



**FUND AGREEMENT BETWEEN
SOUTH DAKOTA COMMUNITY FOUNDATION OF
1714 N. LINCOLN AVE., PO BOX 296,
PIERRE, SOUTH DAKOTA 57501**

AND

**LOCAL COMMUNITY FOUNDATION
534 SOMEWHERE AVE SE
ROLLING HILLS, SD 57564**

THIS AGREEMENT is made and entered into this _____, day of _____, 2016 between South Dakota Community Foundation, 1714 N. Lincoln, PO Box 296, Pierre, South Dakota 57501, party of the first part, hereafter referred to as "Foundation," and LOCAL COMMUNITY FOUNDATION, 534 Somewhere Ave SE, Rolling Hills, SD 57350, party of the second part, hereafter referred to as "Donor."

WHEREAS:

- (i) Foundation is a charitable organization as is described in Section 501(c)(3), other than a private foundation under 509 (a) of the Internal Revenue Code;
- (ii) Donor represents a community(s);

Donor is making a future contribution to the Foundation establishing the **LOCAL COMMUNITY FOUNDATION**, a fund within the South Dakota Community Foundation with the expectation that earnings from the contribution will be distributed by Foundation for charitable, religious, educational or scientific purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986; and

- (iii) Foundation and Donor believe that the cooperative ties defined by this Agreement are desirable and would be mutually beneficial to Foundation and Donor, and to their respective constituencies, and accordingly Foundation and Donor do hereby mutually agree as follows:

1. There is hereby established in the South Dakota Community Foundation and as a part thereof a fund, named and to be referred to as the LOCAL COMMUNITY FOUNDATION, to receive gifts in whatever form or property is acceptable to Foundation, and to administer the same in accordance with Guidelines as approved from time to time by the Foundation Board of Directors.

2. Donor irrevocably transfers to Foundation, effective as of this _____, day of _____, 2016, all of its right, title and interest in and to the money, assets, funds, property and rights shown on the attached Exhibit A which by this reference is made a part hereof, and Donor represents to Foundation that the total thereof are not subject to any restrictive type of Donor recommendation, all of such assets to be designated as a deposit to the LOCAL COMMUNITY FOUNDATION.

3. Distributable income from the LOCAL COMMUNITY FOUNDATION shall be used to support charitable causes as recommended by LOCAL COMMUNITY FOUNDATION'S board of directors; (or) As applicable, the distribution of income from the LOCAL COMMUNITY FOUNDATION shall be made by Foundation consistent with its Articles of Incorporation, By-Laws and Guidelines, as the same now or as the same may be amended from time to time by the Foundation's Board of Directors. The board shall have the power to modify any restriction or condition on the distribution of funds for any specified charitable purpose or to specified organizations if in the sole judgment of the board (without any approval of any trustee, custodian or agent), such restriction or condition becomes, in effect, unnecessary, incapable of fulfillment or inconsistent with the charitable needs of the community or area served.

4. The LOCAL COMMUNITY FOUNDATION is the sole and exclusive property of the Foundation held by it in its corporate capacity and is not a trust fund held by the Foundation in any kind of a Trustee relationship. Foundation has absolute and ultimate authority and control over all property in the LOCAL COMMUNITY FOUNDATION, and in the income derived there from.

5. Any cost to the Foundation in accepting, transferring or managing the property donated to the Foundation shall first be paid from the LOCAL COMMUNITY FOUNDATION; further, the LOCAL COMMUNITY FOUNDATION (as must all funds of the Foundation), shall share proportionately in the total administrative cost of the South Dakota Community Foundation, and any such administrative cost shall be charged annually against the LOCAL COMMUNITY FOUNDATION determined in accordance with the then current fee structure or Guidelines which have been established by the Directors of Foundation.

6. Distributable income from the fund will be made available for distribution not less often than annually, which may be on an annualized basis, or a calendar year basis, or a portion of either, as determined by the Directors of the Foundation.

7. The contributions to the LOCAL COMMUNITY FOUNDATION may be commingled with other Foundation property for administrative and investment purposes. If the contribution to the LOCAL COMMUNITY FOUNDATION is so commingled, Foundation will allocate to this fund a reasonable portion of investment income earned by the commingled property, using such allocation formula or method as Foundation may from time to time determine to be equitable in the premises.

8. Additional contributions may be added to the LOCAL COMMUNITY FOUNDATION by Donor or other third parties from time to time. All questions which may arise with regard to principal or income of the LOCAL COMMUNITY FOUNDATION shall be determined by the Directors of Foundation, which determination shall be deemed final and binding upon all parties to this Agreement, and to any other successor contributors to the LOCAL COMMUNITY FOUNDATION.

9. It is intended between the parties that the LOCAL COMMUNITY FOUNDATION shall be a component part of the Foundation, and that nothing in this Agreement shall affect the status of the Foundation as an entity which is a qualified charitable organization, as described in Section 501(c)(3) of the Internal Revenue Code of 1986. This Agreement shall be interpreted in a manner consistent with such 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.

10. All correspondence from Foundation regarding the LOCAL COMMUNITY FOUNDATION shall be directed to: FUND CONTACT below. Donor agrees that in the event its address is changed, Donor will advise Foundation within 10 days following the date of such change, and that any notice which Donor should receive from Foundation will be satisfied by mailing such notice to the address below noted, by U.S. Mail, first class postage prepaid.

Name:	Jane Doe
Address:	P.O. Box 24 Somewhere, SD 57380
Phone:	605-888-8888
Email:	janeandjohn@gmail.com

IN WITNESS WHEREOF, Foundation and Donor have executed this Agreement by their duly authorized officers effective as of the day and year first above written.

SOUTH DAKOTA COMMUNITY FOUNDATION

BY: _____ DATE: _____
Stephanie Judson, President
South Dakota Community Foundation

(SEAL)

DONOR

BY: _____ DATE: _____
Jane Doe, President
Local Community Foundation

EXHIBIT "A"

A future contribution to the LOCAL COMMUNITY FOUNDATION within the South Dakota Community Foundation.

SDCF Distribution Policy

Revised October 19, 2010

RESOLVED that the annual grantmaking distribution be up to five (5) percent of the average fair market value of total endowment. Average to be computed based on sixteen quarter trailing average or actual quarters during the first four years beginning January 1, 1989.

New funds will be eligible for valuation after being invested with the South Dakota Community Foundation for one full year. The fund's average fair market value will be calculated December 31 of the year the fund becomes eligible and money will be available the following year.

In order to make distributions from a fund, the principal balance for such fund must be \$10,000 or above.