

# RANCHO SANTA FE FOUNDATION

## DONOR ADVISED FUND AGREEMENT FOR

(Donor name)

THIS AGREEMENT made and entered into on, \_\_\_\_\_ by and between  
RANCHO SANTA FE FOUNDATION (“Foundation”), and

(“Donor”)

### 1. Fund Name

Donor[s] transfer irrevocably to the Foundation the sum of \_\_\_\_\_ to establish in the Foundation a donor advised fund designated as \_\_\_\_\_ Donor Advised Fund (“Fund”). The Rancho Santa Fe Foundation may receive additional irrevocable gifts of property acceptable to the Foundation from time to time from Donor[s] and from any other source to be added to the Fund, all subject to the provisions hereof.

### 2. PURPOSE

Subject to the limitations of paragraphs 5 and 6 below, the purpose of the Fund shall be for general charitable purposes. Consistent with the foregoing, distributions of principal shall be made to such grantees of the type described in paragraph 5 as may be designated by the Foundation. **(this is canned language and we will change according to your interests etc.)**

### 3. INVESTMENT OF FUNDS

The Foundation shall have all powers necessary or desirable to carry out the purposes of the Fund, including, but not limited to, the power to retain, invest and reinvest the Fund in any manner within the “prudent investor” standard and the power to commingle the assets of the Fund with those of other funds for investment purposes, subject however, to the requirements of Sections 5231 and 5240 of the California Corporation Code.

#### 4. ALLOCATION OF FOUNDATION EARNINGS AND LOSSES TO FUND

The Foundation shall credit and debit earnings and losses, respectively, on the Fund's investments (including an appropriate portion of investment gains, losses and expenses of other investment assets of the Foundation which are commingled with the Fund) to the Fund. Donor recognizes and agrees that the Fund balance may, by reason of losses from such investments, result in a decrease in the Fund balance. There is no guarantee that the Fund will be invested profitably; the Fund's principal balance may decrease by reason of investment losses and other expenses.

All income allocated by the Foundation to the Fund, pursuant to the Uniform Management of Institutional Funds Act or otherwise, net of the fees set forth in paragraph 9, and principal to the extent permitted by the gift, shall be committed, granted or expended for, or in the furtherance of, the purposes of the Fund.

#### 5. DISTRIBUTION FOR CHARITABLE PURPOSES ONLY

Subject to paragraph 6, principal and/or earnings allocated by the Foundation to the Fund shall be distributed exclusively for charitable, scientific, literary or educational purposes or to organizations of the type to which an individual taxpayer may make deductible contributions, gifts, and bequests under the income, gift and estate tax provisions of the Internal Revenue Code of 1986, as amended, and of the Revenue and Taxation Code of California. It is intended by the foregoing that at the time a distribution is made from the Fund, the distribution must be made for a charitable, scientific, literary or educational purpose as described in, or to an organization which is described in, Sections 170(c)(1) or (2), of the Internal Revenue code of 1986, as amended, and Section 17201 of the Revenue and Taxation Code of California. Distributions from the Fund shall be within the purposes and procedures of the Foundation as contained in its Articles of Incorporation and its Bylaws.

#### 6. RECOMMENDATIONS FOR DISTRIBUTION

a. The Donor(s) shall be the advisor(s) of the Fund (the "Fund Advisor(s)"). Upon the death or incapacity of one of the Donors, the remaining Donor shall be the Fund Advisor. Upon the death or incapacity of the last surviving Donor, the Board of Directors of the Foundation shall serve as the Fund Advisor. **(Here you may also name successor advisors)**

b. Distributions from the Fund may be made from principal exclusively from the Fund and shall be made at such times and in such amounts as may be determined by the Board of Directors. The Fund Advisor may from time to time submit to the Foundation the names of grantees to which it is recommended that distributions be made, which grantees shall not be other than those described in paragraph 5. All recommendations from the Fund Advisor shall be solely advisory, and the Foundation may accept or reject them, applying reasonable standards and guidelines with regard thereto.

## 7. CONTINUITY OF THE FUND

The Fund shall continue so long as assets are available in the Fund and 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 of Directors, the original purpose of the Fund.

## 8. NOT A SEPARATE TRUST

The Fund shall be subject to the Articles of Incorporation and Bylaws of the Foundation. All money and property in the Fund shall be assets of the Foundation, and not a separate trust, and shall be subject only to **the exclusive legal (this is the new wording) control** of the Foundation. Pursuant to Treasury Regulations, the Board of Directors of the Rancho Santa Fe Foundation has the power "to modify any restriction or condition on the distribution of funds for any specified charitable purpose or to any specified organization if, in the sole discretion of the Board of Directors, such restriction or condition becomes unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community or area served." Treasury Reg. 1.170A-9(e)(11)(v)(B) and (E).

## 9. COSTS OF THE FUND

It is understood and agreed that the Fund shall share a fair portion of the total administrative costs of the Foundation. The administrative cost annually charged against the Fund shall be determined in accordance with the then current Fee Policy identified by the Foundation as the fee structure applicable to Funds of this type. 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.

## 10. ACCOUNTING

This Fund shall be accounted for separately and apart from other gifts to the Foundation.

## 11. CHARITABLE DEDUCTIONS

It is intended by Donors and by the Foundation that federal gift, income and estate tax charitable deductions shall be allowed to all donors to this Fund and to their respective estates and that the Foundation shall continue to qualify as an organization described in Sections 170(b)(1)(A) (vi), 170(c), 2055(a), and 2522(a) of the Internal Revenue code of 1986.

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.

IN WITNESS THEREOF, we execute this agreement on \_\_\_\_\_.

Donor[s] \_\_\_\_\_  
\_\_\_\_\_

Approved by the Board of Directors of the Rancho Santa Fe Foundation on \_\_\_\_\_

By: \_\_\_\_\_  
Chairman, Board of Directors

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