose any material restrictions or conditions that prevent the Foundation from freely and effectively employing the contributed assets or the income derived therefrom, in the furtherance of its charitable purposes.

3. Donor Recommendations

The Donor may set forth in writing from time to time specific recommendations for the administration of the Fund, including its intended charitable purposes, the Fund Advisors (see section 4) and selected investment strategies. Fund is subject to the policies listed on Schedule B.

4. Fund Advisors

A scholarship advisory Committee may advise the Foundation by copy of Committee meeting minutes from time to time on the distribution of the Fund. The Committee shall unanimously ratify and notify the Foundation in writing of the spokesperson who shall communicate on its behalf. The Foundation may rely upon such notification until changed by written notice executed by a majority of the members of the Committee, and shall not be obligated to consider advice without the designation of such a spokesperson. The Committee shall be composed of:

Name _____ Name _____

Name _____ Name _____

The Donor is encouraged to write a mission statement for the fund in order to communicate strategy and intent for gifts from the fund. In addition, the Donor may wish to place make recommendations to the Committee. Those instructions and the mission statement should be listed on Schedule A of this agreement, *Donors Instructions and Recommendations / Mission Statement*.

5. Inactive Fund

If there are no grants made from the Fund in five consecutive years, then the Advisors will be notified by the Foundation as to the inactivity and the Board of Directors of the Foundation will become the Fund Advisors.

6. Distributions

The Fund will be endowed and distributions will be made annually in the amount of 5% of the Fund's balance based on a four quarter rolling average. No distributions will be made until the Fund balance is equal to or greater than \$25,000.

7. Cost of Administration

Fund will be assessed an annual administrative fee which will be collected quarterly:

- 1.25% on the fund's balance if the applicants are reviewed by an outside committee; or
- 3.25% on the fund's balance if the applicants are reviewed by Community Foundation.

The fee structure may be amended from time to time. The Fund may also be charged regularly for a proper allocation of direct and indirect expenses attributable to the administration and management of the Fund and its assets.

8. Investment Alternatives

Fund shall be invested appropriately with an objective of safeguarded the balance of an endowed fund among the following choices:

- Cash Management Pool (Bank CDs and US Government Agency notes with maturities of less than one-year)
- Reliant Pool - Reliant Investment Management Pool (Short duration, high quality fixed income; 1-3 year maturities)
- Longleaf Pool (invested equally in the Partners Fund, Small-Cap Fund and the International Fund)
- Preserver Partners Pool - Multi-Asset (Invested in equity, fixed income, real estate, and alternative strategies)

Diversified Trust Company Pools:

- Conservative (100% fixed income)
- Balanced (40% fixed income and 60% equity)
- Growth (100% equity)

Please check if the following applies:

- My fund will be \$300,000 or greater, and I plan to recommend my own investment manager

Investment options can be changed anytime; however, the change must be in writing. The Donor is aware of the risk of investing his/her donor-advised fund, and the Foundation is not responsible for poor performance or decline in value. In addition, the Foundation is not responsible for poor decisions made by the investment manager recommended by the Donor.

9. Representatives of Hope Christian Community Foundation

The Foundation represents to the Donor that it has received a ruling from the Internal Revenue Service that it is an organization described in IRS Code Sections 501(c)(3); that the facts and circumstances forming the basis of the issuance of the ruling have not substantially changed since the date of issuance thereof; and that the ruling has not been expressly or impliedly revoked.

Primary Advisor's Contact Information (For statements, newsletters, etc.)

Title First Name Initial Last Name Suffix

Full Address: Street address City State Zip Code

Home Phone Work Mobile Fax

E-mail Address Church Affiliation

Date of Birth Spouse Date of Birth

Referred By

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and date first above written.

Donor's Signature(s) **Date**

Accepted By Hope Executive Director **Date**

**SCHEDULE B
FOR FUNDS GRANTING SCHOLARSHIPS**

Fund Name

IRS Regulations

The Internal Revenue Service (IRS) has established regulations pertaining to making grants to individuals and the role of advisors in recommending grants to the Community Foundation.

The following policies have been adopted by the Foundation in response to the IRS regulations:

- a. The individual grant program serves a charitable purpose.
- b. The group of persons who will be eligible for the grant program constitutes a charitable class.
- c. There are objective criteria for the selection of recipients.
- d. The donor or advisor does not control the process for selecting recipients. Donors and advisors may be members of selection committees provided that they do not control the committee's decision, directly or indirectly.
- e. The sponsoring charity, such as the Hope Christian Community Foundation, publicizes the grant program in an appropriate manner to ensure that eligible individuals are reasonably informed of its availability.
- f. The sponsoring charity screens the selected recipients to ensure that distributions from a donor-advised fund are not made to disqualified persons.
- g. The sponsoring charity retains documentation to show how the recipients were selected and the terms under which the gift was given.
- h. The sponsoring charity establishes procedures to ensure that the granted funds are used for the purpose for which the grant was made, and the procedures it will follow if it discovers a misuse of the funds.
- i. If potential recipients are limited to employees or members of the families of the employees (including deceased or retired employees) of a particular employer, the sponsoring charity verifies that the selection process complies with the guidelines for similarly restricted private foundation scholarship grants and educational loans (other than the requirement for seeking advance approval of the procedures).

Donor's Signature

Date

Donor's Signature

Date