

The Alaska Community Foundation

ORGANIZATION FUND AGREEMENT

This agreement is made by and between The State of Alaska (Donor) and The Alaska Community Foundation, an Alaska nonprofit corporation ("Foundation").

WHEREAS: the Foundation strives to respond to the changing needs of the Alaska community by building permanent philanthropic capital through individual, corporate and organizational donations.

WHEREAS: the Donor desires to make a lasting contribution to the Alaska community by making a donation to the Foundation through use of an endowed organization fund.

NOW, THEREFORE, in consideration of the promises and of the mutual covenants contained in this Agreement, the parties agree as follows:

1. Creation of Fund.

The Donor wishes to establish an endowment fund and has irrevocably assigned, conveyed, transferred and delivered to the Foundation, and the Foundation has accepted the initial gift of funds transferred from the State of Alaska to be held by the Foundation, together with any other property the Foundation may subsequently at any time hold or acquire under this Agreement from the Organization or donated by other organizations or individuals and all undistributed income from any such property, as a component fund for the uses and purposes, and subject to the terms and conditions, set forth in this Agreement.

The name of the Fund shall be the Alaska Children's Trust Fund ("Fund") of the Foundation.

The Fund is subject to the Foundation's Fund Acceptance and Gift Acceptance policies which are available upon request, and are available on the Foundation's Web site.

2. Management of the Fund.

a. The Foundation shall hold, manage, invest and reinvest the Fund, collect the income, and pay and disburse grants from the Fund exclusively for general charitable uses and purposes to benefit the Organization, in accordance with the provisions

specified in the Foundation's Amended and Restated Articles of Incorporation and Bylaws which provisions are hereby incorporated by reference and conclusively assented to and adopted. Assets of the Fund may be commingled for purposes of investment with other assets of the Foundation. For purposes of this instrument, the term "charitable uses and purposes" is defined as all of those activities, uses, and purposes described in Section 501(c)(3) of the Internal Revenue Code of 1986, as from time to time amended ("Code").

b. The Foundation invests funds according to the Foundation's approved Investment Policy which is based on accepted prudent investments for the type of Fund. The Foundation does not predict any particular result and does not guarantee any particular result related to investments.

3. Use of the Fund.

a. The Foundation shall hold the Fund for the charitable purposes of the Organization as identified by the Organization in Exhibit "A."

b. All transfers from the State of Alaska shall be held as permanently endowed and no principal of the Fund shall be expended except as outlined in to the following provisions:

- **An annual allocation from the principal for operating expenses as currently permitted under state law.**
- **The Alaska Children's Trust pay-out for grants and expenses shall be managed in the identical manner approved by the State of Alaska for the Alaska Mental Health Trust Authority (as outlined in Exhibit B). This includes continuing to maintain an income reserve to fund grants and operations at a consistent level from year to year. The initial income reserve account shall be established at the time of transfer of Alaska Children's Trust assets from the State of Alaska to ACF at four (4) times the previous year's payout, as recommended by Callan Associates for the Alaska Mental Health Trust Authority**
- **Future grants and gifts to the Alaska Children's Trust by donor(s) will be added to the fully endowed Fund unless it is stated at the time of transfer or in this document that the gift is to be used for current grant making.**

c. The Foundation shall distribute grants from any endowed portion of the Fund in accordance with the spending policy as defined in the Investment Policy established by

the Foundation's Board of Directors or as specifically requested by the Alaska Children's Trust as long as the historic principal is not expended except as specifically provided in this agreement.

4. Administrative Expenses.

The Foundation shall charge the Fund fees, including investment and management fees, to the extent sufficient for reasonable and proper compensation for services and expenses of the Foundation. Fees differ based on the type of Fund. The current fee of .5% to be charged against the Fund as set forth in the Foundation's Fee Policy which is attached or as negotiated with the Alaska Children's Trust depending on the direct services provided by the Alaska Community Foundation.

5. Fund as Component of Foundation.

The parties intend that the Fund shall be a component part of the Foundation as defined in section 1.170a-9(e)(11) of the Income Tax Regulations and that nothing in this agreement shall affect the status of the Foundation as an organization described in section 501(c)(3) of the Code and which is not a private foundation within the meaning of section 509(a) of the Code: This agreement shall be interpreted in a manner consistent with the foregoing intention and to conform with the requirements of the applicable provisions of the federal tax laws and any regulations issued under them.

The Fund is subject to the policies and procedures of the Foundation. The Investment Policy, Gift Acceptance Policy and Fundraising Policy are attached.

6. Foundation in Good Standing.

The Foundation, as of the date of transfer, is classified in good standing by the Internal Revenue Service as an organization described in section 501(c)(3) of the Code and which is not a private foundation as defined in section 509(a) of the Code.

7. Governing Law.

The Fund shall be administered in and under the laws of the State of Alaska, and this instrument and its validity shall be governed by and interpreted in accordance with the laws of the State of Alaska.

8. Variance Power.

The Foundation Board shall have the power, as required by United States Treasury Regulations, to modify any restrictions or conditions on the distribution of funds for any specified charitable purpose or to specified organizations if in the sole judgment of the Foundation Board (without the approval of any advisor, trustee, custodian or agent) such restrictions or conditions become, in effect, unnecessary, incapable of fulfillment or inconsistent with the charitable needs of the community or the area served. The Foundation Board shall exercise this power consistent with the principal of maintaining, as close as possible, the original intent of the donor(s).

9. Confidentiality.

All information about donors and prospective donors shall only be disclosed within the guidelines of the Foundation’s Confidentiality Policy which is available upon request or on the Foundation’s Web site.

IN WITNESS WHEREOF, the Organization and the Foundation have executed this agreement on the date appearing below their signatures.

ORGANIZATION

Name

Title (if applicable)

Date

THE ALASKA COMMUNITY FOUNDATION

Name

Title

Date

EXHIBIT A
ORGANIZATION CHARITABLE PURPOSE

ORGANIZATION TO RECEIVE GRANTS FROM THE FUND

Grants from the fund are to be used for the general charitable purposes of the Organization listed or for the specific purpose(s) described below:

Organization

Alaska Children's Trust

Specific charitable purpose(s):

The mission of the Alaska Children's Trust is to improve the status of children in Alaska by generating funds and committing resources to eliminate child abuse and neglect.

Additional Information

Fund Name:

Please name a Fund Representative. This is the person or organization all official correspondence should be directed to including quarterly financial statements.

Name:

Title:

Organization:

Address:

Phone #:

E-Mail:

Prefer to receive ___ Web-based or ___ Paper statements?

If Web-based, please provide a Logonid _____ and
Password _____

Does the organization have a website?

If yes, please provide:

Would you like the fund to be included in ACF's "Give Online" listing?

Please give contact information for Fund Advisors. These are the people/positions authorized to recommend grants from the fund.

Name:

Address:

Phone #:

E-Mail:

Name:

Address:

Phone #:

E-Mail:

Please also provide:

- Current list of Board of Directors
- Mission statement of organization
- Proof of non-profit status such as a IRS determination letter
- Statement explaining desired procedure for authorizing changes to fund advisors and/or fund representatives. Example: Will current advisors/representatives name successors? Will a board vote be required to make authorize any changes?