

## *Sample Wording to Create a Donor-Advised Fund*

# FIRST COMMUNITY FOUNDATION OF PENNSYLVANIA

## DONOR ADVISED FUND AGREEMENT

First Community Foundation of Pennsylvania  
330 Pine Street, Suite 401  
Williamsport, PA 17701

RE: The \_\_\_\_\_(enter name)\_\_\_\_\_ Fund

Ladies and Gentlemen:

Delivery has been made to you, by the undersigned Donor(s), of a gift of \_\_\_\_\_[insert amount of gift, number of shares of stock, or other description of donated property]\_\_\_\_\_. Delivery of said property constitutes an irrevocable gift to the First Community Foundation of Pennsylvania upon your acceptance of the gift and of the following terms and conditions:

1. A fund shall be established on the books of the First Community Foundation of Pennsylvania, (“the Foundation”) which shall be known as The \_\_\_\_\_ Fund (“the Fund”);
2. The Fund is established primarily to benefit the communities of \_\_\_\_\_, Pennsylvania, unless otherwise specified in Section 5 below, through grants made to deserving and qualified non-profit entities;
3. The Fund shall include the property received from us, such property as has been or as may be, from time to time, transferred to the Foundation by us for inclusion in the Fund, such property as may, from time to time, be received by the Foundation from any other source and accepted by it for inclusion in the Fund, and all income from the foregoing property;
4. The Fund shall be the property of The Foundation held by it in its normal corporate capacity, subject to its governing documents (as may from time-to-time be amended), and administered by its Board of Directors and staff; it shall not be deemed a trust fund held by it in a trustee capacity;
5. The Donor(s) shall have the right and the responsibility to recommend distributions of income to the Foundation. It is understood that these recommendations are advisory in nature. Upon review of these recommendations, the Foundation will distribute grants from the Fund in accordance with the Foundation’s governing documents and policies. Income shall be calculated as a percentage of the market value of the Fund using a total return investment and spending approach as provided for in the Foundation’s Investment & Spending Policies (as may from time-to-time be amended).
6. The Donor reserves the right to appoint secondary advisors to the Fund. It is understood that this appointment can only be made so long as it does not jeopardize the Foundation’s status with the Internal Revenue Service as described in Section 9 below and as approved by Foundation directors in office at the time.

7. The Donors reserve the right to use all or a portion of the Fund to create a Designated Fund within the First Community Foundation of Pennsylvania. These endowments will perpetually distribute income to named charities so long as their purpose remains charitable and possible to accomplish. Should, over time, the mission of an organization named in a Designated Fund become impossible to accomplish, for-profit or inconsistent with identified needs. The Board of Directors may use its variance power as provided in its governing documents to ensure that the Fund's distributions are consistent with the donor's original intent and with current charitable needs;
8. The Foundation will provide accounting and related financial management services associated with the Fund. The Fund may be assessed a First Community Foundation of Pennsylvania administrative fee, which is currently calculated as a percentage of Fund market value as provided by the Foundation's Investment & Spending Policies. The Fund may be assessed an investment management fee in accordance with the fees charged by the mutual funds or investment managers used by the Foundation;
9. It is intended that the Fund shall be a component part of the Foundation and not a separate trust and nothing in this agreement shall affect the status of the Foundation as an organization described in Section 501(c) (3) of the Internal Revenue Code of 1986, and as an organization which is not a private foundation within the meaning of Section 509(a) of the Code. This agreement shall be interpreted in a manner consistent with the foregoing intention and so as to conform to the requirement of the foregoing provisions of the federal tax laws and regulation issued pursuant thereto. The Foundation is authorized to amend this agreement to conform to the provisions of any applicable law or government regulation in order to carry out the foregoing intention. References herein to provisions of the Internal Revenue Code of 1986 shall be deemed references to the corresponding provisions of any future Internal Revenue Law.

Kindly indicate below your acceptance of this gift and of the foregoing terms and conditions.

Very truly yours,

\_\_\_\_\_  
DONOR

\_\_\_\_\_  
WITNESS

Accepted as of this \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_\_. Receipt of the above-described property is acknowledged.

FIRST COMMUNITY FOUNDATION OF PENNSYLVANIA

By:

\_\_\_\_\_  
PRESIDENT & CEO

\_\_\_\_\_  
WITNESS