

STATE OF SOUTH CAROLINA)
)
COUNTY OF SPARTANBURG)

AGENCY FUND AGREEMENT

This Agreement made and entered into as of the ____ day of _____, 20____,
between **THE SPARTANBURG COUNTY FOUNDATION** (the “Foundation”) and
_____ (the “Sponsor”).

WHEREAS, each Party is a qualified charitable organization as described in section
501(c)(3), which is other than a private foundation under section 509(a) of the Internal Revenue
Code; and

WHEREAS, (include description of the subject of the agency fund)

_____ ; and

WHEREAS, the Sponsor desires to create an agency fund with the Foundation to be
devoted primarily to the (include description of the purpose of the agency fund)

_____ ; and

WHEREAS, the Foundation judges and believes that the **creation of such Agency fund
is also in the best interests of the Foundation;**

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**

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

which may be made to the Fund by the Sponsor shall be irrevocable. 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 11** herein.

2. Property of the Fund. The Fund shall be the property of the Foundation held by it in its corporate capacity as a component fund of the Foundation and shall not be deemed a trust fund held by it in a trustee capacity. The Foundation shall have the ultimate authority and control over all property in the Fund, and income derived therefrom, in accordance with the Articles of Incorporation and By-Laws of the Foundation (as they may be amended from time to time), and the terms of this Agreement, applied in a manner not inconsistent with said Articles and By-laws.

3. Designation of Purposes. The principal and net income of the Fund shall be devoted to the *(same description of the purpose of the agency fund as page 1)*

Notwithstanding any other provision contained herein, the Foundation shall at all times have the power to freely and effectively employ the assets of the Fund, and the income derived therefrom, in furtherance of its exempt purposes.

4. Investment and Administration. The Fund shall be held, managed, administered, applied and disbursed as an agency 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 commingle 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 trusts 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. Distributions. The Foundation shall distribute so much of the assets of the Fund as the Foundation deems appropriate, in accordance with investment and distribution policies adopted by the Foundation and amended from time to time, to such charitable organizations or for such charitable purposes as the Foundation deems appropriate. All such payments shall be made at such time, in such proportions and for such general or specific charitable purposes as the Foundation deems appropriate.

6. The Fund shall be held as the following type of fund:

a) Endowed Fund _____

Subject to Paragraph 5 hereof, the Fund shall be held as an endowment fund and invested and administered in accordance with the investment and other policies applicable to endowment funds adopted by the Foundation and amended from time to time. The distributions are not intended to be restricted to income only or otherwise limit the ability to distribute principal in accordance with the spending policy of the Foundation; see Attachment (A). The Sponsor(s) understand(s) and acknowledge(s) that under the current policies of the Foundation the amount available to grant from an endowment fund is determined annually by the Board of Trustees of the Foundation. The Foundation, after considering any recommendation which the Sponsor may wish to make, reserves the right to terminate its obligations and responsibilities under this Agreement by (a) transferring the residue of the Fund 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), such residue to be held by the successor charitable organization as an agency endowment of the same purposes as set forth herein, or (b) holding the residue for the general purposes of the Foundation.

b) Non-Endowed Fund _____

Subject to Paragraph 5 hereof, the Fund shall be held as a non-endowed fund and invested and administered in accordance with the investment and other policies applicable to non-endowed funds adopted by the Foundation and amended from time to time. The parties hereto acknowledge that the intended functioning of the Fund for the purposes designated herein

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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 least (\$_____). In the event that the principal amount of the Fund shall not equal or exceed (\$_____) at any time after _____ 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 its obligations and responsibilities under this Agreement by (a) transferring the residue of the Fund 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), such residue to be held by the successor charitable organization as an agency endowment of the same purposes as set forth herein, or (b) holding the residue for the general purposes of the Foundation.

7. **Awards from the Fund.** Awards from the Fund will be made by the Foundation upon recommendation of an **Awards Committee of the Fund**. 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 persons: _____,

_____, 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.

8. 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.

9. 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.

10. 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 §§ 15-48-10, *et seq.*, *Code of Laws of South Carolina (1976), as amended*, 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.

11. Modification or Amendment. The Foundation shall have the power, acting alone, to amend this Agreement in any manner required for the sole purpose of ensuring that the Fund qualifies and continues to qualify as a component fund of the Foundation to be held exclusively for charitable and eleemosynary purposes, in accordance with the governing documents of the Foundation, and any such amendment shall apply retroactively to the inception of this Agreement. Such amendment shall be accomplished by means of an instrument in writing attached to the original executed copy of this Agreement, with copies to the Sponsor. The Foundation is hereby exonerated from any and all liability in connection with any exercise of the powers of amendment herein granted, if taken in good faith reasonably believed by the Foundation to be in accordance with the provisions and intent hereof. In no event shall this Agreement be amended in such a way as to cause the Fund not to be treated as a component fund of the Foundation.

12. Governing Law. Nothing in this Agreement shall affect the status of the Foundation as an organization (a) described in Section 501(c)(3) of the *Internal Revenue Code of*

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1986, as amended (the "Code"), and (b) which is not a private foundation as defined in Section 509(a) of the Code. This Agreement shall be interpreted in a manner consistent with the foregoing intention and in order to conform with the requirements of the foregoing provision of the federal tax laws and any regulations issued thereunder, and any provision held to the contrary or in violation thereof is null and void *ab initio*.

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

(INSERT NAME OF SPONSOR)

By: _____
Its Sponsor



INVESTMENT SELECTION FORM

Fund Name _____ Fund # _____

As authorized representative of the above referenced fund, I hereby request that this fund be invested as follows: (please complete a separate form for each fund)

Percentage must equal 100%

Growth Pool _____ %

Moderate Pool _____ %

Money Market Pool _____ %

Acknowledgement

By signing this form, I acknowledge that I have read and understand the SCF Investment Options brochure, and that I have authority to request the above changes. Investment options may be changed one time within a 12-month period.

_____	_____	_____
Printed Name	Signature	Date

_____	_____	_____
Printed Name	Signature	Date

_____	_____	_____
Printed Name	Signature	Date

For SCF Use Only

Date Received: _____

Approved by: _____

Effective Date: _____

Processed Date: _____

If additional signatures are required attach page 2

Fund Name _____ Fund # _____

_____ Printed Name	_____ Signature	_____ Date
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_____ Printed Name	_____ Signature	_____ Date
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_____ Printed Name	_____ Signature	_____ Date
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_____ Printed Name	_____ Signature	_____ Date
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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
- » **0.75%** on the next **\$500,000** of the balance of the fund
- » **0.6%** on the next **\$2 million** balance, up to \$9,999,999
- » **0.5%** on **\$10 million** balance, up to \$19,999,999
- » **0.25%** on **\$20 million+** balance of the fund

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
- » **0.75%** on the next **\$500,000** of the balance of the fund
- » **0.6%** on the next **\$500,000** of the balance of the fund
- » **0.4%** on the next **\$2 million+** balance of the fund
- » **0.35%** on **\$10 million** balance, up to \$19,999,999
- » **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
- » **0.75%** on the next **\$500,000** of the balance of the fund
- » **0.6%** on the next **\$2 million** balance, up to \$9,999,999
- » **0.5%** on **\$10 million** balance, up to \$19,999,999
- » **0.25%** on **\$20 million+** balance of the fund

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



Services Provided to Fundholders

Processing of all contributions received on behalf of the fundholder

- Includes IRS compliant tax receipt letters and acknowledgements

Processing of all Grant requests

- Includes grant letters to the grantees
- Includes conducting due diligence on grantees, to ensure IRS compliance

Processing of all Grant Expense requests

- Includes obtaining current W-9s

Prepares financial update and other board meeting materials including:

- Fund Statement
- Statement of Cash Flows
- Prime Buchholz Portfolio Overview and Investment Return Detail
- Other documents (varies, and as requested)

Attendance at Board Meetings by Troy Hanna, President and CEO, if applicable, and based upon availability

All Funds are audited under SCF's Annual Audit, currently conducted by FORVIS

Provides exposure within the community through the Foundation's Annual Report

Provides investment oversight through the Foundation's Investment Advisory Committee

Provides an Outsourced Chief Investment Officer to manage directly the pooled investments of SCF

Conducts monthly Joint Investment Allocation to distribute investment earnings or losses to each fund of the Foundation

Provides fundholders with access to meeting space at the Center for Philanthropy

Provides other general administrative support as needed

Meets with fundholders and/or board members at their request

Annual fund review as requested