



DONOR-ADVISED FUND AGREEMENT CREATING THE XXXXXXX FUND

This Agreement is hereby made between the Nebraska Community Foundation, Inc. ("Foundation"), which qualifies under the U.S. Internal Revenue Code ("IRC") as a public, non-profit, Section 501(c)(3) organization, and XXXXXXX ("Donor"), creating the XXXXXXX Fund ("Fund"), to be managed by the Foundation. This Fund is designed to receive contributions, devises, bequests, endowments and other gifts directed to the Fund by XXXXX and others, and managed as described in this Agreement. This fund agreement and charitable gift are irrevocable. Nevertheless, solely to insure that the Fund is a qualified component of the Foundation for federal tax purposes, the Foundation, acting alone, shall have the power to modify the terms of the agreement to the extent necessary to insure such qualification. The agreement shall be governed by the laws of the State of Nebraska.

1. Purpose

The purpose of the Fund is to promote and further the purposes of the Foundation and to the extent not inconsistent with the purposes of the Foundation it is the desire of Donors for the Fund to be primarily used to support those charitable causes recommended by the Fund Advisory Committee.

2. Assets

From time to time, the Donor or other donors may contribute to the assets of the Fund. Additionally, the Donor or other donors may establish both permanent and non-permanent accounts within the Fund to support specified or general purposes. For permanently endowed assets, the Fund's Advisory Committee may annually recommend an amount to be distributed from the fund, but the amount of distributions may not exceed the Payout Guidelines of the Foundation. The Fund's Advisory Committee may also advise the Foundation regarding the prudent investment and management of assets consistent with the range of investment and management options provided by the Foundation's Investment Policy.

3. Distributions

The Fund is an advised fund with the Fund Advisory Committee having input into the selection of qualified recipients for distributions from the Fund. Notwithstanding the existence of a Fund Advisory Committee, Donor acknowledges the Foundation has final authority in determining the recipients of all distributions in order to most effectively accomplish the purposes of the Foundation. No distribution will be made for any purpose or to any organization that would provide a tangible benefit to the Donors recommending the distribution. The Foundation will ensure that all distributions from this Fund will be made consistent with IRC Section 501(c)(3) allowable activities and donor intent.

4. Variance Power

The Board of Directors of the Nebraska Community Foundation retains the power to modify any restriction or condition on the distribution of funds for any specified charitable purpose or to any specified organization if, in the sole judgment of the Board of Directors, such restriction or condition becomes, in effect, unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community or area served. The Board of Directors of the Nebraska Community Foundation may modify the restriction without obtaining the approval of any participating trustee, custodian, advisor or agent of the Fund.

5. Reports

The Foundation agrees to provide the Donor with an annual financial report to include the following: (1) Contributions received for the Fund, (2) Income received and realized and unrealized gains/losses attributable to the Fund’s investments, (3) Investment and administrative fees charged to the Fund, (4) Disbursements made from the Fund, and (5) Net assets remaining in the Fund.

6. Costs

The Foundation will provide full management services for the Fund. Administrative fees will be determined based on the structure of the investments of the Fund and any additional service requirements associated with the Fund. See Attachment C for a current fee schedule.

7. Dissolution

The individuals listed on Attachment B shall constitute the Fund Advisory Committee. In the event of the resignation, unavailability, or death of a member of the Fund Advisory Committee, the remaining members shall select and recommend a replacement to the Foundation's Board of Directors. In the event that there are no advisors to the Fund, the Foundation's Board of Directors will utilize the Fund consistent with the purposes set forth in this Agreement. As with all Funds within the Foundation, the Foundation's Board of Directors is the entity accountable to fulfill the Donor’s charitable intent.

In witness whereof, the parties hereto have executed this Agreement, including both its specific and general conditions, effective _____, 2008.

Donors

Other Members of the Fund Advisory Committee

For the Nebraska Community Foundation, Inc.

Jeffrey G Yost
President and CEO

- Included as part of this Agreement are the following:
Attachment A: Statement of Fund Purposes
Attachment B: Fund Advisory Committee
Attachment C: Administrative Fee Schedules
Attachment D: Funds Investment Options
Attachment E: Fund Disbursement Authorization Form

ATTACHMENT A
Statement of Fund Purposes

Re: **Donor Intent --** _____ **Fund**

Assets of the Fund will be designated and managed as follows (check one):

_____ Gifts estimated to total \$ _____ are intended to serve as a non-permanent flow-through fund. Contributions received will be placed in a short-term, liquid investment.

_____ An initial gift of \$ _____ is being made, which is intended to establish a permanent endowment. Accordingly, no more than 5.0% (or such other amount as set forth in the NCF Investment Policy) of total assets will be spent from the endowment annually.

Remove if not Endowed!!!!

Endowment Account Investment Choices. Endowment account funds will be invested in one of NCF's three long-term investment models as outlined in the Nebraska Community Foundation Investment Policy. Please select the investment model to be used for this account:

Investment Portfolio

Fixed Income-Weighted—75% Fixed Income & 25% Equities

Balanced—50% Fixed Income & 50% Equities

Equity-Weighted— 25% Fixed Income & 75% Equities

It is the intent of the Donor that the Fund Advisory Committee of this Fund initially make recommendations to support the following charitable causes.

The recommendation of the Donor is that this Fund support the following general purposes

_____.

or

The purpose of this Fund is to support the following activities or causes:

Priority	Organization	Contribution	Notes
1.	_____	_____	_____
2.	_____	_____	_____
3.	_____	_____	_____
4.	_____	_____	_____

At the time additional contributions are made to the Fund, permanently endowed and /or non-permanent accounts may be established as appropriate.

ATTACHMENT B
XXXXXXX Foundation
Fund Advisory Committee

Name Address	Office Held (if any)	phone e-mail
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* Please denote the Primary Contact to whom official NCF correspondence is to be sent.

ATTACHMENT C
Administrative Fee Schedule
(Effective July 1, 2007)

Administrative fees are intended to recoup a portion of NCF's costs of serving affiliated funds. These costs include a wide range of operational, financial, and development services as well as general overhead costs.

Start-Up Fees:

- \$500 start-up fee at the time a new affiliated fund is established
- \$100 start-up fee for each new account within a new or existing affiliated fund (does not apply for the General Account or Unrestricted Endowment Account)

Membership Fees:

- \$100 per affiliated fund each quarter
- \$10 per account within an affiliated fund each quarter (does not apply for the General Account or Unrestricted Endowment Account)

Management Fees:

Each account within an Affiliated Fund is classified as either Non-Permanent (all contributions and earnings may be spent) or Permanently Endowed (all contributions will remain as "principal" in the account, with only the earnings to be spent). The management fee structure depends on the type of account; only one of the two fee structures below will apply to each account within an Affiliated Fund.

◆ **Non-Permanent Account Management ("Disbursement") Fee and Investment Earnings:**

- Non-Permanent accounts are charged an account management fee calculated as a percentage of the disbursements made by that account during the month. The rate charged is dependent on the balance in all accounts held by the Affiliated Fund, as follows:
 - Balance of \$100,000 or less 2.50% of disbursements
 - Balance of \$100,001 to \$500,000 2.00% of disbursements
 - Balance greater than \$500,000 negotiable
 - Higher fees apply to any account involving federal or state grant reporting
- Non-Permanent accounts earn interest for each month during which the average monthly balance in all accounts held by the Affiliated Fund totals \$5,000 or more. The interest rate is equal to the rate on NCF's short-term sweep account, less 2%. Because all short-term investments are pooled, this results in a higher rate of interest than on a typical bank account. Bank CDs purchased in accordance with NCF's CD policy earn interest equal to the stated CD rate, less 2%.

◆ **Permanently Endowed Account Asset Management Fee and Investment Earnings:**

- Permanently Endowed accounts are charged an asset management fee quarterly, calculated as a percentage of the total endowed assets held at the end of that quarter as follows:
 - First \$1,000,000 1.0% per year (0.25% per quarter)
 - Portion of account balance greater than \$1,000,000 0.75% year (0.1875% per quarter)
- Permanently Endowed accounts will earn an investment return based on the performance of the financial assets in which the accounts are invested
- Earnings withdrawn are not assessed a disbursement fee; however, principal withdrawn from an endowed account will be assessed a disbursement fee.

Scholarship Compliance Fees:(to ensure compliance with the Pension Protection Act of 2006 requirements)

- \$300 per year per Scholarship Selection Committee for nomination and approval process
- \$ 20 per scholarship disbursement for due diligence and verification process
- Payments from a non-permanent scholarship account are subject to the disbursement fee

Value-Added Services: The Foundation may assess additional fees for the provision of value-added services, including (but not limited to) providing employment or contracting services; extraordinary financial and/or governmental reporting; transactional work related to gifts of real property and other illiquid assets; and customized receipting.

Fund Investment Options (Updated April 2007)

Liquid Funds - Funds in non-permanent accounts and the portion of endowed accounts needed to make grants and pay fees are deposited into the Foundation's checking account. These deposits are then invested via a "sweep account" in investment-grade commercial paper. Rates vary daily reflecting prevailing interest rates.

Investment Options for Endowed Assets - The Foundation provides a range of investment options for permanently-endowed assets. These investment options are each designed to provide a diversified investment strategy that is appropriate for the endowed assets of a non-profit organization. The Foundation, working with McCarthy Group Advisors (MGA), a Nebraska-based Registered Investment Advisor, offers its affiliated funds three asset-allocation models to accommodate the differing levels of risk tolerance and cash flow needs of fund advisory committees. The three asset allocation models are:

	Fixed Income ¹	Equities ²	Projected Return ³	Standard Deviation ³	Annual Expenses ⁴	Total Managers ⁵
Fixed Income-Weighted	75%	25%	+5.6%	8.8%	0.42%	23
Balanced	50%	50%	+6.2%	9.5%	0.50%	22
Equity-Weighted	25%	75%	+7.0%	13.2%	0.61%	22

1. Fixed income investments include cash and equivalents, core income and total return bonds.
2. Equity investments include a diversified portfolio of stocks, including growth and value stocks, small, mid and large cap stocks, and US and foreign stocks.
3. Projected Returns and Standard Deviations are based upon models provided by Wilshire Associates "2005 Asset Allocation Return and Risk Assumptions, January 30, 2005." Standard Deviation is a statistical measurement of dispersion about an average that depicts how widely the returns varied over a certain period of time. When a security or portfolio has a high standard deviation, the predicted range of performance is wide, implying greater volatility. One standard deviation implies that the variances of returns can be expected to occur within that range about two-thirds of the time. For example, if an investment is expected to have a return of 3% with a standard deviation of 5%, then two-thirds of the time you may expect this investment to have returns between -2% and +8%. The return on these investments is not guaranteed, and the price and rate of return will fluctuate. Past performance is not a guarantee of future returns, and the risk of permanent loss of capital does exist.
4. Annual expenses are subject to change, and generally range up or down no more than 0.05%.
5. Total Managers refers to the number of investment managers engaged within each asset allocation model, and may change over time.

Donor Investment Recommendations - Although the Foundation prefers to manage permanently endowed assets within the MGA structure described above, Foundation policy does allow donors in certain circumstances to make suggestions regarding alternative investment management of their charitable gift(s). The Foundation Board of Directors will consider requests for alternative investment management only if the following criteria are met: (1) the individual gift is \$100,000 or greater and is free of material restrictions; (2) the gift is permanently endowed; (3) the recommended investment manager agrees to invest such funds within the framework of the Foundation's investment models; and (4) the donor understands that the Foundation retains the right to change investment managers and investment options in fulfillment of its oversight and fiduciary responsibilities.

Certificates of Deposit – Subject to NCF policies, certificates of deposit may be used in appropriate circumstances for non-permanent and endowed accounts.

Additional information regarding the Foundation's asset allocation models or the donor investment recommendations policy (which are detailed in the Nebraska Community Foundation Investment Policy) can be obtained by calling the Foundation offices at (402) 323-7330 or accessing the Foundation website at www.nebcommfound.org.

ATTACHMENT E Fund Disbursement Authorization Form

The XXXXXXXX Fund Advisory Committee authorizes the following individual(s) to request disbursements from this Fund (at least 2 but no more than 4 individuals must be listed):

Name of person authorized

Signature

Name of person authorized

Signature

Name of person authorized

Signature

Name of person authorized

Signature

Disbursements from the above-referenced fund account in excess of \$1,500 per request require the signatures of two authorized individuals.

Fund Advisory Committee
President or Chair

Fund Advisory Committee
Secretary/Treasurer

Date _____