



COMMUNITY
FOUNDATION
OF GREATER MEMPHIS

**AGREEMENT ESTABLISHING A SCHOLARSHIP FUND OF
COMMUNITY FOUNDATION OF GREATER MEMPHIS**

THIS AGREEMENT, made and entered into the _____ day of _____, 20____, by and between Community Foundation of Greater Memphis (hereinafter "Community Foundation") and _____ (hereinafter "Donor").

NOW, THEREFORE, the parties agree as follows:

1. Name of Fund

The name of the fund shall be the _____ Scholarship Fund of the Community Foundation of Greater Memphis (hereinafter "Fund").

2. Transfer of Assets

Donor has transferred and assigned to Community Foundation all of the Donor's right, title and interest in and to certain assets listed on Schedule A of this Agreement for the purpose of creating a component fund of the Community Foundation.

All parties hereto agree and approve any future changes in terms, conditions or language as may be necessary or incidental to reform this agreement to conform to any existing or subsequent IRS requirements.

3. Conditions of Acceptance

Donor acknowledges the assets transferred to the Community Foundation shall be subject to all the terms and conditions of the Charter and Bylaws of the Community Foundation as they now exist and as they may from time to time be amended. Donors to the Fund may not impose any material restriction or condition that prevents the Community Foundation from freely and effectively employing the contributed assets, or the income derived therefrom, in furtherance of its charitable purposes. Donor further acknowledges that the Fund shall be administered in accordance with IRS regulations governing grants to individuals, including but not limited to the policies attached (and made part hereof) as Schedule E.

4. Donor Recommendations

In accordance with the rights reserved to Donor pursuant to Article XIII of the Bylaws of the Community Foundation, Donor may set forth on Schedule C, hereto attached, specific recommendations for the administration of the Fund, including its intended charitable purposes, appropriate geographical limitations and selected investment advisors. Should the Fund's purpose become unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community, Community Foundation may exercise its variance power

under Article XIII of its Bylaws. The exercise of such power shall not be effective earlier than at least thirty (30) days after Community Foundation notifies the Fund's advisors in writing of its intent to exercise such power and the manner in which Community Foundation proposes to vary the purposes, uses or methods of administering the Fund.

5. Advisory Committee and Sunset Provisions

A scholarship advisory committee may advise the Community Foundation by copy of committee meeting minutes from time-to-time on the distribution of the Fund. The committee shall be composed of:

Note: Donor, Donor's designees, nor persons related to Donor may not control, either directly or indirectly, the selection of candidates and may not constitute a majority of the advisory committee.

The advisory committee shall unanimously ratify and notify the Community Foundation in writing of the spokesperson who shall communicate on its behalf. The Community Foundation may rely upon such notification until changed by written notice executed by a majority of the members of the Committee, and shall not be obligated to consider advice without the designation of such a spokesperson.

In the event that no one makes gifts to or advises the Community Foundation on the distribution of the Fund for five (5) consecutive years the Fund will be transferred to the Community Foundation of Greater Memphis Community Scholarship Fund and administered by the Community Foundation.

Donor designates the Community Foundation's scholarship committee to make distribution recommendations.

6. Distributions

The Fund will be endowed and distributions will be made annually in the amount of 5% of the Fund's balance based on a twenty-quarter rolling average. No distributions will be made until after the Fund balance is at least \$25,000 for at least 12 months. If the Fund balance does not reach \$25,000 within three years of the date below, the Fund will be transferred to the Community Foundation of Greater Memphis Community Scholarship Fund and administered by the Community Foundation.

7. Additional Contributions

The Community Foundation may receive and accept additional assets to be added to the Fund from any person, institution, trust or entity who or which desires to contribute thereto and have such assets administered and distributed in accordance with the provisions hereof. Said intent shall be presumed conclusively from the receipt of any assets, security, or check designated for the Fund.

8. Cost of Administration

The Community Foundation will charge its ordinary and customary administrative fees based on the prevailing schedule for such fees (which schedule is subject to revision or amendment from time to time) as published by the Community Foundation. As of the date of

this Agreement, the prevailing schedule for administrative fees is as shown on Schedule D attached hereto. The Fund may also be charged regularly for a proper allocation of direct and indirect expenses attributable to the administration of the Fund and its assets.

9. Representation of Community Foundation

Community Foundation represents to Donor it has received a ruling from the Internal Revenue Service that it is an organization described in Internal Revenue Code Sections 501(c)(3), 170(b)(1)(A)(vi) and 509(a)(1); that the facts and circumstances forming the basis for the issuance of the ruling have not substantially changed since the date of issuance thereof; and that the ruling has not been expressly or impliedly revoked.

The following Schedules are attached and made part of this agreement: Schedules A, C, D, and E.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and date first above written.

DONOR SIGNATURE DATE

DONOR SIGNATURE DATE

PRESIDENT OF COMMUNITY FOUNDATION OF GREATER MEMPHIS DATE

SIGNATURE OF FOUNDATION STAFF/ TITLE DATE

CONTACT INFORMATION FOR DONORS TO THE SCHOLARSHIP FUND

Please complete for all current donors to the fund.

Mailing Information (for statements, invitations, newsletters, etc.)

Mr. ___ Mrs. ___ Ms. ___ Mr. & Mrs. ___ Other _____

Name(s) of Donor(s):

Mailing address:

Phone: (H) _____

Donor 1 : (C) _____ (O) _____

Email Address: _____

Donor 2: (C) _____ (O) _____

Email Address: _____

If the donors do not reside with each other, please provide information for other donor:

Mr. _____ Mrs. _____ Ms. _____ Other _____

Name of Donor: _____

Mailing Address:

Phone: (H) _____ (O) _____

(C) _____

Email Address: _____

Relationship: _____

SCHEDULE A

Estimated Value of Initial Contribution:

-
- Cash _____
 - Real Property (address) _____
 - Personal Property _____
 - Stocks _____
 - Bonds _____

If giving securities, please identify those securities and name the broker and firm handling the transfer.

Name of security: _____

Broker: _____

Firm: _____

If gift is deferred or a split interest, please check type:

- Bequest
- Life Insurance
- Retirement Plan
- Charitable Remainder Trust
- Charitable Lead Trust
- Life Estate
- Other _____

SCHEDULE C

Purpose of the scholarship fund. Tell us who you would like to serve with this scholarship.

Narrative for the scholarship fund. Why are you establishing this scholarship? If it is in honor or memory of someone, tell us about them. If it is honoring an organization, a school, or an event, tell us about that. We want the students applying for this scholarship to know the background of why it was created.

**SCHEDULE C
(CONTINUED)**

Selection criteria. For your information, all students that apply for a grant through the Community Foundation will be required to submit the following:

1. Financial need as defined by the Free Application for Federal Student Aid (FAFSA) or College Scholarship Service (CSS) PROFILE
2. Copy of ACT and/or SAT scores
3. Most recent high school or college transcripts
4. Personal Statement

Think about the other criteria that are important to you. The following are some commonly used criteria that donors use to determine who they want to serve with their scholarship funds. Use this list to think through some of the attributes you want in students that apply for this fund. If you have additional criteria not listed, please detail those on the lines provided. You do not have to use any of these, but for those you would like to use, please check all that apply:

Age/Year in school _____

Geographic or school restrictions _____

Grade point average, student must maintain at least a _____ GPA on a 4.0 scale

Type of higher education institution student must attend _____

Area of study _____

Extra-curricular activities _____

Volunteer or work experience _____

Education or careers goals outlined in a personal statement _____

Letters of recommendation _____

Other _____

**SCHEDULE C
(CONTINUED)**

How will students apply to this fund?

I want students to apply directly to an institution or group. Please provide additional information.

I want the Community Foundation to handle it through its established online process.

How will the fund be marketed to the target audience?

I will work with an outside institution or group. Please provide additional information.

I want the Community Foundation to hand it through its website, print materials, etc.

I understand that when I am no longer here, the Board of Governors of the Community Foundation will use its best efforts to maintain this fund with the donor's original intent for the continued benefit of the community.

DONOR SIGNATURE

DONOR SIGNATURE

DATE

DATE

SCHEDULE D

Community Foundation of Greater Memphis Administrative Fees

Administrative fees for all funds are charged quarterly in arrears and are calculated based on the average daily balance of the fund for the quarter.

Donor-Advised Funds

Administrative fee	
1.25% on the fund's balance from \$0 - \$499,999	
1.15% on the fund's balance from \$500,000 - \$999,999	
1.00% on the fund's balance from \$1,000,000 - \$1,999,999	
0.75% on the fund's balance from \$2,000,000 - \$2,999,999	
0.50% on the fund's balance from \$3,000,000 - \$4,999,999	
0.25% on the fund's balance from \$5,000,000 - \$9,999,999	
0.15% on the fund's balance from \$10,000,000 - \$24,999,999	
0.10% on the fund's balance from \$25,000,000 - \$49,999,999	
0.05% on the fund's balance \$50,000,000 and higher	
Minimum annual fee (No minimum fee for endowed funds)	\$200
Additional fee for funds using outside investment manager	0.10%
Minimum additional fee for using outside investment manager	\$500
Minimum holding time for pass-through gifts (or an equivalent fee)	3 mos.

Nonprofit Organization Funds

Administrative fee:	
0.50% on the fund's balance	
Minimum annual fee	\$200

Supporting Organizations

Administrative fee	
Donor-advised fund fee schedule plus 0.10%	
(not to exceed an additional \$2,000 per year)	
Minimum annual fee	\$24,000
Minimum annual fee using outside investment managers	\$26,000

Scholarship Endowments

Administrative fee	
1.25% on the fund's balance	
Minimum annual fee	\$500

Field of Interest Endowments and Designated Endowments

Administrative fee	
Same as Donor-advised fund schedule above	
Minimum annual fee	None

Community Endowments

Administrative fee	
1.0% on the fund's balance	
Minimum annual fee	None

SCHEDULE E

IRS Regulations

The Internal Revenue Service (IRS) has established regulations pertaining to making grants to individuals and the role of advisors in recommending grants to the Community Foundation.

The following policies have been adopted by the Community Foundation in response to the IRS regulations.

- a. The individual grant program serves a charitable purpose.
- b. The group of persons who will be eligible for the grant program constitutes a charitable class.
- c. There are objective criteria for the selection of recipients.
- d. The donor or advisor does not control the process for selecting recipients. Donors and advisors may be members of selection committees provided that they do not control the committee's decision, directly or indirectly.
- e. The sponsoring charity, such as the Community Foundation of Greater Memphis, publicizes the grant program in an appropriate manner to ensure that eligible individuals are reasonably informed of its availability.
- f. The sponsoring charity screens the selected recipients to ensure that distributions from a scholarship fund are not made to disqualified persons.
- g. The sponsoring charity retains documentation to show how the recipients were selected and the terms under which the gift was given.
- h. The sponsoring charity establishes procedures to ensure that the granted funds are used for the purpose for which the grant was made, and the procedures it will follow if it discovers a misuse of the funds.
- i. If potential recipients are limited to employees or members of the families of the employees (including deceased or retired employees) of a particular employer, the sponsoring charity verifies that the selection process complies with the guidelines for similarly restricted private foundation scholarship grants and educational loans (other than the requirement for seeking advance approval of the procedures).

ATTACHMENT 1

**NAME OF PROFESSIONAL ADVISOR WHO REFERRED YOU TO
THE COMMUNITY FOUNDATION**

Name: _____

Firm: _____

Mailing Address:

Phone: (O) _____

Email: _____

**NAME OF FRIEND/FAMILY MEMBER WHO REFERRED YOU TO
THE COMMUNITY FOUNDATION**

Name: _____

Mailing Address:

Email: _____

CONTACT INFORMATION FOR ADVISORY COMMITTEE MEMBERS

Please complete for all current members of the advisory committee to the fund.

Committee Member 1

Mr. _____ Mrs. _____ Ms. _____ Other _____

Name of Committee Member: _____

Mailing Address:

Phone: (H) _____ (O) _____

(C) _____

Email Address: _____

Committee Member 2

Mr. _____ Mrs. _____ Ms. _____ Other _____

Name of Committee Member: _____

Mailing Address:

Phone: (H) _____ (O) _____

(C) _____

Email Address: _____

Committee Member 3

Mr. _____ Mrs. _____ Ms. _____ Other _____

Name of Committee Member: _____

Mailing Address:

Phone: (H) _____ (O) _____
(C) _____

Email Address: _____

Committee Member 4

Mr. _____ Mrs. _____ Ms. _____ Other _____

Name of Committee Member: _____

Mailing Address:

Phone: (H) _____ (O) _____
(C) _____

Email Address: _____

Committee Member 5

Mr. _____ Mrs. _____ Ms. _____ Other _____

Name of Committee Member: _____

Mailing Address:

Phone: (H) _____ (O) _____
(C) _____

Email Address: _____