

## Fund for Baltimore Endowment Fund Agreement

This agreement is made on \_\_\_\_\_20\_\_ between the Baltimore Community Foundation, Inc. ("BCF") and \_\_\_\_\_ (the "Founder(s)") to establish and govern the administration of a Fund for Baltimore Endowment Fund within BCF.

1. Name of Fund \_\_\_\_\_ (the "Fund").

2. Purpose of Fund

The purpose of the Fund shall be to further the general charitable purposes of BCF through the periodic distributions in support of the BCF's grantmaking, initiatives and advocacy.

3. Property of the Fund

BCF acknowledges receipt of \_\_\_\_\_ (\$\_\_\_\_\_) as the initial property of the Fund.

a) The fund shall also include such additional property as may from time to time be transferred to BCF by the Founder or others for inclusion in the Fund and all undistributed income from the foregoing property. All contributions to the Fund shall be administered pursuant to the terms and conditions of this agreement.

b) Founder(s) acknowledges that the delivery of the initial property and any additional property contributed to the Fund, including any income therefrom, constitutes an irrevocable gift of such property to BCF, and shall constitute an asset of BCF.

4. Distributions from the Fund

**This is an endowed fund.** Distributions will be made under the terms of BCF's spending policy for endowed funds as it is amended from time to time. The Fund will be managed using a total return concept of endowed management based on BCF's spending policy rate, as adjusted from time to time, by BCF's board of trustees. BCF's spending policy for endowed funds is designed to maintain and,

if possible, increase the real value (as adjusted by inflation) of the Fund while at the same time providing a relatively stable but predictable level of funding.

Distributions may be made annually according to the spending policy without regard to the recorded principal value of the Fund. BCF's board of trustees reviews the spending policy annually and approves the spending rate for the following year. The undersigned acknowledge that the Fund will be managed using a total return concept of endowment management based on BCF's spending policy rate as adjusted from time to time by the board of trustees.

#### 5. Fees

BCF assesses a fee to help defray the costs associated with the administration and investment of the Fund. A schedule of the administrative fees in effect at the time of this agreement is attached. BCF reserves the right to increase or decrease the administrative fee from time to time.

#### 6. Policies and Procedures

The Founder(s) have received and reviewed the *Policies and Procedures for Establishing and Operating Fund for Baltimore Endowment Funds* (the "Policies"), which are Policies incorporated herein by reference, and agree to the terms and conditions described therein. The undersigned understand that any contribution, once accepted by BCF, represents an irrevocable gift to BCF. All contributions of any kind and from whatever sources, including any earnings and appreciation on such contributions to the Fund, will be subject to the terms of this Agreement. The Fund will become active once the initial gift is received by BCF. The Founder certifies that all information presented in connection with this Agreement is accurate, and agrees to notify BCF in writing of any changes. In the event of any conflict between the terms of this Agreement and the Policies, the terms of this Agreement will govern.

#### 7. Investments

BCF retains final discretion regarding the investment of the Fund. The undersigned understand that investments will be administered in accordance with BCF's investment policies as determined from time to time by its board of trustees. The undersigned acknowledge that investments are subject to the risk of market and interest rate fluctuation, and that any investment gain or loss generated will be credited or charged to the Fund. The total investment return of each investment vehicle is net of its operating expenses.

8. Changed Conditions

Should the purposes for which the Fund was created ever become obsolete, inconsistent with the charitable needs of the community or incapable of fulfillment, as determined by BCF's board of trustees in its sole discretion, BCF's board of trustees shall have the power and authority to modify any restriction or condition on the distribution of funds set forth in this Agreement. In adopting any such modification, the board of trustees shall endeavor to use the funds for a purpose as similar as possible as those set forth in this Agreement.

*The undersigned are the Founders of the Fund and agree to the terms of this Agreement. This Agreement shall be governed in all respects by the laws of the State of Maryland. BCF is authorized to amend this Agreement to conform to the provisions of any applicable law or government regulation.*

Founders:

\_\_\_\_\_

Name, Title

\_\_\_\_\_

Date

\_\_\_\_\_

Name, Title

\_\_\_\_\_

Date

The Baltimore Community Foundation, Inc.

By:

\_\_\_\_\_

Thomas E. Wilcox, President

\_\_\_\_\_

Date

# Policies and Procedures for Establishing and Operating Fund for Baltimore Endowment Funds

## Authorization

The Baltimore Community Foundation, Inc. ("BCF") has authorized the establishment of Fund for Baltimore Endowment Funds by resolution of the board of trustees adopted on February 4, 1972. These policies and procedures, which constitute a part of the Fund for Baltimore Endowment Fund agreement to which they are attached, may be amended from time to time when deemed necessary or desirable by BCF's board of trustees.

## Characteristics of Fund for Baltimore Endowment Funds

Contributions to Fund for Baltimore Endowment Funds, along with any earnings and appreciation on such contributions, represent irrevocable gifts to BCF subject to the legal and fiduciary ownership and control of BCF's board of trustees. Any costs related to stock transactions for the fund's benefit are borne by the fund.

## Administration of Fund for Baltimore Endowment Funds

Each Fund for Baltimore Endowment Fund shall be the property of BCF, owned by it in its normal corporate capacity. In such capacity, BCF shall have the ultimate authority and control of all property in the fund, including earnings and appreciation, for BCF's charitable purposes. Each fund may be recorded on BCF's books and records of BCF as an identifiable and separate fund and may be given a name or other appropriate designation as requested by the founders in the agreement. Anything herein or in the deed of gift or other instrument of transfer creating a Fund for Baltimore Endowment Fund to the contrary notwithstanding, each fund shall be a component part of BCF, as defined in Section 1.170A-9(e)(11) of the Income Tax Regulations, or any successor regulation, and shall be subject to BCF's governing instruments, including the Articles of Incorporation and Bylaws, as amended from time to time.

## Distributions

BCF shall collect the income and shall pay and distribute an amount as provided in the BCF's spending policy, as in effect from time to time, exclusively for charitable, educational and other purposes, as described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended from time to time (the "Code") consistent with the Purpose of the Fund as described in Section 2.

### Spending Policy

BCF's board of trustees may adjust the spending policy rate from time to time. In determining the spending policy rate, the board of trustees may consider the expected total return on the investments of BCF's permanent funds, and the desirability of maintaining the value of BCF's permanent funds, and other factors that it deems relevant.

### Endowed Funds – Calculation of Spendable

Endowed funds are managed using a total return approach, which utilizes both income and capital appreciation. The spendable amount available for grantmaking is calculated annually by applying the spending rate— currently set at 4%-5% depending on the type of fund—to the average of the fund's principal value for the previous twelve quarters ending each September 30th.

For newly created funds, no calculation will be made until four quarters after the September 30 following creation of the fund. After that time and until the fund has been in existence for twelve full quarters, the average will be based on the number of quarters the fund has been in existence as of each September 30th.

The full amount available for grantmaking is not required to be distributed annually; any portion may remain in the investment pool for long-term growth or may be carried forward for future grantmaking.

### Conflict of Terms

In the event of an inconsistency between these policies and the agreement, the terms of the agreement will govern. In the event of any inconsistency between these policies and any other procedures, terms or conditions appearing elsewhere in connection with any fund, these policies, as interpreted by BCF, shall govern, and BCF reserves the right to take any actions at any time which, in its sole discretion, it deems reasonably necessary or desirable for the proper administration of any fund.

### Fees

Fund for Baltimore Endowment Funds are subject to administrative and investment fees and BCF reserves the right to change its fee structure at any time.