

Donor Endowment Fund Agreement



**COMMUNITY
FOUNDATION**
for Cecil County

1. ENDOWMENT FUND INFORMATION

This Agreement is made on _____ between the Community Foundation for Cecil County and _____ (Donor), to establish and govern the administration of a Donor Endowment Fund to support Cecil County nonprofits as defined below.

2. NAME OF FUND:

Funds at the Community Foundation for Cecil County (CFCC) are identified by name.

Please indicate the name of this fund: _____

3. PURPOSE OF the ENDOWMENT FUND

Designated for the support of the following: (List one or more organizations that are qualified 501(c) (3) entities located in Cecil County. If you do not select a specific organization, you may define a generic charitable purpose for the income of the endowment fund or allow CFCC Board of Directors to use the funds in the best interest of the nonprofit community.

_____.

4. CONTRIBUTION TO THE FUND

An initial contribution of \$_____ made via _____ (*check, securities, other*) will be contributed to opening this endowment fund. The goal of this endowment fund is to achieve a minimum balance of \$50,000. Deferred gifts received through trusts or estates may be exempt from the initial contribution requirement.

All contributions to the endowment fund shall be administered pursuant to the terms and conditions of this agreement and the CFCC *Endowment Policy*. All parties agree and approve any future changes in terms, conditions or language as may be necessary or incidental to reform this agreement to conform to any existing or subsequent IRS regulations.

The Donor agrees to transfer and assign to CFCC all the Donor's right, title and interest in and to certain assets listed on Schedule A of this Agreement for the purpose of creating an endowment fund. This gift is irrevocable.

5. ADDITIONAL CONTRIBUTIONS

Once a Donor Endowment Fund is established, contributions may be added to the Fund at any time by the Donor, other persons, organizations, trust or entities who or which desire to contribute to the Fund. Contributions made to an existing Fund shall be administered and distributed in accordance with the provisions set forth in this Agreement.

6. DISTRIBUTIONS FROM THE ENDOWMENT FUND

This is an endowment fund. Distributions will be made under the terms of CFCC's *Spending Policy*. The fund will be managed using a total return concept of endowment management based on CFCC's spending rate, as adjusted from time to time by CFCC's Board of Directors. CFCC's Board of Directors reviews the spending rate annually and approves the rate for the following year.

CFCC's *Spending Policy* for endowment funds is designed to maintain and, if possible, increase the real value (as adjusted

Donor Endowment Fund Agreement



**COMMUNITY
FOUNDATION**
for Cecil County

by inflation) of the fund while at the same time providing a relatively stable but predictable level of income for distribution to qualified nonprofits.

7. INVESTMENTS OF FUND ASSETS

This endowment fund will be invested as per the current CFCC *Investment Policy Statement*. The undersigned acknowledge that investments are subject to the risk of market and interest rate fluctuations, 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. COST OF ADMINISTRATION

CFCC assesses a fee to help defray the costs associated with the administration of endowment funds. Administration fees cover fund management, such as due diligence procedures, the receipt and acknowledgment of contributions, processing and payment of distributions, and compliance with federal and state reporting requirements.

Fees are assessed quarterly and are calculated as follows: the average month-end balance of the previous 3 months multiplied by the annual fee percentage and divided by four. Additional terms may be set for some funds, such as those requiring additional or special services. New funds are charged a one-time set-up fee of \$250. Please see the *Fund Fees for Administrative Purposes* policy for more details.

9. RESPONSIBILITY for the ENDOWMENT FUND

The Donor Endowment Fund will become active once the initial gift is received by CFCC. Legal control and responsibility for the fund rests with CFCC. In carrying out such responsibilities, CFCC shall hold, manage, invest, and reinvest the assets of the fund, and shall collect the income and disburse monies from the fund for the charitable purposes outlined in this Agreement. In the event of any conflict between the terms of this Agreement and the CFCC Policies, the terms of this Agreement will govern.

10. VARIANCE POWER

CFCC is committed to abiding by the wishes of each Donor. Occasionally, a situation arises that renders this impossible such as when a nonprofit organization closes; a nonprofit is not in compliance with State laws; a specified program is no longer needed; or the purpose of the Fund becomes obsolete, inconsistent with the charitable needs of the community, or incapable of fulfillment. As stated in the CFCC's Bylaws, *the Board shall have the power to modify any restriction or condition on the distribution of funds for any specified charitable purposes or to specified organizations if in the sole judgment of the Board, such restrictions or conditions become in effect unnecessary, incapable of fulfillment, illegal or inconsistent with the charitable needs of the receiving nonprofits*. In adopting such modification, the Board of Directors shall endeavor to use the funds for a purpose as similar as possible to those set forth in this Agreement.

11. REPRESENTATION OF COMMUNITY FOUNDATION

The Community Foundation for Cecil County received its IRS determination letter in September 2025 and represents to the Donor that it has received a ruling from the Internal Revenue Service that it is an organization described in the Internal Revenue Code Sections 501(c)(3), 170(b)(1)(A)(vi) and 509(a)(1); that the facts and circumstances forming the

12. ATTACHED SCHEDULES

Donor Endowment Fund Agreement



**COMMUNITY
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for Cecil County

basis for the issuance of the ruling have not substantially changed since the date of issuance; and that the ruling has not been expressly or impliedly revoked.

The following Schedules are attached and made part of this Agreement. Schedule A

13. SIGNATURES

The undersigned Donor(s) acknowledges that I/we have read and agreed to the terms of this agreement and the related CFCC Policies and Procedures.

This agreement may be amended only by mutual agreement of the parties hereto and this agreement shall be governed in all respects by the laws of the State of Maryland. CFCC is authorized to amend this agreement to conform to the provisions of any applicable law, IRS or government regulation.

Donor(s)

Signature

Signature

Name/Title

Name/Title

Date

Date

Mailing Address of the Donor or Organization:

Name

Street Address

City, State, Zip

Community Foundation for Cecil County:

Christine Valuckas Ed.D., President

Date

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Attachment A: ASSETS TO BE TRANSFERRED

Estimated Value of Initial Contribution to the Endowment Fund named _____

Cash _____

Stocks _____

Bonds _____

If contributing securities, please identify those securities and the name the broker/firm handling the transfer.

Name of Security(ies) _____

Broker _____

Firm _____

Contact Information _____

Additional Information _____
