

**CENTRAL INDIANA COMMUNITY FOUNDATION, INC.**

**SCHOLARSHIP ENDOWMENT FUND AGREEMENT FOR  
Legal Name of Donor**

**THIS AGREEMENT**, made and entered into on \_\_\_\_\_, 20\_\_, by and between Central Indiana Community Foundation, Inc. (the “Community Foundation”) and \_\_\_\_\_ (“Donor” [or “Donors”]),

**WITNESSETH:**

**WHEREAS**, Donor desires to create a scholarship fund in the Community Foundation (the “Fund”) with respect to which the Community Foundation’s Blue Ribbon Scholarship Selection Committee (the “Selection Committee”) can recommend scholarship recipients;

**WHEREAS**, the Community Foundation is a non-profit organization exempt from taxation under Internal Revenue Code (“Code”) Section 501(c)(3), a public charity described in Section 170(b)(1)(A)(vi) of the Code, and accordingly an appropriate institution within which to establish such a charitable endowment; and

**WHEREAS**, the Community Foundation is willing and able to create such a scholarship endowment fund, subject to the terms and conditions hereof

**NOW THEREFORE**, the parties agree as follows:

**GENERAL PROVISIONS:**

**1. GIFT** Donor hereby transfers irrevocably to the Community Foundation, the property described in the attached Exhibit A to establish the Fund. Subject to the right of the Community Foundation to reject any particular gift, the Community Foundation may receive additional irrevocable gifts of property acceptable to the Community Foundation from time to time from Donor and from any other source to be added to the Fund, all subject to the provisions hereof. All gifts, bequests and devises to this Fund shall be irrevocable once accepted by the Community Foundation.

**2. PURPOSE** The primary purpose of the Fund shall be to assist students to further their education at an accredited educational institution as directed by the Board of Directors of the Community Foundation (the “Board”) for any and all charitable or other tax-exempt purposes within the meaning of Code Sections 170(c)(1) or 170(c)(2)(B) that are consistent with the tax-exempt purposes of the Community Foundation.

**3. DISTRIBUTION** Distributions from the Fund shall be committed, granted or expended in accordance with the then current spending policies of the Community Foundation, for purposes

described in Code Section 170(c)(1) or 170(c)(2)(B) to organizations described in Section 509(a)(1), (2), or (3). If any gifts to the Community Foundation for the purposes of the Fund are received and accepted subject to a donor's conditions or restrictions as to the use of the gift or income therefrom, said conditions or restrictions will be honored, subject, however, to the authority of the Board to vary the terms of any gift if continued adherence to any condition or restriction is in the judgment of the Board unnecessary, incapable of fulfillment or inconsistent with the charitable needs of the community served by the Community Foundation. No distribution shall be made from the Fund to any entity if such distribution will in the judgment of the Community Foundation endanger the Community Foundation's Code Section 501(c)(3) status.

**4. RECOMMENDATIONS FOR DISTRIBUTION** Subject to the Community Foundation's policies and procedures for scholarship funds, the commitments, grants or expenditures from the Fund contemplated in paragraph 3 shall be made on an annual basis with the selection of recipients based on the criteria specified in paragraph 14 and using the selection process specified in paragraphs 15 and 16. All recommendations from the Selection Committee shall be solely advisory, and the Community Foundation may accept or reject them, applying reasonable standards and guidelines with regard thereto. Except as provided in the Specific Provisions, below, after the death or incapacity of Donor, the assets of the Fund will be distributed to [The Indianapolis Foundation or the Legacy Fund] Community Scholarship Fund and the Fund will be terminated.

**5. ADMINISTRATIVE PROVISIONS** Notwithstanding anything herein to the contrary, the Community Foundation shall hold the Fund, and all contributions to the Fund, subject to the provisions of the applicable federal and Indiana laws and the Community Foundation's Bylaws and Articles of Incorporation. The Board shall monitor the distribution of the Fund, and shall have all powers of modification and removal specified in United States Treasury Regulation Section 1.170A-9(f)(11)(v)(B).

Upon request, the Board agrees to provide Donor a copy of the annual examination of the finances of the Community Foundation as reported upon by independent certified public accountants.

This Agreement and all related proceedings shall be governed by and interpreted under the laws of the State of Indiana. Any action with respect to this Agreement shall be brought in or venued to a court of competent jurisdiction in Indiana.

**6. CONDITIONS FOR ACCEPTANCE OF FUNDS** Donor agrees and acknowledges that the establishment of the Fund herein created is made in recognition of, and subject to, the terms and conditions of the Bylaws and the Articles of Incorporation of the Community Foundation as from time to time amended, and that the Fund shall at all times be subject to such terms and conditions, including but not by way of limitation, provisions for:

- (a) Presumption of Donor's intent;
- (b) Variance from Donor's direction;

(c) Amendments.

**7. CONTINUITY OF THE FUND** The Fund shall continue so long the assets in the Fund meet the minimum fund balance required by Community Foundation policy for funds of its type and the purposes in the Fund can be served by its continuation. If the Fund is terminated, the Community Foundation shall devote any remaining assets in the Fund exclusively for charitable purposes that:

(a) Are within the scope of the charitable purposes of the Community Foundation's Bylaws and Articles of Incorporation; and

(b) Most nearly approximate, in the good faith opinion of the Board, the original purpose of the Fund.

**8. NOT A SEPARATE TRUST** The Fund shall be a component part of the Community Foundation. All money and property in the Fund shall be held as general assets of the Community Foundation and not segregated as trust property of a separate trust; provided that the Fund shall be allocated its pro rata share of the net earnings of the Community Foundation's long-term pool, such percentage interest being subject to adjustment at the time of each addition to, or reduction of, assets in the long-term pool.

**9. ACCOUNTING** The receipts and disbursements of this Fund shall be accounted for separately and apart from those of other gifts to the Community Foundation.

**10. INVESTMENT OF FUNDS** The Community Foundation shall have all powers necessary, or in its sole discretion desirable, to carry out the purposes of the Fund, including, but not limited to, the power to retain, invest and reinvest the Fund and the power to commingle the assets of the Fund with those of other funds for investment purposes.

The Community Foundation's long-term pool is a well-diversified investment pool with a long-term investment return objective. Funds invested in this pool are subject to the volatility of market conditions and there is no guarantee of investment return or preservation of principal. In the event the Fund is invested in the long-term pool, the Community Foundation shall not be responsible for any loss or reduction in value with respect to any assets held in the Fund unless any loss or reduction in value is due to the intentional misconduct or gross negligence of the Community Foundation or its employees or agents.

**11. COSTS OF THE FUND** It is understood and agreed that the Fund shall share a fair portion of the total investment and administrative costs of the Community Foundation. Those costs annually charged against the Fund shall be determined in accordance with the then current fee schedule identified by the Community Foundation as applicable to funds of this type, as such schedule may be amended by the Community Foundation from time to time. Any costs to the Community Foundation in accepting, transferring or managing property donated to the Community Foundation for the Fund shall also be paid from the Fund.

**SPECIFIC PROVISIONS:**

**12. NAME OF THE FUND** The name of the Fund shall be the \_\_\_\_\_  
**Scholarship Fund.**

**13. SURVIVAL OF THE FUND** After the death or incapacity of Donor, if the assets of the fund equal less than \$100,000.00, the assets of the Fund will be distributed to [The Indianapolis Foundation or the Legacy Fund] Community Scholarship Fund, and this Fund will be terminated. After the death or incapacity of Donor, if the assets of the fund equal or exceed the sum of \$100,000.00, the assets of the Fund will continue to be distributed as a scholarship fund through the Community Foundation in accordance with the criteria stated below.

**14. CRITERIA** Specifically, the Fund is designed to provide scholarship assistance in the form of grants for tuition, room and board, and related fees (e.g. books) to students who meet the following criteria:

- **Geographic Criteria:**
  
- **Type of College:**
  
- **Other Criteria:**

The selection criteria must be broad enough so that the pool of potential recipients constitutes a charitable class as defined by federal law and regulations. Selection criteria are subject to change by the Community Foundation, as necessary, to ensure adherence to state or federal laws and regulations.

**15. SCHOLARSHIP SELECTION COMMITTEE AND PROCESS** The Community Foundation Selection Committee, or successor thereto, will recommend to the Community Foundation the scholarship recipient(s) with such recommendation based on the selection criteria defined above. Members of the Selection Committee shall avoid all potential conflicts of interest, private inurement or appearance of impropriety by disclosing all relationships (family, business, etc.) with any scholarship applicants. If any potential conflicts of interest arise, the committee member will not be involved for the applicable year(s) in the selection process. **[If one Donor:]** Donor may serve on the Selection Committee, but at no point may Donor directly or indirectly control the selection of recipients of scholarships. **[If more than one Donor:]** Donors are permitted one representative on the Selection Committee, which may be either of Donors or another person of their choosing, but at no point may Donors and/or their representative, if any, directly or indirectly control the selection of recipients of scholarships.

**16. AWARDS** The amount of awards is subject to change based on Community Foundation policy; however, minimum annual awards of \$1,000.00 per student are recommended. Unless current or future Community Foundation policy mandates otherwise, the Fund will award scholarships with

renewable opportunities and fund a student to degree attainment if the student remains in school, remains in good academic standing, continues to meet the Fund's criteria, and applies for renewal. **[If the fund is unable to award renewable scholarships due to its size, use this language instead:** The annual scholarship awards will be non-renewable (in the amount of the annual distribution from the Fund), until such time as the Fund can support, through additional contributions or growth, the annual award of a renewable scholarship of at least \$1,000.00 for four years. When the annual distributions from the Fund can support renewable scholarship awards of at least \$1,000.00 per year, distributions from the Fund will be used to award scholarships with renewable opportunities and fund a student for four years to degree attainment if the student remains in school, remains in good academic standing and continues to meet the Fund's criteria. The amount of awards shall grow as the amount of the annual distribution from the Fund grows.]

The Fund will award scholarships in every year that the Selection Committee recommends a qualified candidate and so long as funds are available. At any time, the Fund may support [The Indianapolis Foundation or the Legacy Fund] Community Scholarship Fund if a qualified candidate cannot be selected. All scholarship awards will be granted to a college or university for the benefit of the scholarship recipient. No scholarship awards will be granted directly to an individual scholarship recipient.

**17. COMPLIANCE WITH THE PENSION PROTECTION ACT OF 2006** The parties to this agreement acknowledge and agree that grants, including scholarships and awards, may not be made to individuals from the Fund without approval of the selection criteria and the selection process by the Board. No changes in the selection criteria or the selection process may be made without the prior written approval by the Community Foundation.

**18. INCAPACITY** "Incapacity," as used herein, shall refer to an individual's disability to perform any function assigned hereunder, as evidenced by the statement of a physician licensed to practice medicine in the jurisdiction where the individual resides.

**19. ORIGINAL AND ENTIRE AGREEMENT** This Agreement may be executed in any number of counterparts, each of which shall be an original, but such counterparts shall together constitute one and the same agreement. The exchange of copies of this Agreement and of signature pages by facsimile transmission, by electronic mail in "portable document format" (".pdf") form, or by any other electronic means intended to preserve the original appearance of a document, or by a combination of such means, shall constitute effective execution and delivery of this Agreement. Signatures by the parties electronically transmitted shall be deemed to be original signatures for all purposes. This Agreement supersedes all other prior discussions, representations, and agreements, whether oral or written, express or implied, between the parties relating to the matters contemplated herein and constitutes the entire agreement between the parties relating to the subject matter hereof.

**[Signature Page Follows]**

**IN WITNESS WHEREOF**, Donor has executed this Agreement and the Community Foundation has caused this Agreement to be approved by its Board of Directors and to be executed by a duly authorized officer, all as of the day and year first above written.

**Donor**

**Central Indiana Community Foundation, Inc.**

---

[Name of Donor]

---

Brian Payne, President and CEO or  
Robert A. MacPherson, VP for Development

12/16 smw

**EXHIBIT A**

LIST OF INITIAL DONATIONS TO FUND