

STATE OF SOUTH CAROLINA)
)
COUNTY OF SPARTANBURG)

SPECIAL FUND AGREEMENT

This Agreement made and entered into as of the ___ day of _____ between **THE SPARTANBURG COUNTY FOUNDATION** (the "Foundation") and _____ (the "Sponsor").

WHEREAS, _____

_____ ; and

WHEREAS, the Sponsor desires the creation of a special fund in the Foundation to be devoted primarily to ; and

WHEREAS, the Foundation judges and believes that the creation of such a special fund by the Sponsor will benefit the citizens of this area and make for public good and improvement.

NOW, THEREFORE, in consideration of the premises, it is mutually agreed as follows:

1. Establishment of Fund. Contemporaneously with the execution hereof, the Sponsor has transferred funds in the amount of _____ (\$_____) to the Foundation. Such funds and any other funds which may be transferred to the Foundation pursuant to this agreement by the Sponsor or any other person, and all other undistributed income and/or appreciation (or depreciation) from the foregoing property shall be held by the Foundation and shall be known as _____ (the "Fund").

All contributions which may be made to the Fund by the Sponsor shall be irrevocable and shall be treated as completed gifts for federal income tax purposes, and under no circumstances may any part of the Fund revert to the Sponsor or provide the Sponsor with any direct or indirect pecuniary benefit; provided, however, if the Sponsor is an exempt organization under Section 501(c)(3) of the *Internal Revenue Code of 1986*, grants may be made by the Foundation to the Sponsor from the fund. Neither the Sponsor nor any other person shall have any right or power to alter, amend, revoke or terminate this Agreement or any of the terms of this Agreement, except as may otherwise be provided in **Paragraph 10** herein.

2. Property of the Fund. The Fund shall be held, managed, administered, applied and disbursed as a component fund under the general powers and duties of the Foundation.

THIS AGREEMENT IS SUBJECT TO ARBITRATION PURSUANT TO §§ 15-48-10, et seq., CODE OF LAWS OF SOUTH CAROLINA (1976), AS AMENDED.

3. **Designation of Purposes.** The principal and net income of the Fund shall be devoted to _____

4. **Investment and Administration.** The Fund shall be held, managed administered, applied, and disbursed as a component fund under the general powers and duties of the Foundation. The Foundation shall have all powers necessary or in its sole discretion desirable to carry out the purposes of the Fund, including the power to invest and reinvest in such manner as it deems fit, without being subject to investment restrictions, statutory or judicial, which would otherwise be applicable as a fiduciary, along with the power to co-mingle the assets of the Fund with those of other funds for investment purposes so long as the Fund is allocated its appropriate shares of principal and income. The Foundation shall have a right to select appropriate organizations, committees or officers to administer the Fund. Without limiting the generality of the foregoing, the Foundation may delegate investment management discretion to investment managers, cause the assets of the Fund to be placed in trust with investment managers, including banks with fiduciary powers, and cause the assets of the Fund to be invested in so-called common or collective funds of such managers.

5. **Awards from the Fund.** Awards from the Fund will be made by the Foundation upon recommendation of an Awards Committee of the Foundation. The Trustees of the Foundation will appoint an Awards Committee consisting of _____ (____) members for such terms as the Trustees of the Foundation shall designate. Appointments to the Awards Committee will be made by the Trustees of the Foundation on nomination by the Sponsor, provided, however, in the event of failure of the Sponsor to submit a nomination for appointment within sixty (60) days after a vacancy occurs, then the Foundation may proceed to fill such vacancy by appointment without nomination by the Sponsor. The original members of the Awards Committee shall be the following:

_____, _____,
and _____.

Notwithstanding anything in this Agreement to the contrary, all awards and benefits from the Fund shall be of such eleemosynary character and so related to the Spartanburg community as to fall within the purposes of the Foundation.

6. **Promotion of the Fund.** The Sponsor at all times will use its best efforts to promote the Fund and cooperate with the Foundation in a common effort to attain the maximum benefit from the existence and operation of the Fund.

7. **Fund Size.** The parties hereto acknowledge that the intended functioning of the Fund for the purposes herein is not practicable unless and until the principal of the Fund is at least _____ (\$ _____). Accordingly, the parties agree that there shall be no disbursements from the Fund of any kind whatsoever until the amount of the Fund is at _____ (\$ _____). In the event that the principal amount of the Fund shall not equal or exceed _____ (\$ _____) at any time after two (2) years from the date of this Agreement, or in the event that the principal amount of the Fund shall be less than _____ (\$ _____) at any time thereafter, the Foundation, after considering any recommendation which the Sponsor may wish to make, reserves the right to terminate this Agreement by (a) transferring the residue of the Fund to the _____ if then in existence and still qualified as an exempt organization under Section 501(c)(3) of the *Internal Revenue Code of 1986* (or the corresponding provision of any future United States Internal Revenue Law), or (b) transferring the residue of the Fund to _____ if then in existence and still qualified as an exempt organization under Section 501(c)(3) of the *Internal Revenue Code of 1986* (or the corresponding provision of any future United States Internal Revenue law), such residue to be held by the successor charitable organization as a special endowment for the same purposes as set forth herein, or (c) holding the residue for the general purposes of the Foundation.

8. **Variance.** This Fund is a component fund of the Foundation and its assets are assets of the Foundation. The Fund is subject to the Foundation's governing instruments including the Foundation's power (1) To modify any restriction or condition on the distribution of funds for any specified charitable purposes or to specified charitable purposes or to specified organizations if in the sole judgment of the governing body (without the necessity of the approval of any participating trustee, custodian, or agent), such restriction or condition becomes, in effect, unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community or area served.

9. **Arbitration.** Any controversy or claim arising out of or relating to this Agreement or the breach thereof shall be settled by arbitration pursuant to the provisions of Chapter 48, Title 15, *Code of Laws of South Carolina, 1976*, as amended by Act No. 492 of

1978, or such other laws of the State of South Carolina as shall govern arbitration proceedings and be in effect at the time of such arbitration, and judgment upon the award rendered may be entered in any court having jurisdiction thereof.

10. Modification or Amendment. This Agreement may be modified or amended by a written instrument signed by the appropriate representatives of the Foundation and the Sponsor. In addition, upon written request by the Sponsor, the Trustees of the Foundation shall transfer the Fund as then constituted to _____ if then in existence and still qualified as an exempt organization under Section 501(c)(3) of the *Internal Revenue Code of 1986* (or the corresponding provision of any future United States Internal Revenue Law), or if not then in existence, to some suitable entity which shall be organized and operated exclusively for charitable, educational, religious or scientific purposes and which shall at the time qualify as an exempt organization under Section 501(c)(3) of the *Internal Revenue Code of 1986* (or the corresponding provision of any future United States Internal Revenue law).

11. Indemnity. The Sponsor covenants and agrees that it will indemnify and hold the Foundation, its officers, trustees, agents, successors and assigns, harmless against any and all damages, claims, expenses, and liabilities of every kind and nature, including attorneys' fees and litigation costs, arising out of the administration of the Fund, except for gross negligence or willful misconduct.

IN WITNESS WHEREOF, the parties have executed this Agreement the date first above written.

IN THE PRESENCE OF:

THE SPARTANBURG COUNTY FOUNDATION

By: _____
Its Chairman

ATTEST:

Its Secretary

SPONSOR NAME

By: _____
Its Sponsor



FUND TYPE FEES & MINIMUMS

UNRESTRICTED FUNDS

The Community Impact Fund – For those who wish to leave a legacy of influence that will continue to meet the ever-changing needs of Spartanburg County for years to come, there's no better avenue than the Foundation's Community Impact Fund. There are no Foundation Support Fees for this unrestricted fund.

DONOR ADVISED FUNDS

Donors who create donor advised funds may make (or may designate other persons to make) recommendations to the Foundation regarding the not-for-profit or religious organizations that are recipients of grants from the fund.

Minimum Balance is \$2,500.

Annual Foundation Support Fee (applied quarterly):

- » **1.5%** (or \$500 whichever is greater) on the first **\$1 million** of the balance of the fund
- » **1.0%** on the next **\$500,000** of the balance of the fund
- » **0.6%** on the next **\$2 million** balance, up to \$9,999,999
- » **0.25%** on **\$20 million+** balance of the fund
- » **0.75%** on the next **\$500,000** of the balance of the fund
- » **0.5%** on **\$10 million** balance, up to \$19,999,999

NOTE: *Graduated Breakpoints do not apply to fund levels above \$10 million.*

AGENCY ENDOWMENT, DESIGNATED, FIELD OF INTEREST, SPECIAL & OTHER FUND TYPES

Donors who create **designated funds** may specify the specific not-for-profit or religious organizations which are to receive grants from the fund. An organization can also establish an **agency endowment** for itself. Donors who create **field of interest** funds may specify a broad category of interest (such as education, the arts, children's health, animal protection, the elderly, or the environment) for which grants may be made.

Minimum Balance is \$5,000.

Annual Foundation Support Fee (applied quarterly):

- » **1.0%** on the first **\$1 million** of the balance of the fund
- » **0.6%** on the next **\$500,000** of the balance of the fund
- » **0.35%** on **\$10 million** balance, up to \$19,999,999
- » **0.75%** on the next **\$500,000** of the balance of the fund
- » **0.4%** on the next **\$2 million+** balance of the fund
- » **0.175%** on **\$20 million+** balance of the fund

NOTE: *Graduated Breakpoints do not apply to fund levels above \$10 million.*

Fundraising Funds - Rate of 1.5% of Fund Value plus a \$20 per transaction fee. See Fundraising Policy.

SCHOLARSHIP & AWARD ENDOWMENT FUNDS

Donors who create a scholarship endowment may provide students with financial assistance based on academic or other criteria they choose. Grants are awarded directly to the individual's educational institution.

Minimum Balance is \$10,000.

Annual Foundation Support Fee (applied quarterly): **2.0%** of the balance of the fund

For combined scholarship funds of \$5 million or greater, contact the Foundation.

SUPPORTING ORGANIZATIONS

Supporting organizations, established under Section 509 of the tax code, are foundations that exist as a part of The Spartanburg County Foundation. They operate as separate charities with their own bylaws and board members, and make their own grant recommendations. The Foundation handles all distributions and paperwork, as well as audits and tax reports.

Minimum Balance is \$1,000,000.

Annual Foundation Support Fee (applied quarterly):

- » **1.5%** (or \$500 whichever is greater) on the first **\$1 million** of the balance of the fund
- » **1.0%** on the next **\$500,000** of the balance of the fund
- » **0.6%** on the next **\$2 million** balance, up to \$9,999,999
- » **0.25%** on **\$20 million+** balance of the fund
- » **0.75%** on the next **\$500,000** of the balance of the fund
- » **0.5%** on **\$10 million** balance, up to \$19,999,999

NOTE: *Graduated Breakpoints do not apply to fund levels above \$10 million.*