

# CENTRE COUNTY COMMUNITY FOUNDATION INC.

## ORGANIZATION ENDOWMENT FUND LETTER OF AGREEMENT

Centre County Community Foundation, Inc.  
2013 Sandy Drive, Suite 202  
P.O. Box 648  
State College, PA 16804-0648

In Re: \_\_\_\_\_ Fund

Ladies and Gentlemen:

THIS AGREEMENT is made as of the \_\_\_ day of \_\_\_\_\_, 20\_\_\_, at \_\_\_\_\_, \_\_\_\_\_, between the \_\_\_\_\_ (the "Agency"), a corporation established under the nonprofit corporation law of the State of \_\_\_\_\_, with its principal office located at \_\_\_\_\_, and Centre County Community Foundation, Inc., a corporation organized under the nonprofit corporation law of Pennsylvania, with its principal office located at 2013 Sandy Drive, State College, Pennsylvania.

WHEREAS, the Parties to this Agreement have a common interest in the welfare of the community and in serving charitable, scientific or educational purposes for the benefit of the community primarily in and around Centre County, Pennsylvania;

WHEREAS, each Party is a qualified charitable organization (as defined in paragraph 6); and

WHEREAS, the Foundation has been established with a principal purpose to receive and administer funds as endowments for various charitable, scientific or educational purposes and organizations in the community, various interested parties have expressed a desire to establish a fund in the Foundation in the nature of an endowment to provide current income and long-term protection for the operations of \_\_\_\_\_, and \_\_\_\_\_ wishes to have the benefits of such a fund.

NOW, THEREFORE, the Parties agree as follows:

1. Establishment of the Fund. A fund shall be established on the books of the Foundation and shall be known as the \_\_\_\_\_ Fund (the "Fund"). The Foundation acknowledges receipt of the property listed in Schedule "A" attached hereto and made a part hereof as the initial property of the Fund.

It is understood that the minimum amount for an Organization Endowment within the Foundation is \$25,000. "Step-up funds" may be established with an initial minimum contribution of \$5,000 to build to \$25,000 minimum within five years. If the Fund fails to reach \$25,000 within five years the Board of Directors of the Foundation (the "Board") may combine these funds with other unrestricted or discretionary funds of the Foundation.

2. Property of the Fund. The Fund shall include the property received with the execution of this Agreement, such additional property as may from time to time be transferred to the Foundation by \_\_\_\_\_ and others, for inclusion in the Fund, such additional property as may from time to time be transferred from any other source for inclusion in the Fund and accepted by the Foundation, and all undistributed income from the foregoing property. The Fund shall be the exclusive property of the Foundation, held by it in its corporate capacity, and shall not be deemed a trust fund held by it in a trustee capacity. The Foundation shall have the ultimate authority and control over all property in the Fund, and all future accruals, accumulations, interest, dividends and other capital growth of any nature, less all management fees, in accordance with the Articles of Incorporation and Bylaws of the Foundation (as they may be amended from time to time), and the terms of this Agreement, applied in a manner not inconsistent with said Articles and Bylaws.

3. Designation of Purpose. The Fund shall be used for support of the charitable, scientific, or educational purposes of \_\_\_\_\_ and its affiliated agencies (if any).

4. Distributions. Distributions from the fund shall be in accordance with the spending policy established by the Board of the Foundation and shall be paid and distributed at least annually, or more frequently, as the Parties may from time to time agree. No charitable distributions will be paid until a “step-up fund” reaches \$25,000.

5. Loss of Qualified Status

(a) If the Foundation ceases to be a qualified charitable organization or if the Foundation proposes to dissolve, the assets of the Fund shall, after payment or making provision for payment of any liabilities properly chargeable to the Fund, be distributed to \_\_\_\_\_. If \_\_\_\_\_ is not then a qualified charitable organization, said assets shall be distributed in such manner and to such organization or organizations in the community as satisfies the requirements of a qualified charitable organization and serves purposes similar to those of \_\_\_\_\_.

(b) If, at any time in the future, it becomes unnecessary, impossible, or inconsistent with charitable needs as determined by the Foundation, to make the payments for the Purpose described herein, the Foundation shall instead make payments to such other organization(s) which is (are) then qualified to receive such payments under the Internal Revenue Code of 1986, as amended (the “Code”), in such manner as most closely accomplishes the original purposes of the Fund.

6. Definitions and Construction.

(a) As used in this Agreement:

(1) “Qualified charitable organization” means an organization described in section 501(c)(3), which is other than a private foundation under section 509(a) of the Internal Revenue Code.

\_\_\_\_\_ Fund

(2) References to any provision of the Internal Revenue Code shall be deemed references to the U.S. Internal Revenue Code of 1986, as the same may be amended from time to time, and the corresponding provision of any future U.S. Internal Revenue Code.

(b) It is intended that the Fund shall be a component part of the Foundation and that nothing in this agreement shall affect the status of the Foundation as an entity that is a qualified charitable organization. This Agreement shall be interpreted in a manner consistent with this intention and so as to conform to the requirements of the Internal Revenue Code and any regulations issued pursuant thereto applicable to the intended status of the Foundation.

IN WITNESS WHEREOF, each Party has executed this Agreement by its duly authorized officers effective as of the day and year first above written.

\_\_\_\_\_  
Witness/Attest

By: \_\_\_\_\_  
(Authorized signature)

\_\_\_\_\_  
(Name) (Title)

CENTRE COUNTY COMMUNITY  
FOUNDATION, INC.

\_\_\_\_\_  
By: \_\_\_\_\_  
(Authorized signature)

\_\_\_\_\_  
Attest

\_\_\_\_\_  
(Name) (Title)