



Date: March 21, 2007

This is an agreement made on **March 21, 2007**, by and between the **Winona Community Foundation** (Foundation) and the **FUND NAME** (Fund), as administered by the committee organized to oversee the activities of this Fund (Fund Advisory Group) represented by _____ (Representative).

The Representative is the person to whom all correspondence and reports from the Foundation will be sent and it will be their responsibility to disseminate information to the full Fund Advisory Group. The Foundation will require a list of the Fund Advisory Group members along with this signed agreement, and an updated list will be required whenever changes occur.

The Foundation is a nonprofit corporation, exempt from federal tax under section 501(c)(3) of the Internal Revenue Code, as amended. The Foundation is formed for purposes which include: educating the public about the practice of philanthropy and its benefits both to donors and to the community; connecting people with charitable intent and resources with organizations and causes that can advance the public good; gathering, preserving, and stewarding philanthropic resources; collaborating with other charitable organizations; serving as a catalyst for selected community initiatives; and, making grants to projects and causes that address both the needs and the opportunities present in the community.

The Fund is the project seeking program sponsorship under this agreement and it is an unincorporated organization formed for the purposes: **FUND PURPOSE AND DESCRIPTION.**

The Agreement: The Foundation is willing to receive tax-deductible charitable contributions for the benefit and use of implementing the activities of the Fund under the guidance of the Fund Advisory Group. The Fund, with the administrative assistance of the Foundation, desires to use the assets in order to implement the Fund's purposes. Groups accepted for Program Sponsorship with the Foundation must adhere to strict regulations regarding the raising of funds and their activities. By entering into this Agreement, the parties agree to the following terms and conditions:

- 1) The Foundation will manage money and property as it may accept into the component fund from Donors, other contributors and sources.
 - Checks related to the event can be made payable to the Foundation in the name of the Fund and should go to the Fund Advisory Group, then be forwarded to the Foundation to ensure proper tracking. Cash receipts are to be deposited intact. That is, cash receipts are not to be used to pay expenses and then the net cash deposited. All proceeds, checks and cash must be delivered to the Foundation along with an accounting of all monies received, within two weeks after the fundraising event.
 - Distribution from the Fund shall be made on a "spend down" basis, with the expectation that the assets of the Fund will be expended (and not preserved in endowment fashion).
- 2) The Foundation agrees to receive grants, contributions and gifts to be used for the purposes of the Fund as described above, and to make those funds available to use towards these goals as advised by the Fund Advisory Group and as approved by the Foundation's Board. The IRS has imposed strict requirements which impact fundraising. If the steps outlined below are not taken, Donors may be denied a tax deduction; the Fund Advisory Group might find themselves unexpectedly subject to tax on the funds they raise, and either the Foundation or the Fund advisory group might be subject to penalty.

- The Foundation will provide appropriate acknowledgements to Donors upon request or for donations in the amount of \$250 or more. In order to do so the Fund Advisory Group will need to provide the Foundation with:
 - The donor’s complete name and address;
 - The date and amount of the contribution;
 - The type of contribution (cash, check, credit card, property, stocks, etc.);
 - A detailed description of any goods and services provided in exchange for the contribution.
 - If the Fund Advisory Group provides goods or services in exchange for a donation, certain disclosures are required to be made upon solicitation. For example, if the group is sponsoring a dinner, the donor can only deduct the excess of the ticket price above the fair market value of the dinner. This limitation on the deduction, known as a “quid pro quo disclosure”, must be made known at the time of the solicitation. Disclosure on the ticket to the event is a typical method for making this information known.
 - i. The Foundation will assist the Fund Advisory Group in determining the fair market value amounts and the appropriate disclosure language for the event. However, the Foundation will have to work with the group prior to the solicitation activity and will need information pertaining to the event, such as ticket prices and the values of the goods or services donors are to receive. The Fund Advisory Group needs to see that the required quid pro quo disclosures are made.
 - ii. Raffle tickets are not tax-deductible. This must be stated clearly on the face of distributed tickets.
 - iii. Rummage sale purchases are not tax-deductible.
- 3) The Fund Advisory Group is responsible for all events and related matters including the establishment of event budgets and a process for approval of expenses in advance of incurring them, reporting to the Foundation, compliance with laws and other necessary requirements such as licensing, gaming, tax payment, and liability insurance covering the Foundation.
- Preference is for payments of expenses to be made directly to vendors, credit card companies, etc. by the Foundation.
 - All expenses need to be approved by the committee of the sponsored group in writing or e-mail. They can be submitted via the Representative along with the appropriate Foundation expense form and documentation of the expense (invoice, etc.). When possible, a copy of the committee minutes approving the expense should accompany the request as well.
 - Expenses received by the 12th of each month will be processed that month with WCF Board approval on the 4th Tuesday of the month and payments being sent out by the end of the month. Exceptions would only be due to staff vacations or illnesses.
 - No major donor or advisor to the fund may be directly reimbursed, this may include corporate officers of any associated corporate entities.
 - If payment cannot be made directly to the vendor for an expense, the Foundation will pay event related expenses incurred by an individual if they are not, as noted above, a corporate officer of an associated corporate entity, a major donor to the fund, direct advisor to the fund, or an associated corporate entity.
 - The Fund Advisory Group is responsible for keeping their own detailed records of expenses and revenues.
 - The Fund Advisory Group will contact the Foundation prior to having any events to access the need to secure liability insurance for the Fund Advisory Group and for the Foundation. Insurance coverage must be reviewed and approved by the Foundation prior to the event.

- The Fund Advisory Group will be responsible for all losses incurred by events. The Foundation will not be held responsible for such losses. The Foundation may require the Fund Advisory Group to purchase a letter of credit or provide a written personal guarantee.
 - Pledges or monetary promises to be paid from the Fund may not be made without consent of the Foundation's Board.
- 4) Authority to manage the programmatic activities of the Fund is delegated to the Fund Advisory Group, subject at all times to the ultimate direction and control of the Foundation's Board.
- The Board of Directors of the Foundation shall have sole discretion as to the investment and reinvestment of the assets of the Fund, including the selection of investment managers, and as to the selection of custodians of the assets of the Fund.
 - Notwithstanding anything herein contained to the contrary, the Fund shall at all times be held and administered in accordance with the provisions of the Articles and Bylaws of the Foundation, all of which are hereby accepted and agreed to by the undersigned, including those provisions relating to amendment, termination and variance from donors' directions. The undersigned acknowledges that under the provisions of the Articles and Bylaws and applicable tax regulations, the Board of Directors of the Foundation has the power and the duty to modify any restriction or condition of the distribution of the funds for any specified charitable purpose if, in the sole judgment of the Foundation's Board (without the approval of any participating trustee, custodian or agent), such restrictions or conditions become, in effect unnecessary, incapable of fulfillment or inconsistent with the charitable needs served by the Foundation.
 - Consistent with its practice adopted from time to time with respect to other funds of the Foundation, the Foundation shall from time to time make a charge to the Fund in an amount reasonably calculated to reimburse the Foundation's direct and indirect costs incurred in the administration of the Fund.
 - Assets of the Fund may be commingled for purpose of investment with other assets of the Foundation, provided that the separate identity of the Fund and the distributions from the Fund are at all times maintained.
- 5) The Fund Advisory Group agrees to acknowledge the Foundation in all publicity.
- When promoting any event, the Fund Advisory Group will acknowledge that they are the **FUND NAME** of the Winona Community Foundation, and or that the Winona Community Foundation is administering all funds.
 - Other acceptable terminology would be to note that the Winona Community Foundation is a partner in making this project possible.
 - In any case, the Winona Community Foundation must be mentioned in any publicity related to the fund, activity or events of the Fund Advisory Group.
- 6) It is intended that this agreement be for an established time period of _____ years. At the end of that period both parties can review and renew if agreed.
- 7) The Fund agrees not to use assets received from the Foundation in any way which would jeopardize the tax-exempt status of the Foundation. The Fund agrees to comply with any written request by the Foundation that it cease activities which might jeopardize the Foundation's tax status, and further agrees that the Foundation's obligation to make funds available to it is suspended in the event that it fails to comply with any such request. The Foundation retains the right, if the Fund breaches this Agreement, or if the Fund jeopardizes the Foundation's legal or tax status, to withhold, withdraw, or demand immediate return of grant funds.

Acceptance of the above terms will be indicated by the signing and dating of this document by the forenamed Representative and the Foundation president, subject to approval by the Foundation's Board. Upon such

acceptance, this document will constitute our agreement with respect to the Fund and all prior discussions and agreements concerning the Fund are merged herein and are made a part hereof.

Signature of Fund Advisory Group Representative

Printed Name

Accepted this _____ day of _____, _____.
(date) (month) (year)

Signature of Winona Community Foundation President

Printed Name

Fund Advisory Group Representative(s) Contact Information:

Name(s): _____

Address: _____

City, State, Zip: _____

Phone: _____

E-mail: _____