



July 26, 2017

Donor name
Donor address
City, NY zip

Dear Donor:

The Community Foundations of the Hudson Valley (Foundation) is pleased to establish the ***Fund Name*** (Fund). This charitable fund will be identified as such in the course of its administration and distribution, unless the Donor(s) request otherwise. The Fund will be administered by the Foundations subject to the Foundations' charter and bylaws and on the following terms and conditions:

I. Establishing Contribution(s)

You, the "Donor(s)," have irrevocably given [*describe contributed assets, valued at \$5,000 or more*] to the Community Foundations of the Hudson Valley ("Foundations"), a charitable organization described in sections 501(c)(3) and 509(a)(1) of the Internal Revenue Code. You understand that this is an irrevocable gift, which will be used to establish and maintain a charitable fund of the Foundations, subject to the Foundations' governing documents and bylaws.

The Foundations may also receive additional contributions of cash, marketable securities and/or other assets from the Donor(s) or other individuals or businesses as well as distributions of cash, marketable securities and/or other assets from trusts, wills, private foundations or other donor advised funds to either initially fund or add to this Fund.

II. Administration

1. This Fund will be effective upon the acceptance of this agreement by the Foundations. This Fund will be administered in accordance with the normal and customary policies for donor advised funds of the Foundations (available upon request).
2. The Fund shall be the property of the Foundations and shall not be deemed a separate trust held by it in a trustee capacity. The Foundation's Board of Trustees shall have the power to modify any restriction or conditions on the distribution of funds for any specified charitable purposes or to specified organizations if in the sole judgment of the Board of Trustees (without approval of any trustee, custodian or agent), such restriction or condition becomes, in effect, unnecessary, incapable of fulfillment or inconsistent with the charitable needs of the community or area served. The Board of Trustees shall in its sole discretion select a similar use for the income which will most nearly fulfill the original charitable intent of the donor.
3. It is intended that the Fund shall be a component part of the Foundations and not a separate trust, and that nothing in this Agreement shall affect the status of the

Foundations as an organization described in Section 501 (c)(3) of the Internal Revenue Code of 1986, as amended and as an organization which is not a private foundation within the meaning of Section 509 (a) of the Code

III. Fund Advisor(s)

The following individual(s) may serve as an Advisor to this Fund. If there is no Advisor identified, the Donor(s) will serve as the Advisor(s).

i. _____

ii. _____

Upon the death, incapacity, resignation or other disqualification of the Advisor(s) named above, the following individual(s) may serve as successor Advisor(s) to the Fund.

iii. _____

iv. _____

At such time as the Fund ceases to have an Advisor, it will be used for general charitable purposes at the discretion of the Foundations' Board.

IV. Fund Distributions *(select one)*

 Fund with Principal Access

The Foundations welcomes grant recommendations from Advisors for distributions from the income and principal of the Fund.

OR

 Permanently Endowed Fund

The Donor(s) intend(s) to create a fund that is permanently endowed. Each year the Foundations will determine the amount allowed for distributions by applying its spending policy for endowed funds to assets in the fund. Current policy is four percent of the fund's value over 20 rolling quarters. The Foundations welcomes grant recommendations from Advisors for distributions from the spendable portion of the Fund.

The minimum grant recommendation is \$100 to each charitable organization. All recommendations are advisory in nature. The Foundations will independently determine whether recommendations it receives are consistent with charitable purposes and current law. The Foundations may accept or reject recommendations.

The Foundations cannot make distributions to fulfill any pledge, obligation, or membership, or to support any activity from which a Donor, Advisor or related party will receive a benefit, such as event tickets.

V. Fees

The Foundations will assess administrative and investment management fees against the Fund in accordance with the Foundations' published fee schedule, as amended from time to time. The present annual fee is 1% of end of the quarter fund balance on the first \$1 million, 0.5% on the next \$2 million, and 0.25% on the next \$3 million or more. The minimum annual fee is \$250. Fees are assessed quarterly at the rate of one-quarter of the applicable fee due. The Foundations also assesses the Fund for processing expenses in accepting gifts of stock or by credit card, for other direct costs associated with accepting contributed assets, including the cost of carrying, holding, insuring and/or disposing of them, and for any unusual costs associated with the administration of the Fund.

VI. Investments

The assets of the Fund shall be invested according to the Foundations' investment policy, as it may be amended from time to time by the Foundations' Investment Committee with the approval of the Board.

The Foundations maintains investment pools with varying risk and return objectives. These pools are described below. You may make recommendations to the Foundations for investment of your Fund in one or more of these pools. All recommendations must be in writing.

Advisors to large Funds (currently \$500,000 or more) may recommend that an alternative investment advisor be retained for that Fund. A copy of the Foundations' Donor Recommended Investment Advisor Policy is available upon request.

VII. Inactive or Low Balance Funds

If for a three-year or longer period the balance of the Fund remains below \$5,000, or if an advisor stops making grant recommendations, the advisor will be notified that the Fund will be closed and the balance added to an existing fund at the Foundations.

VIII. Anonymity/Publicity

To recognize and honor our donors, the Foundations' policy is to include our donors names in publicity about the Foundations unless they wish to remain anonymous. Please check the box below that best describes your wish regarding publicity:

- I have no objection to the inclusion of my name in Foundations publicity
- I do not wish to have my name included in Foundations publicity; I wish to be listed as an anonymous donor
- Other _____

If this letter of agreement is acceptable to you, kindly sign and return the enclosed copy of this letter to indicate your agreement. We are glad to be of service in establishing the ***Donor Advised Fund Agreement***.

FOR THE COMMUNITY FOUNDATIONS OF THE HUDSON VALLEY,

March S. Gallagher, Esq.
President and CEO

FOR THE DONOR(S),

Agreed to: _____ Date: _____

Agreed to: _____ Date: _____

FUND ADVISOR INFORMATION:

Preferred name for mailing: _____
Preferred mailing address: _____

Phone: (H) _____ (W) _____

FAX: (H) _____ (W) _____

E-mail Address: _____

I WOULD LIKE ACCESS TO FUND INFORMATION ONLINE: YES NO
(Email address is required.)

PLEASE NOTE: IF NOT ANONYMOUS, ACKNOWLEDGEMENTS WILL BE DIRECTED TO YOUR PRIMARY MAILING ADDRESS UNLESS THE FOUNDATIONS IS INSTRUCTED OTHERWISE.

INVESTMENT RECOMMENDATIONS:

The Community Foundations of the Hudson Valley offers for **long-term investing** of permanent endowments the following:

_____ % **Community Foundations Endowment Pool**

The target allocation of this pool is 70 percent equities and 30 percent fixed income. The equity portion of this pool is invested with Dimensional Fund Advisors. The fixed income portion of this pool is invested with Carret Asset Management and Reinhart Partners. This pool is not FDIC insured. Current investment fees are .38%

_____ % **Socially Responsible Investment Fund**

The target allocation of this pool is 70 percent equities and 30 percent fixed income. These assets are invested in the Pax World Balanced Fund. The screens employed are environmental, workplace, corporate governance, community involvement and product integrity. This pool is not FDIC insured. Current investment fees are .68%.

_____ % **Premium Money Market**

For not-for-profit organizations that choose to increase the liquidity or reduce the equity percentage of their endowment fund, this may be included as part of the fund's asset allocation. This money market fund is held at KeyBank. This fund is not FDIC insured.

The Community Foundations of the Hudson Valley offer for **short-term investing** of funds that may be employed in the near term:

_____ % **Certificates of Deposit**

The Foundations will select a certificate of deposit (CD) with a maximum maturity of one year (CDARS). CD's are FDIC or NCUA insured.

_____ % **Premium Money Market**

This money market fund is held at KeyBank. This fund is not FDIC insured.

TOTAL: _____ %

I have discussed the investment options with the Community Foundations and am fully aware of the benefits and potential risks associated with the selection(s) I am recommending.

Signature of Primary Fund Advisor

Date