



Fund Name: \_\_\_\_\_  
(for office use only)

**Community Investments Foundation  
Fund Agreement**

**Welcome to Community Investments Foundation. We look forward to helping you leverage gifts of business interests for community impact.**

Please complete this Gift Fund Agreement (this “Agreement”) to establish a Designated Fund (“Gift Fund”) with an irrevocable gift to Community Investments Foundation (“CIF”), a Florida charitable trust which is a supporting organization of Foundation For The Carolinas (the “Foundation”). CIF provides an efficient and effective way for donors to make gifts of closely-held business interests. Such gifts will be held and managed in the Gift Fund with CIF until such time as the interests can be liquidated and converted to cash or other marketable investments. At liquidation, proceeds will be transferred to the designated organization named in this Agreement, which is generally a named gift fund at the Foundation.

Further information about Community Investments Foundation, this Agreement and charitable giving in general is contained in the publication *The Charitable Giving Guide* available from the Foundation and also available online at the Foundation’s website: [www.fftc.org](http://www.fftc.org).

**Fund Name**

Please choose a name for the Gift Fund.

The name of the Gift Fund typically reflects the name of the gifted asset(s) (e.g. ABC LLC Fund) but is not required to include the entity name. All funds within CIF are non-endowed gift funds with proceeds upon liquidation fully available to implement the distribution plan outlined in the Agreement.

*Please refrain from using the donor’s family name in the name of the Gift Fund. Please refer to The Charitable Giving Guide for more information.*

Name: \_\_\_\_\_

- Check here if the Opening Donor’s association with the Gift Fund should remain anonymous.
- Check here if the Opening Donor does not wish to authorize the Foundation to use the name of the Gift Fund in the Foundation’s communication materials. Allowing the Foundation to do so will not only recognize the Gift Fund’s existence but will also encourage others to follow the example of the Donors to the Gift Fund.

**Opening Contribution**

Please indicate the amount & nature of the opening contribution to the Gift Fund.

The minimum value of a gift of business interests is \$250,000. Information about administrative and gift fees can be found on Addendum A: Fees. *Please refer to The Charitable Giving Guide for further information.*

**Asset Information:**

Description of Asset. Please provide a general description of the business interest to be gifted (including the number of shares or percentage interest to be gifted). Additional information will be provided on Addendum B: Business Interests Inquiry Form.

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Estimated Value: \_\_\_\_\_

<b>Opening Donor(s)</b>	Please provide contact information for the Opening Donor(s).
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\_\_\_\_\_  
FULL LEGAL NAME OF ASSET OWNER

\_\_\_\_\_  
PREFERRED SALUTATION  
(e.g., Mr. James L. Smith or Jim Smith)

\_\_\_\_\_  
HOME ADDRESS

\_\_\_\_\_  
CITY STATE ZIP

\_\_\_\_\_  
BUSINESS NAME

\_\_\_\_\_  
TITLE

\_\_\_\_\_  
BUSINESS ADDRESS

\_\_\_\_\_  
CITY STATE ZIP

\_\_\_\_\_  
HOME PHONE BUSINESS PHONE

\_\_\_\_\_  
E-MAIL (preferred)

Preferred Telephone:

Home  Business

Preferred Mail:

Home  Business

**Additional Contact, if applicable**

All correspondence from the Foundation or CIF will be sent to the Opening Donor. The Opening Donor may access information about the Gift Fund, including monthly statements, through the Foundation's secure online service. Additional space is provided in this section to name one additional Contact Person. If there are more than two Contact Persons who should have access to information for the Gift Fund, please furnish contact information in an attachment to this Agreement.

_____		_____		
FULL NAME (first, middle, last)		RELATIONSHIP		
_____		_____		
HOME ADDRESS		CITY	STATE	ZIP
_____		_____		
BUSINESS NAME		TITLE		
_____		_____		
BUSINESS ADDRESS		CITY	STATE	ZIP
_____		_____		
HOME PHONE	BUSINESS PHONE	E-MAIL (preferred)		
_____		_____		
<u>Preferred Telephone:</u>		<u>Preferred Mail:</u>		
<input type="checkbox"/> Home	<input type="checkbox"/> Business	<input type="checkbox"/> Home	<input type="checkbox"/> Business	

<b>Additional Contributions</b>	If known or reasonably expected, please indicate the amount, nature and timing of future contributions to the Gift Fund, if any.
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There is no requirement that additional gifts be made to the Gift Fund, but estimates of future liquid or illiquid contributions, if any, whether through lifetime gifts or bequests, will help the Foundation determine how best to administer the Gift Fund. Please provide information below about any additional gifts anticipated.

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**Distribution Plan**

Identify the organization to receive proceeds upon liquidation of the gifted asset.

**A. Distribution Plan.**

Please mark the appropriate selection below regarding the designated nonprofit organization that will be the beneficiary of the Gift Fund proceeds upon liquidation. Generally the beneficiary will be a named gift fund at the Foundation.

- Proceeds transferred to \_\_\_\_\_, an existing gift fund at the Foundation.
- Proceeds transferred to the Foundation to establish a new gift fund (e.g. scholarship, field of interest, designated fund) as follows: \_\_\_\_\_  
\_\_\_\_\_
 

*A separate fund agreement will be required to establish the new gift fund*
- Proceeds transferred to the Foundation's general operating fund or existing grantmaking fund for use at the Board's discretion.
- Other distribution plan (e.g. establish a 509(a)(3) supporting organization of the Foundation):  
\_\_\_\_\_  
\_\_\_\_\_

Please provide any additional comments below that would help CIF better understand the general purpose of the Gift Fund and the philanthropic expectations of the donor:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Professional Advisor(s)**

Please provide contact information for any legal, financial, tax or estate planning professional advisors that have been involved with the planning and establishment of the Gift Fund.

_____ NAME OF PROFESSIONAL			_____ FIRM NAME
_____ MAILING ADDRESS			_____ DAYTIME PHONE
_____ CITY	_____ STATE	_____ ZIP	_____ E-MAIL

Should this professional advisor receive "view only" online access to the Gift Fund?  
 Yes     No

If there are other professional advisors whose contact information the Foundation should have in relation to the Gift Fund, please furnish contact information in an attachment to this Agreement.

<b>Services &amp; Fees</b>	Please indicate the Foundation's service level that you choose for the Gift Fund.
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**A. Services**

Please indicate which of the Foundation's service levels should apply to the Gift Fund. With respect to a Designated Fund with CIF, the standard service level will generally apply.

- Standard (Please refer to *The Charitable Giving Guide* for more information)
- Custom (please discuss with the Foundation's Philanthropic Advancement Team and attach addendum listing the agreed Custom services and pricing schedule)

**B. Fees**

Funds will be charged an annual administrative fee according to published schedules for standard or custom services. Additional information about gift acceptance fees and arrangements for ongoing expenses related to the management of the asset are addressed in Addendum A to this Agreement.

<b>Addenda</b>	Please indicate additional addenda attached to this Agreement, if any.
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Are any addenda (other than Addendum A: Fees and Addendum B: Business Interests Inquiry Form) attached to this Agreement?

- Yes       No

If so, please list here: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

<b>Notes</b>	Use this page to provide additional information not addressed in this Agreement or to complete any sections of the Agreement where space was otherwise too limited.
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## Additional Provisions

**Your signature on the page following these additional provisions acknowledges that you have read, understand and agree to the provisions below.**

### COMMUNITY INVESTMENTS FOUNDATION:

**Identification of Gift to CIF:** While held in CIF, the contributed business interest will be separately identified at CIF but only for purposes of ensuring that any taxes, fees or other expenses directly related to the gift (such as unrelated business income tax) will be properly attributed to and paid from the account and further ensuring that in the future such eventual proceeds are directed to an appropriate organization at the applicable time. This separate account will be referred to as a Designated Fund.

### BUSINESS INTEREST CONSIDERATIONS:

**Capital Contributions:** With respect to any business interest contributed to the Gift Fund, Opening Donor agrees that neither the Foundation nor CIF will be required to make any capital contributions to the underlying business entity.

**Distributions to CIF:** Opening Donor agrees that, with respect to distributions from the underlying business entity to its owners, CIF will not be treated differently than any other owners and that the underlying business entity's management will not intentionally withhold distributions from the owners of the underlying business entity if such cash is not otherwise needed for the reasonable expenses of the underlying business entity such as (i) the reinvestment of income earned or the proceeds of any sale or refinancing in other assets of the underlying business entity, as its management may determine; (ii) a reasonable provision for payment of all of the underlying business entity's operating expenses, including any fees or compensation due; (iii) payment of all of the underlying business entity's outstanding and unpaid current obligations; and (iv) a setting aside of such amount, if any, as shall be prudent, in the discretion and good faith of its management, for reasonable reserves for working capital and for the payment of taxes, insurance, debt service, replacements, renewals and acquisitions, and future, anticipated, unforeseen and contingent obligations and all other costs and expenses incident to the underlying business entity's operations and ownership of its assets.

**Tax Reporting:** On an annual basis, Opening Donor will cooperate with efforts to ensure that the accountants for the underlying business entity will provide the Foundation with all appropriate tax reporting schedules on a timely basis.

**Unrelated Business Income Tax:** If it is anticipated that the contributed interest in the underlying business entity will result in a liability for unrelated business income tax ("UBIT"), then the Gift Fund is responsible for covering its attributable share of net UBIT as well as any additional administrative costs for accounting or legal services to determine the amount of any UBIT and to report it to the IRS. Accordingly, to the extent that the underlying business entity has distributed sufficient cash to CIF attributable to its interest in the underlying business entity during the year to cover this liability, such cash will be utilized for that purpose. If insufficient cash has been distributed, Opening Donor agrees to contribute liquid assets to CIF in an amount sufficient to cover any such expenses.

**Liquidation of Contribution:** CIF accepts interests in closely held businesses with the anticipation and understanding that, within a reasonable period of time, the closely-held business interests will be converted into cash or other marketable assets. If a reasonable period of time passes with no such conversion of assets or if it can be shown at any time that the management of the underlying business entity has intentionally and in bad faith violated the provisions of the paragraph in this Agreement entitled "Distributions to CIF," then CIF shall have the option to require the closely-held business entity to purchase its interest in the underlying business entity at the then fair market value of such interest as determined by a qualified appraiser agreed upon by CIF and the Donor, the cost of which shall be borne by the Donor, and the valuation methods of which shall be in a manner consistent with that of the appraisal to be provided by the Donor upon contribution of the interest to CIF as provided below.

**Illiquid Assets Held For Longer Than Five Years:** In the event the Gift Fund continues to hold illiquid assets after five (5) years from date of creation of the Gift Fund, the costs, fees and expenses associated with the Gift Fund will no longer be accrued and the Donor shall immediately be responsible for paying any ongoing costs, fees and expenses associated with the Gift Fund. Furthermore, the costs, fees, and expenses accrued prior to such date shall remain due and payable upon the liquidation of the business interests held in the Gift Fund.

**Appraisal:** Opening Donor agrees to provide a qualified appraisal of any contributed business interest in accordance with the guidelines established by the Internal Revenue Service.

### GENERAL CONSIDERATIONS:

**Protection of Tax-Exempt Status.** The undersigned agree to comply with any written direction by the Foundation or CIF to cease conducting activities that may jeopardize the Foundation's or CIF's tax status or cause the Gift Fund to be classified as a donor-advised fund as defined in the Internal Revenue Code of 1986, as amended (the "Code").

**Charitable Giving Guide.** The undersigned have received and reviewed *The Charitable Giving Guide* and agree to the terms thereof.

**Accuracy of Information.** The undersigned hereby certify that all information presented in connection with this application is accurate to the best knowledge of the undersigned and will promptly notify CIF in writing of any changes.

**Authorities to Execute.** The undersigned hereby certify that each has the power and authority to execute and deliver and perform its obligations under this Agreement.

**Use of Funds.** CIF will make distributions from the Gift Fund to carry out the charitable purposes of the Gift Fund in accordance with the Code; provided however, that CIF will generally not make any distributions from the Gift Fund until the business interests have been liquidated. In addition, CIF's ability to make reimbursements to any individual for expenditures or to make a grant or distribution for any non-charitable purpose or to any non-charitable entity is generally disallowed by the Code. *Please refer to The Charitable Giving Guide for more information.*

**Irrevocable Gifts.** The undersigned understand that any contribution to a Gift Fund, once accepted by CIF, represents an irrevocable gift to CIF and is not refundable.

**Service Charges.** The Foundation or CIF shall be entitled to receive as compensation for its services in investing, administering and distributing the assets held in the Gift Fund created hereunder the service charges set out in the Foundation's regular schedule of compensation applicable at the time of the performance of such services; provided, however, that if the Foundation's custom service level applies to the Gift Fund, then the Foundation shall be entitled to receive as compensation the service charges as provided in the separate Fee Addendum attached hereto.

**Notice.** All communications required hereunder shall be in writing and shall be deemed to have been validly served, given or delivered (i) three (3) days after deposit of same in the United States mails, designated as registered or certified mail, return receipt requested, bearing adequate postage, or (ii) on the date of delivery to such party if delivered by hand or by overnight or other similar courier or by telefacsimile (the date such telefacsimile is actually transmitted with written confirmation of transmission), and addressed to the party to be notified at the address for such party as provided in this Agreement, or to such other address as each party may designate for itself by like notice.

**Ownership.** Tools, equipment and software used by the Foundation to provide service to the Gift Fund shall remain the property of the Foundation and/or its licensors, and no right, title, license or interest in any of them is conveyed to the Gift Fund by this Agreement.

**Acknowledgment of Charitable Donations on Behalf of the Gift Fund.** The Foundation and CIF agree that they will acknowledge to donors all contributions to the Gift Fund in accordance with the guidelines established by the Internal Revenue Service.

**Indemnity.** In consideration of CIF creating a Gift Fund at the request of the undersigned individual(s) or entity and for other good and valuable consideration, the undersigned hereby agree to indemnify and hold harmless the Foundation and CIF against any liability, cost, or expense which the Foundation or CIF may incur by reason of its acting upon instructions given to the Foundation or CIF by any of the undersigned or any advisor designated pursuant to this Agreement.

**Variance Power.** It is understood that the Gift Fund to be established pursuant to this agreement will be subject to the provisions of the Code, the Charter and Bylaws of the Foundation, and other operating and governing documents of the Foundation and CIF, including the power reserved by the Board of Directors to modify any condition or restriction on the distribution of funds if in its sole judgment (without the 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 area served by the Foundation or otherwise in direct conflict with the Code.

**Amendment of Agreement.** Subject to the provisions of the paragraph herein entitled "Variance Power," this Agreement and any addendums attached hereto and the Charitable Giving Guide shall constitute the entire agreement of the parties and supersede all prior agreements and understandings, both written and oral, among the parties with respect to the subject matter hereof. Subject to the provisions of the paragraph herein entitled "Variance Power," this Agreement, including any exhibits, addenda, or other attachments hereto, may not be amended or modified, except in a writing signed by all parties to this Agreement.

**Governing Law.** This Agreement shall be governed by the laws of the State of North Carolina, excluding its choice of law principles.

**Signatures**

By signing below, Opening Donor and Contact Person 1, if applicable, hereby acknowledge that they have read, understand and agree to the provisions of this Agreement and that the information provided herein is accurate to the best of their knowledge.

**Opening Donor**

**Foundation For The Carolinas**

\_\_\_\_\_  
SIGNATURE

\_\_\_\_\_  
BY

\_\_\_\_\_  
NAME (please print)

\_\_\_\_\_  
TITLE

\_\_\_\_\_  
TITLE

\_\_\_\_\_  
DATE

\_\_\_\_\_  
DATE

**Contact Person 1**

(sign if different from Opening Donor)

**Community Investments Foundation**

\_\_\_\_\_  
SIGNATURE

\_\_\_\_\_  
SUPPORTING ORGANIZATION

\_\_\_\_\_  
NAME (please print)

\_\_\_\_\_  
BY

\_\_\_\_\_  
TITLE

\_\_\_\_\_  
TITLE

\_\_\_\_\_  
DATE

\_\_\_\_\_  
DATE

**Internal FFTC staff notes**

Date of gift: \_\_\_\_\_  
Fund ID: \_\_\_\_\_  
Division: \_\_\_\_\_  
Fund type: \_\_\_\_\_  
Category: \_\_\_\_\_  
Center: \_\_\_\_\_  
Service level: \_\_\_\_\_  
Affiliates/support org: \_\_\_\_\_  
\_\_\_\_\_

**Pricing notes:**

Special provisions: \_\_\_\_\_  
\_\_\_\_\_



**Addendum A: Fees**

**Fees**

<b>Gift Fee*</b>	<b>Annual Administrative Fee while in CIF</b>
1%** min. \$3,500	Published CIF/CRPH Admin Fee Schedule

*Minimum gift accepted (based on appraised value of asset) is \$250,000*

*\* Assessed for each illiquid gift made; separate transactions are subject to additional gift fees. Likewise, multiple gifts of the same entity may reduce overall gift fees.*

*\*\*1% on first \$1M, 0.6% on amounts in excess of \$1M*

Gift and administrative fees will be accrued to the cash balance of the Fund and repaid at liquidation or when cash generated from the asset is contributed to the fund (i.e. lease payments). If the assets are not liquidated within a five year period, the donor agrees to pay in cash through an FFTC billing process, newly accrued annual fees beginning in year 6 and beyond, until such time as the asset is liquidated. "Back fees" for years 1 through 5 will remain as a liability of the fund, and will be settled upon liquidation of the asset

**Cash Requirement & Related Expenses**

There may be a required accompanying cash gift if there are anticipated or known costs associated with holding the business interests (i.e. UBIT). In such cases, the amount will be determined based on a 1-3 year pro forma of estimated expenses and may be waived if there are identified or future annual income streams.

<i>Total Gift Fee</i>	
<i>Total Cash Gift Required, if app.</i>	

**Addendum B: Business Interests Inquiry Form**