

# **AGREEMENT TO ESTABLISH A "DONOR-ADVISED FUND" WITHIN THE LIONS OF MICHIGAN FOUNDATION**

This AGREEMENT is made to establish a charitable fund to be known as the \_\_\_\_\_ (the "Fund") within the Lions of Michigan Foundation (the "Foundation").

**1. Purpose of Fund**

The purpose of the Fund is to support the charitable initiatives of the donor consistent with the mission of the Foundation.

**2. Creation of the Fund**

- a. The Fund is created by the Foundation and will be so identified by the Foundation in all relevant literature, reports, promotional material, and other public documents, including the Foundation's website and any Annual Report prepared by the Foundation.
- b. The Fund is created for the purposes set forth in Section 1 above, and donations may be made to the Fund at any time by any donor, upon acceptance by the Foundation. Donors to the Fund may designate their gifts for the permanent endowment or for the non-permanent portion of the Fund.
- c. The Fund will be the property of the Foundation and will not be deemed a separate trust fund held by it in a trustee capacity. The Fund will operate under, and all assets held in the Fund will be subject to, the governing instruments (including Articles of Incorporation and Bylaws of the Foundation) and control of the Foundation through its Board of Trustees.
- d. It is intended that the Fund be a component fund of the Foundation and the terms of this agreement are to be construed to that effect.

**3. Powers, Duties and Responsibility of the Foundation**

- a. The Foundation, upon receipt of contributions to the Fund, shall establish a separate account for accounting control of the contributions and shall separately account for all endowment principle income and income from, the Fund.
- b. The Foundation shall have full authority and discretion as to the investment and reinvestment of the assets for the Fund.
- c. The Foundation shall furnish all routine accounting, as well as reporting to the Michigan Attorney General and Internal Revenue Service regarding the Fund, and shall keep all records of the Fund that are required to be kept under the laws governing Public Charities.
- d. The Foundation retains the power to modify any restriction or condition on the distribution of funds from the Fund for any specified charitable purposes or to any specified organizations if, in the sole judgment of the Board of Trustees of the Foundation such restriction or condition becomes, in effect, unnecessary, undesirable, impractical, incapable of fulfillment.

**4. Distributions from the Fund**

- a. Distributions shall be made consistent with the charitable purpose for which the Fund has been established and consistent with the exempt purposes of the Foundation as specified in its Articles of Incorporation and Bylaws.
- b. Distributions from the Fund shall be made in conjunction with the recommendations of the fund's Donor Advisory Committee or the donor(s).
- c. Distributions from the Fund will ordinarily be made according to the Spending Guidelines established by the Donor Advisory Committee or the donor(s) and the Board of Trustees of the Foundation.
- d. The Foundation will not approve grants from which the donor(s) [or subsequent advisors]

would derive personal benefit, such as payment for tickets to events, payment for goods purchased at a charitable auction, or payment of membership fees or dues.

5. **Fees and Expenses**

The Foundation shall charge the Fund an administrative fee based on a percentage of net investment income generated by the Fund and for expenses directly related to the marketing and operation of the Fund (e.g., brochure printing and mailing costs, supplies, legal services, and so forth). The fee for the Fund shall be \_\_\_\_\_ of net investment income.

6. **Donor Advisory Committee Function**

- a. The Donor Advisory Committee or donor(s) will make distribution recommendations to the Foundation, and the Foundation will exercise discretion as to distributions from the Fund.
- b. If the Donor Advisory Committee, donor(s) or their successors decide to cease providing advisory functions, the assets of the Fund will become a designated fund of the Lions of Michigan Foundation, for the purpose of satisfying the original intent of the donor(s).

7. **Dissolution of the Foundation**

In the event the Foundation ceases to be a qualified charitable organization (as described in Internal Revenue Code Sections 509(a)(1), (2), (3), or (4) and which is other than a private foundation under Section 509(a)), or proposes to dissolve, the Foundation will distribute the assets of the Fund to one or more organizations eligible to receive funds under the Articles and Bylaws of the Foundation to be administered by such organization(s) in a manner that will, as much as is practical, achieve the original purposes of the Fund.

IN WITNESS WHEREOF, each party hereto has executed this Agreement on the date(s) set forth below.

**Lions of Michigan Foundation**  
**5730 Executive Drive**  
**Lansing, Michigan 48911**  
**517-887-6640**  
[www.lmsf.net](http://www.lmsf.net)

**(Name of Fund):** \_\_\_\_\_

\_\_\_\_\_  
Chad A. McCann, Executive Director  
Date: \_\_\_\_\_

\_\_\_\_\_  
Name of Donor  
Date: \_\_\_\_\_