



465 Anglers Drive, Suite 2-G • P.O. Box 881869 • Steamboat Springs, CO 80488

Policy for Establishing a Donor Advised Fund

1. The Executive Director meets with the prospective donor(s) to determine philanthropic intent, including charitable purpose, longevity, and involvement.
2. The criteria used to determine which fund agreement the donor signs and where the fund is invested is:
 - 1) length of fund
 - 2) amount of gifts to the fund
 - 3) level of activity (regularity of gifts to and grants from fund)
 - 4) the level of credit risk for the YVCF at institutions insured by the FDIC
3. All fund agreements give the Foundation the “sole discretion..... to invest and reinvest the Fund in a prudent manner and the power to commingle assets of the Fund with those of other funds for investment purposes.” (paragraph 4)
4. If the fund is clearly meant to be a spend down fund, either short-term or with a significant amount of activity being conducted in and out of the fund, the donor signs a Special Fund Agreement, and the fund is managed in the non-investment pool (currently a money market account in Steamboat Springs where the YVCF has historically maintained an acceptable credit risk with a balance of \$140,000).
5. If the donor states their intention is for the fund to be an endowment or quasi-endowment, the donor signs a Donor Advised Fund Agreement. The only difference between an endowment and quasi-endowment fund agreement is wording regarding the principal of the Fund being held as a permanent endowment (paragraph 5). With a quasi-endowment, paragraph 5 is modified and funds are typically invested in a short-term investment pool; again determined by the criteria in paragraph 2 above. A short-term investment pool (YVCF Pool #2) was established in the spring of 2002 at Vanguard for quasi-endowments.
6. The selection of the investment pool is determined by the Executive Director, in discussion with the donor, at the time a fund is established. Generally, funds are only invested in the Endowment Pool when they reach \$10,000 or when the donor requests their funds be put in the endowment pool with the intention to build an endowment over time. At this time, funds are only in one investment pool.
7. At the time a fund is established, donors may name one or more individuals to be advisor and also name successor advisors. In the absence of named successor advisors, the Community Foundation will grant the recommended spending policy annually, preserving the original intent of the donor.
8. After a fund is established, the fund advisor may recommend changing the name of the fund. The fund advisor may also expand the charitable intent of the fund but may not restrict the charitable intent. The fund advisor may not change the original fund agreement or impose any material restrictions on the use of the fund.

THE YAMPA VALLEY COMMUNITY FOUNDATION

DONOR ADVISED FUND AGREEMENT

This Agreement is made this ____ day of _____, ____ between _____ ("Donor") and The Yampa Valley Community Foundation, a Colorado nonprofit corporation (the "Foundation"),

RECITALS

1. Donor is desirous of donating assets to the Foundation, and the Foundation is willing to hold and administer a charitable fund to be known as the _____ (the "Fund") pursuant to the terms of this Agreement. The Donor understands the purpose of the Foundation is to benefit the communities in the geographical area of Routt and Moffat counties of Colorado.

It is agreed as follows:

1. The Foundation received the following assets _____ to establish the Fund in the Foundation. The Foundation may receive additional irrevocable gifts acceptable to the Foundation from time to time to be added to the Fund, all subject to the provisions hereof. The Foundation has the right to liquidate and manage all assets in accordance with its policies and procedures.
2. The primary purpose of the Fund shall be for _____.
3. Donor may appoint advisors for purposes of this Agreement and list them on the Successor Advisor Information Sheet included in this agreement. Advisors to this fund may from time to time submit to the Board of Trustees of the Foundation written recommendations with respect to distributions of income of the Fund. All expenses or liabilities incurred by the advisors in connection with fund activities and affairs shall be the sole responsibility of the Donor and not be reimbursed by the Fund.
4. The Foundation shall have all powers necessary and in its sole discretion desirable to carry out the purposes of the Fund, including, but not limited to, the power to sell, retain, invest and reinvest the Fund in a prudent manner and the power to commingle the assets of the Fund with those of other funds for investment purposes.
5. It is the intent that the principal of the Fund shall be held by the Foundation as permanent endowment funds. Earnings received from the principal portion of the Fund shall be termed Distributable Funds, and shall be made available for distribution in accordance with the primary purpose of the Fund and with investment and spending policies adopted by the Foundation and amended from time to time. All such payments shall be made at such times, in such proportions and for such general or specific charitable purposes as the Foundation deems appropriate and, wherever possible, in furtherance of the expressed purpose(s) of the Fund and the mission of the Foundation. The Donor may from time to time submit to the Foundation the names of organizations to which it is recommended that distributions be made. All recommendations from Donor or Advisory Committee for distributions from

the Fund shall be solely advisory, and the Foundation may accept or reject them. The Donor may not receive any personal benefit from any distributions from the Fund.

6. Notwithstanding anything herein to the contrary, the Fund shall at all times be held and administered in accordance with the provisions of the Articles of Incorporation and the Bylaws of the Foundation, all of which are accepted by the Donor, including such provisions relating to amendment or termination of designations of specific organizations, restrictions with respect to the use of principal or income, and other directions or advice from donors. The Donor acknowledges that under the provisions of the Articles and Bylaws of the Foundation, the Board of Trustees of the Foundation shall have the power to modify or eliminate any designation, restriction or condition on the distribution of funds for any specific charitable purposes or designated organization if in its sole judgment (without the necessity or the approval of any participating trustee, custodian or agent) such designation, restriction or condition becomes, in effect, unnecessary, undesirable, impractical, incapable of fulfillment or inconsistent with the charitable needs of the Foundation and the community it serves.

7. The Fund shall continue so long as any established minimum level of assets is available in the Fund and for as long as the purposes of the Fund can be served by its continuation. If the Fund is terminated for either of the above reasons, the Foundation shall devote any remaining assets in the Fund exclusively for charitable purposes that:

- A. are within the scope of the charitable purposes of the Foundation's Articles of Incorporation; and
- B. most nearly approximate, in the good faith opinion of the Board, the original purpose of the fund.

8. All money and property in the Fund shall be assets of the Foundation and not a separate trust.

9. It is understood and agreed that the Fund shall share a fair portion of the total administrative costs of the Foundation. The annual administrative cost charged against the Fund is currently set in the amount of 1% percent of the average annual balance, with a minimum fee of \$100 per year. The administrative fee varies for funds with balances in excess of \$500,000. The Foundation reserves the right to change the administrative cost as it may in its sole discretion decide. Any costs to the Foundation in accepting, transferring or managing property donated to the Foundation for the Fund shall also be paid from the Fund, including credit cards, stock gifts and any other assets.

10. It is intended by the Foundation that federal gift, income and estate tax charitable deductions shall be allowed to donors and to their estates and that the Foundation shall continue to qualify as an organization described in Section 170 (c)(1) or (2) of the Internal Revenue Code of 2005 as amended. This entire Agreement shall be construed and applied so as to comply with the requirements of federal tax law for allowance of such charitable deductions and for such qualifications. The Foundation is authorized to amend this Agreement, by unilateral action, to conform to the provisions of any applicable law or regulation in order to carry out the foregoing intention. This agreement shall be governed by the laws of the State of Colorado. It is intended that this agreement, in addition, comply with the National Standards for Community Foundations and may be amended at any time necessary to comply with these standards and any other changes required as a result of federal or state legislation. This agreement and any duly signed addenda constitute the entirety of the Agreement.

ACCEPTED

DONOR

By: _____ Date: _____

THE YAMPA VALLEY COMMUNITY FOUNDATION
A Colorado Nonprofit Corporation

By: _____ Date: _____

Contact to receive Fund Statements:

Name: _____

Mailing Address: _____

Phone: _____

E-mail: _____

Investment Addendum Advised Fund Agreement

Fund Name: _____

The Yampa Valley Community Foundation currently has two investment options. Investment allocations and options are governed by the Investment Policy and are monitored by the Investment Committee. The Yampa Valley Community Foundation has the power to sell, retain, invest and reinvest funds in accordance with paragraph 4 of the Fund Agreement and its Investment Policy. The Yampa Valley Community Foundation makes no guarantees as to the rate of return of either pool.

Donors have the option of selecting **one pool per fund**. Please select one of the investment options below.

_____ **Pool 1 – The Endowment Pool:** This pool is currently invested in 2% cash, 68% equities and 30% fixed income securities. Changes in investment allocation are at the sole discretion of the Yampa Valley Community Foundation Board of Directors. Endowments are normally established to increase the value of funds over time and grant only a small percentage of the balance each year depending on earnings and desire of the fund advisor(s). It is understood that the balances of the endowment funds fluctuate with financial markets and this option likely entails more risk to principal.

_____ **Pool 2 – The Fixed Income Pool:** This pool is currently invested in a brokerage money market account. Changes in investment vehicles are at the sole discretion of the Yampa Valley Community Foundation Board of Directors. Generally, this pool is for temporary (non-endowed) funds or where fund advisors seek to have less risk of the fund principal.

Fund Advisor:

YVCF

Signature: _____

By: _____

Date: _____

Date: _____



Successor Advisor Information

Fund Name: _____

Current Fund Advisor(s): _____

(These are the individuals that may recommend grants from this fund.)

Please indicate below your wishes for the administration of your donor-advised fund when those named above are no longer able or willing to serve. You may choose from the following two options:

1. We (I) recommend the following advisors listed below to recommend grants during their lifetimes.

Name: _____ Name: _____

Address: _____ Address: _____

Phone: _____ Phone: _____

2. Please continue granting the authorized spending policy through the Community Foundation to organizations that reflect the purpose of our (my) fund or are designated by me in my original fund agreement.

Signed: _____ Date: _____

Note: This form may be changed during the life of the original donors.