

Fund Agreement

Please Complete This Form to Establish a:

Designated Fund

at

The Boston Foundation

Return to:

The Boston Foundation

75 Arlington Street, Boston, MA 02116



**The Boston
Foundation**

II. Fund Information

A. DESIGNATED FUND

I/We wish to make a gift to a named Designated Fund, from which annual grant distributions will be directed by the Boston Foundation. Grants will be made either in perpetuity in accordance with the Boston Foundation's Spending Rule, notwithstanding the historical gift value, or spent down by a fixed annual dollar amount per year for a number of years. Grant payments to be made to the organization(s) as indicated below.

- I would like grants to be made in perpetuity, in accordance with the Boston Foundation's spending policy, notwithstanding the historical gift value.
- I would like grants of a fixed dollar amount to be paid from this fund for a fixed number of years, or until the balance is depleted.

Organization 1:

Name: _____ % *or* \$ _____ for _____ years

Address: _____

Phone: _____ Contact: _____

Grant Purpose: _____

Organization 2:

Name: _____ % *or* \$ _____ for _____ years

Address: _____

Phone: _____ Contact: _____

Grant Purpose: _____

Organization 3:

Name: _____ % *or* \$ _____ for _____ years

Address: _____

Phone: _____ Contact: _____

Grant Purpose: _____

Please attach a separate piece of paper for additional organizations.

B. INVESTMENT MANAGEMENT

Funds at the Boston Foundation are invested in the Fund for the 21st Century, a portfolio of investments made up of three different pools. Designed to produce the highest long term investment return, Designated Funds are normally invested in the Balanced Plus Pool.

If you would like information about the other available investment pools, or would like to see investment performance and fee information, please go to www.tbf.org or contact the Development Office at 617-338-1700.

III. Terms and Conditions

Designated Fund Terms and Conditions

All gifts are subject to the Boston Foundation's Terms and Conditions as may be amended from time to time at the Foundation's sole discretion.

GRANT LIMITATIONS

The Foundation verifies annually that all organizations recommended for grants are classified as public charities under Section 501(c)(3) of the Internal Revenue Code and, if needed, will request documentation from the organization.

GRANTMAKING ACCOUNT

Designated Funds can be established to make grants in accordance with the Boston Foundation's Spending Policy, or to distribute a fixed dollar amount. In order to maintain adequate liquidity for grantmaking, an amount based upon Foundation's Spending Policy is transferred each year on July 1 from the fund's investment account(s) and into the fund's grantmaking account.

INVESTMENTS

The Foundation offers several different investment pools to donors: Balanced Plus Pool, Balanced Pool and the Short Term Pool. Primary Donors have the option to elect an investment allocation at the time they establish the fund. Primary Donors may request to change the investment allocation in writing at any time, subject to the approval of the Foundation. The Boston Foundation will consider a balance reallocation request no more than once per quarter and reserves the right to manage the timing of any transfers.

INVESTMENT RETURNS

Investment returns are allocated pro-rata to funds on a monthly basis. Due to the inflows and outflows within each fund, the amount allocated is weighted using the average of the daily balances.

GIFT ACKNOWLEDGEMENT

All gifts are acknowledged in accordance with Internal Revenue Code requirements. Generally, the IRS requires taxpayers to complete and file a Form 8283 with their federal income tax return for gifts of property valued at \$5,000 or more. It is the donor's responsibility to get a qualified appraisal for all gifts other than cash and marketable securities for tax deduction purposes.

DONOR FUNDRAISING

The Boston Foundation maintains rigorous donor fundraising policies in accordance with IRS guidelines and the Massachusetts Division of Public Charities. Please contact the Foundation prior to any third party solicitation.

FUND FEES

Each fund will be allocated a portion of the Boston Foundation's administrative, investment, and other fees as set forth below.

ADMINISTRATIVE FEES

Administrative fees are deducted quarterly based on the fund's principal balance on December 31 of the previous year. New funds are charged a pro-rated fee during the first year based upon the cumulative initial gift value. Administrative fee rates are reviewed annually by the Boston Foundation's Board of Directors, and are subject to change at the sole discretion of the Boston Foundation. Contact the Development Office for current fund fees.

Administrative fees cover grant and fund administration, such as due diligence procedures, the receipt and acknowledgement of contributions, processing and payment of grants, and compliance with federal and state reporting requirements.

INVESTMENT FEES

The Boston Foundation assesses each fund an investment management fee to cover investment management expenses plus any underlying investment management costs such as consulting, legal costs and taxes related to investment activity. This fee is assessed monthly based on the average of the daily balances in the fund. In addition, the Boston Foundation has negotiated competitive fees from investment managers not typically available to individual investors. Funds are responsible for an allocable portion of these fees as investment management expenses. Such expenses are charged directly to the earnings, with net earnings credited to the fund. Investment fees are subject to change in the sole discretion of the Boston Foundation and its investment managers. For current investment fees, contact the Development Office.

COMPLEX GIFT FEE

Gift assets that require special review, such as real estate, limited partnership interests, or closely-held stock may incur additional fees to cover tax, legal or other Foundation expenses associated with the transaction.

CREDIT CARD FEES

Contributions received by credit card result in a processing fee of 3.75% of the amount of the contribution. This fee is assessed to cover bank transaction fees and is charged to the fund receiving the contribution.

TAX STATUS

All funds at the Boston Foundation are component funds and assets of the Boston Foundation, Inc., and, as such, any contribution to a component fund is automatically treated as a gift to a 501(c)(3) public charity.

TAX IMPLICATIONS

As a public charity under Sections 501(c)(3) and 170(b)(1)(a) of the Internal Revenue Code, initial and subsequent contributions made to the Boston Foundation currently receive the maximum charitable deduction permitted under state and federal law. Each gift to the Boston Foundation is acknowledged with a receipt confirming the date and a description of the gift for the donor's tax records.

Note: The Boston Foundation is not a licensed tax advisor. Donors should work with their financial, tax or legal professional to determine the best charitable giving strategy for their needs.

SPENDING POLICY

The Boston Foundation utilizes a Spending Policy to determine the amount available for annual grantmaking from its General Purpose, Field of Interest and Designated Funds. Call the Development Office for the current rate and information on how the Spending Policy is calculated.

CONTROL OF ASSETS/MATERIAL RESTRICTION

In order for a contribution to be treated as a charitable gift, the IRS requires that the Boston Foundation retain ultimate control over investments, administration, and granting activity. Additionally, the IRS requires all such funds be free of material restrictions imposed by donors in a manner consistent with the requirements of Section 1.507-2 of the Treasury Regulations.

VARIANCE POWER

All contributions to the Boston Foundation are subject to the Boston Foundation's variance power, as stated in the Article 4.7 of the Articles of Organization, which gives the Board of Directors of the Boston Foundation the right to redirect the use of any fund under certain conditions to better meet the changing needs of the community.

ASSIGNMENT

The rights and obligations with respect to a fund may not be transferred nor assigned without the prior written consent of the donor and the Boston Foundation.

DISPUTES

The fund agreement (including these Terms and Conditions) between a donor and the Boston Foundation is governed by the laws of the Commonwealth of Massachusetts without regard to its conflicts of law principles. Venue for any disputes arising out of or in connection with a fund shall be sited in the federal or state courts located in Boston, Massachusetts.

CONFLICT OF TERMS

In the event of an inconsistency between these Terms and Conditions and any terms and conditions appearing elsewhere in connection with any component fund, these terms and conditions as interpreted by the Foundation shall govern, and the Foundation reserves the right to take any actions at any time which, in its discretion, it deems reasonably necessary or desirable for the proper administration of any component fund.

PRIVACY POLICY

The Boston Foundation deeply values its relationship of trust with its Donors. The Foundation's Confidentiality Policy governs the maintenance of personal data and provides that the Foundation will not sell, trade or exchange information about its Donors, and will honor the wishes of those who prefer to remain anonymous in all communications materials. The full policy is available at: www.tbf.org/privacy.aspx.

IV. Signature

- I/We acknowledge that I/we have read and agree to the Boston Foundation's *Terms and Conditions*, (see pages 4 to 7) and agree to the policies described therein. I/We understand that the transfer of the property described above is an irrevocable gift to the Boston Foundation and is not refundable to me/us.

For the Donor(s):

Signature

Date

Signature

Date

For the Boston Foundation, Inc.

Signature

Date

Title

THE BOSTON FOUNDATION'S PRIVACY POLICY

The Boston Foundation deeply values its relationship of trust with its Donors and Fund Advisors. The Foundation's Confidentiality Policy governs the maintenance of personal data and provides that the Foundation will not sell, trade or exchange information about its Donors or Fund Advisors, and will honor the wishes of those who prefer to remain anonymous in all communications materials. The full policy is available at: www.tbf.org/privacy.aspx.

About the Boston Foundation

The Boston Foundation is one of the nation's first and most impactful community foundations. Partnering with community members, donors, the public sector, businesses and nonprofits, we exist to close the gaps caused by our city's greatest disparities, to advance economic justice, and to help build a better Boston. We collect data, commission research, share knowledge, develop dynamic programs, fuel new ideas and fund change. Our work informs public policy, catalyzes conversations and advocates not only for change, but for repair of the historical harms of inequity. Ultimately, we aim to support, contribute and create well-being and opportunity within our communities.

TBF is also one of New England's largest grantmakers, supporting nonprofits in Greater Boston through our endowment and working closely with our donors to support nonprofits locally, nationally and internationally. To learn more, call 617-338-1700 or visit www.tbf.org.

For more about the Foundation, visit www.tbf.org.



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