



## 2011 DONOR DIRECTED FUND PROCEDURES

### **Authorization**

The Park City Foundation (PCF) has authorized the establishment of Donor Directed Funds by a resolution of the Board of Directors. These procedures may be amended from time to time when deemed necessary or appropriate by the Board of Directors.

### **Characteristics of Donor Directed Funds**

Donor Directed Funds may be established by the donation or transfer by any person to, and acceptance by, PCF of money or property, whether by contribution, gift, bequest or devise, or by transfer from a charitable or other organization, to further or carry out the charitable purposes of PCF, as set forth in its articles of incorporation and bylaws. Contributions to Donor Directed Funds represent irrevocable gifts subject to the legal and fiduciary ownership and control of PCF's Board of Directors. A Donor may not impose any material restriction or condition that prevents PCF from freely and effectively employing the contributed assets or the income derived there from, in furtherance of a charitable purpose of PCF.

### **Nature and Terms of Donor Directed Funds**

Each Donor Advised Fund shall be the property of PCF, owned by it in its normal corporate capacity. In such capacity, PCF shall have the ultimate authority and control of all property in the Fund, and the income derived there from, for the charitable purposes of PCF. Each Fund may be recorded on the books and records of PCF as an identifiable and separate fund and may be given a name or other appropriate designation as requested by the Donor. Anything herein or in the deed of gift or other instrument of transfer creating a Donor Directed Fund to the contrary notwithstanding, each Fund shall be a component part of PCF and shall be subject to the governing instruments of PCF, including the articles of incorporation and bylaws, as amended from time to time.

### **Value**

The minimum amount to establish a Donor Directed Fund is \$10,000, but PCF encourages Donors to build their funds to \$25,000 over three to five years. The Foundation will not advise Donors on the value of contributed property.

### **The Donor's Role**

The Foundation welcomes the involvement and recommendations of its Donors with respect to distributions from Donor Directed Funds, but such recommendations are advisory only and are in no way binding upon PCF. PCF honors the charitable intentions of its Donors consistent with community needs and applicable laws and regulations. Donor advice will be considered if offered in writing or by fax, email, and telephone or through DonorCentral, PCF's online fund management system.

**Evaluation of Donor Recommendations**

In evaluating recommendations for distributions from Donor Directed Funds, PCF staff investigates all prospective grant recipients to ensure that they are organized and operated for charitable purposes within the meaning of section 501(c)(3) of the Internal Revenue Code or that the grant will be used for a charitable purpose. All distributions from Donor Directed Funds must be ratified by PCF's Board of Directors.

**Additional Advisors**

The privilege of making recommendations shall be extended to Donors, their spouses, and their designees. The initial Donor Advisor is able to name up to two generations of Successor Advisors. After this time, remaining fund balances are transferred according to the last advisor's recommendations or to PCF's unrestricted endowment fund. All requests to appoint additional advisors and successor advisors must be communicated to PCF in writing by the Donor(s) establishing the fund. A Donor Advisor may change this designation at any time by completing the Successor Advisor Form available from PCF. If after six months from the death, resignation, or incapacity of a Donor Directed Fund's Donor(s), PCF has not received in writing the names of an additional advisor or successor advisor to the fund, the Fund shall continue as part of the unrestricted endowment funds of PCF.

**Successor Advisors**

Donors may designate individuals as Successor Advisor(s), who have privileges to make recommendations appropriate for the fund; Donor Advisors may choose up to two generations of Successor Advisors before the funds are transferred as indicated above. A Donor Advisor may change this designation any time by resubmitting the Successor Advisor portion of this agreement available upon request from PCF.

**Gift Acceptance**

Gift acceptance is governed by PCF's Board of Directors. The Board of Directors may refuse any offered gift that is not judged in the best interests of PCF. PCF and any prospective donor considering a gift should be fully advised of the legal and tax implications of the transaction. Prior to making any gift, prospective donors are strongly urged to review the transaction with trusted legal or financial advisors. Likewise, PCF will rely on the advice and opinions of its legal and financial counsel, particularly when significant legal or tax considerations are involved.

**Investment of Assets**

PCF has the responsibility and authority for the investment of the assets of each Donor Directed Fund. The funds are invested according to PCF's established investment policy and the advice and counsel of the Investment Committee.

**Variance Power**

Donor Directed Funds will be subject to the provisions of the articles of incorporation and bylaws of PCF, including the power vested in the Board of Directors to modify any condition or restriction on the distribution of funds if in its sole judgment (without the approval of any trustee, custodian or agent), such restriction or condition becomes, in effect, unnecessary, incapable of fulfillment, or inconsistent with the charitable purposes and functions of PCF.

**Spending Policy**

The Board of Directors, with the assistance of the Executive Director, may determine specific charitable needs for which distributions from Donor Directed Funds may be made. In determining the annual distribution amount, the Board of Directors may consider the expected total return on the investments of PCF's permanent funds, the desirability of maintaining the value of PCF's permanent funds, and other factors that the Board of Directors deems relevant. The Foundation strives for a sustainable philanthropic community lasting in perpetuity. To this end, we encourage the growing of funds and the granting of interest only. It is the general policy of PCF that a substantial part of the Donor Directed Funds shall remain as a permanent endowment of PCF.

### **Distributions**

All distributions from Donor Directed Funds are subject to PCF's variance power and must be ratified by PCF's Board of Directors. PCF requires distributions of at least \$100 from any Donor Advised Fund. Unless otherwise requested by the Donor of the Fund, any distribution from a Donor Advised Fund shall identify to the grantee organization the name of the Fund from which the distribution is made.

### **Restrictions on Distributions**

Distributions from Donor Directed Funds established at PCF will be made only if they are consistent with PCF's charitable purposes and satisfy community needs identified by PCF as deserving of its support. Fund distributions will not be made for any purpose or to any organizations that would provide a tangible benefit to the Donor recommending the distribution (**grants may not be made to individuals or for special events, sponsorships, or tickets**). It is PCF's policy that distributions from Donor Directed Funds may not be made to any specific individual or to organizations that are not qualified section 501(c)(3) public charities without sufficient due diligence to establish that such distribution fulfills a charitable purpose. Distributions may not be used to directly or indirectly support or oppose candidates for public office.

### **Conflict of Terms**

In the event of an inconsistency between these procedures and any procedures, terms, or conditions appearing elsewhere in connection with any fund, these procedures, as interpreted by PCF, shall govern, and PCF reserves the right to take any actions at any time which, in its discretion, it deems reasonably necessary or desirable for the proper administration of any fund or PCF.

### **Fees**

Donor Directed Funds are subject to administrative fees and investment expenses. PCF reserves the right to change its fee structure at any time. A donor shall keep his/her contracted fee schedule confidential.



\*ALL CORRESPONDENCE WILL BE SENT TO ADVISOR 1, UNLESS OTHERWISE SPECIFIED

**Donor Advisor 2**

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Name (First, Middle, Last)

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Mailing Address	City	State	Zip
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Date of Birth

Send mailings to my:      Home     Office

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Business or Organization Name	Position
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Business Address	City	State	Zip
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Home Phone	Business Phone	Email (Preferred)
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How would you like to be addressed?

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(e.g. Mr. and Mrs. John H. Smith; John and Jane Smith)

**Donor Advisor 3**

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Name (First, Middle, Last)

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Mailing Address	City	State	Zip
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Date of Birth

Send mailings to my:      Home     Office

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Business or Organization Name	Position
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Business Address	City	State	Zip
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Home Phone	Business Phone	Email (Preferred)
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How would you like to be addressed?

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(Eg. Mr. and Mrs. John H. Smith; John and Jane Smith)

**Donor Advisor 4**

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Name (First, Middle, Last)

Mailing Address

City

State

Zip

Date of Birth

Send mailings to my: Home  Office

Business or Organization Name

Position

Business Address

City

State

Zip

Home Phone

Business Phone

Email (Preferred)

How would you like to be addressed?

(e.g. Mr. and Mrs. John H. Smith; John and Jane Smith)

### 3. Name Your Fund

Please choose a name for your fund. Grants made to charities are accompanied by a letter which includes the name of the fund (eg. The Smith Family Fund) and the donor advisor's name and address. However, you may recommend that specific grants be sent anonymously.

Your fund name will appear in PCF materials including our annual report and on our website. If you wish your fund name to be anonymous, please name it accordingly (e.g. ABC Fund).

Fund Name: \_\_\_\_\_

### 4. Contributions

The minimum initial contribution is \$10,000. Additional gifts can be made in any amount. If making a contribution of multiple securities or assets, please attach detail pages as needed.

- Check for \$ \_\_\_\_\_
- Publicly Traded Securities \_\_\_\_\_ shares of \_\_\_\_\_
- Real Estate (attach detail of property)
- Retirement Plan/Life Insurance (attach copy of your beneficiary designation form)
- Closely held stock, Partnership or LLC interest, etc. (attach detail of asset)
- Bequest of other deferred gift
- Other \_\_\_\_\_

### 5. Fund Fees, Balance & Investment

How do you intend to operate your fund?

- Pass Through       Spend Down       Endowed       Qwasi-endowed

PCF values sustainable, philanthropic giving--donations that last in perpetuity. To this end, we encourage fund advisors to grow funds to a minimum of \$25,000 over time. For funds starting at a \$10,000 base, we encourage, but not require, a 3-5 year growth period.

The annual administrative fee for your funds is: \_\_\_\_\_% or a minimum of \$250.00.

PCF is committed to smart, sophisticated investing. To learn more about our investment policies and committee, please visit our website to review PCF's Investment Policy and Investment & Finance Committee member biographies.

## 6. Succession Plan

You may request that portions of your fund be administered in any or all of the following ways upon the death or incapacity of the fund's last surviving Donor Advisor. Total percentages should equal 100%.

- Transfer advisory privileges of this fund to Successor Advisor(s) as listed later in this agreement \_\_\_\_\_% of fund
- Transfer the fund's assets to The Foundation's Administrative Endowment Fund (to help fund future administrative costs of the Foundation) \_\_\_\_\_% of fund
- Create an endowed designated fund for the benefit of the organization(s) named below (\$50,000 minimum requirement) \_\_\_\_\_% of fund;
- Organization name(s):  
\_\_\_\_\_
- Transfer the fund's assets to the Community Fund (PCF's unrestricted pool) to help meet pressing needs of the greater Park City region \_\_\_\_\_% of fund
- Transfer the fund's assets to available Field of Interest Funds \_\_\_\_\_% of fund. Please specify which Field of Interest Funds \_\_\_\_\_

### Successor Advisor Information

Successor Advisor(s) have privileges to make recommendations appropriate for the fund. All fund correspondence will be sent to Successor Advisor 1, unless otherwise specified. It is the responsibility of the designated Successor Advisor(s) to contact PCF at such time as he/she becomes Advisor(s) to the fund. If we do not hear from the Successor Advisor(s) and are not able to locate him or her within six months of becoming Advisor(s) to the fund, then the fund shall revert to a named fund within PCF's unrestricted pool ("The Community Fund")

### Successor Advisor 1

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 Name (First, Middle, Last)
 

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Mailing Address	City	State	Zip
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Date of Birth

 Send mailings to my:    Home       Office   


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Business or Organization Name	Position
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Business Address	City	State	Zip
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Home Phone	Business Phone	Email (Preferred)
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**Successor Advisor 2**


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 Name (First, Middle, Last)
 

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Mailing Address	City	State	Zip
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Date of Birth

 Send mailings to my:    Home       Office   


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Business or Organization Name	Position
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Business Address	City	State	Zip
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Home Phone	Business Phone	Email (Preferred)
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I/We, as the Donor(s), request that the Successor Advisor(s) named assume this responsibility on the following date: \_\_\_\_\_ or \_\_\_\_\_ (check here) upon the death of the present Advisor(s).

**7. Signatures**

Donor Advisor(s) listed in section 1 must sign below:

**Donor Directed Fund Procedures**

The undersigned have received and reviewed the *Donor Directed Fund Procedures* and agree to the terms and conditions described therein. The undersigned understand that any contribution, once accepted by PCF, represents an irrevocable gift to PCF and is not refundable. The undersigned hereby certify that all information presented in connection with this application is accurate, and the undersigned will promptly notify The Foundation in writing of any changes.

**Administration Fees and Expenses**

PCF will receive as compensation for its services in investing, administering and distributing the funds hereunder, the service charges customarily applied.

**Investments**

The undersigned understand that investments will be administered in accordance with the policies of PCF. The undersigned acknowledge that investments are subject to market and interest rate fluctuation risks, and that any gain or loss generated by the above investments will be credited or charged to the fund. The total investment return of each investment vehicle is net of its operating expenses.

**Indemnity**

In consideration of PCF's creating a fund at the request of the individual(s) or entity named and for other good and valuable consideration, the undersigned hereby agrees to indemnify and hold harmless PCF, its directors, officers and other representatives, against any liability, cost, or expense which PCF may incur by reason if its acting upon recommendations given to PCF by any of the authorized persons named.

**Variance Power**

It is understood that the fund to be established pursuant to this agreement will be subject to the provisions of the Articles and Bylaws of The Foundation, including the power reserved by the Board of Directors to modify any condition or restriction on the distribution of funds if in its sole judgment (without the approval of any trustee, custodian or agent), such restriction or condition becomes, in effect, unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the area served by PCF.

**Donor Advisor 1**

\_\_\_\_\_  
Signature  
\_\_\_\_\_  
Name (please print)  
\_\_\_\_\_  
Date

**The Park City Foundation**

\_\_\_\_\_  
Signature  
\_\_\_\_\_  
Title  
\_\_\_\_\_  
Date

**Donor Advisor 2**

\_\_\_\_\_  
Signature  
\_\_\_\_\_  
Name (please print)  
\_\_\_\_\_  
Date

**PCF Notes (for internal use)**

\_\_\_\_\_  
Date of Gift  
\_\_\_\_\_  
Fund ID #