



**Succession Plan & Planned Gift Agreement**

# succession plan & planned gift agreement

## Welcome to The Community Foundation Of South Alabama.



Thank you for choosing to be a part of The Community Foundation of South Alabama. We are committed to connecting you with the community and to the causes that are important to you. Our staff is available to assist you with a wide variety of services, from creating your fund to ongoing grant-making and charitable giving services.

This document is intended to inform The Community Foundation of your desires regarding the administration of your fund after your death and of any planned gifts The Community Foundation should anticipate receiving through your estate plan.

If you have any questions about this Agreement or Procedures, please call The Community Foundation of South Alabama at 251-438-5591.

## 1 donor information

Full Name (First, Middle, Last) \_\_\_\_\_

Spouse Full Name (First, Middle, Last) \_\_\_\_\_

Home Address \_\_\_\_\_

City State Zip \_\_\_\_\_

Phone \_\_\_\_\_

Email Address \_\_\_\_\_

Send mailings to my: Home  Office  \_\_\_\_\_

Date of Birth \_\_\_\_\_

Business or Organization Name \_\_\_\_\_

Position \_\_\_\_\_

Business Address City State Zip \_\_\_\_\_

Preferred method of contact: Home Phone , Business Phone , or E-Mail

How would you like to be addressed? \_\_\_\_\_

## 2 name your fund

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

# 3 succession plan

You may request that portions of your fund be administered in any or all of the following ways upon your death. Percentage total must equal 100.

- Provide advisory privileges to Successor Advisor(s) as listed later in this agreement \_\_\_\_\_ % of fund value
  
- Create an endowed, designated fund for the benefit of the organization(s) named below (\$25,000 minimum required)  
\_\_\_\_\_ % of fund value for Nonprofit organizations and percentage of payout:  
\_\_\_\_\_%  
\_\_\_\_\_%  
\_\_\_\_\_%
  
- Create an unrestricted fund to help meet the greatest needs of the Southwest Alabama area  
\_\_\_\_\_ % of fund value
  
- Create a field of interest fund to help meet the greatest needs of the Southwest Alabama area in a specified field. All new field of interest funds must be reviewed by The Community Foundation Staff for approval by the Board.  
\_\_\_\_\_ % of fund value Field: \_\_\_\_\_

## Successor Advisor Information (applies only to Donor Advised Funds)

Successor Advisor(s) have privileges to make recommendations appropriate for your fund provided the Fund attains a minimum balance of \$25,000. All fund correspondence will be sent to Successor Advisor 1, unless otherwise specified. If more than two advisors are desired, please attach additional information to this form.

All Funds will be subject to the provisions of the articles of incorporation and the bylaws of the Foundation, 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 purpose and functions of the Foundation.

### Successor Advisor 1

\_\_\_\_\_  
Full Name (First, Middle, Last) Preferred Salutation (eg. Mr. James L. Smith)

\_\_\_\_\_  
Home Address City State Zip  
Send mailings to my: Home  Office

\_\_\_\_\_  
Date of Birth

\_\_\_\_\_  
Business or Organization Name Position

\_\_\_\_\_  
Business Address City State Zip

\_\_\_\_\_  
Home Phone Business Phone E-Mail (Preferred)

## Successor Advisor 2

Full Name (First, Middle, Last) Preferred Salutation (eg. Mr. James L. Smith)

Home Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_  
Send mailings to my: Home  Office

Date of Birth \_\_\_\_\_

Business or Organization Name Position \_\_\_\_\_

Business Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Home Phone \_\_\_\_\_ Business Phone \_\_\_\_\_ E-Mail (Preferred) \_\_\_\_\_

I/We, as the Donor(s), request that the Successor Advisor(s) named assume this responsibility on

(1) \_\_\_\_\_ the following date \_\_\_\_/\_\_\_\_/\_\_\_\_ or (2) \_\_\_\_\_ on the death of the present Advisor(s)

## 4 planned gifts

Have you created a planned gift to add to your fund or to create a new fund in the future through your will, estate plan or other method?

Yes—please provide an explanation below

No—would you like to speak with a representative from The Community Foundation of South Alabama about your planned giving options?

Yes  No

Type of Planned Gift

Will/Bequest—expected value \$ \_\_\_\_\_

IRA/Pension Plan—expected value \$ \_\_\_\_\_

Life Insurance—expected value \$ \_\_\_\_\_

Charitable Remainder Trust—expected value \$ \_\_\_\_\_

Other—Expected value \$ \_\_\_\_\_

Please explain: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

Please provide any further information that you think The Community Foundation should know about your planned gift (for example, whether the Foundation is the primary or secondary beneficiary on your IRA or Life Insurance):

\_\_\_\_\_  
\_\_\_\_\_

## 5 professional advisor

If you are working with a financial, tax or estate planning advisor to structure the gifts to your fund, please complete the following.

\_\_\_\_\_  
Advisor Name Firm Name

\_\_\_\_\_  
Mailing Address City State Zip

\_\_\_\_\_  
Business Phone E-Mail Address

## 6 referral

How did you learn about The Community Foundation of South Alabama? (please list contact)

- Professional Advisor \_\_\_\_\_
- Foundation Donor \_\_\_\_\_
- Foundation Employee \_\_\_\_\_
- Website or Other Media \_\_\_\_\_
- Other \_\_\_\_\_

Would you be willing to be profiled in Foundation materials (i.e. annual report or newsletter)?

Yes  No

# 7 signatures

Donor Advisor(s) listed in Section 1 must sign below.

## Policies and Procedures

The undersigned have received and reviewed the Terms and Conditions for Donor Advised Funds and agree to its terms and conditions described therein. The undersigned understand that any contribution, once accepted by the Foundation, represents an irrevocable gift to the Foundation 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

The Community Foundation of South Alabama will receive as compensation for its services in investing, administering and distributing the funds hereunder, the administration fees customarily applied. Investments

The undersigned acknowledge and agree that IRS regulations enable Donor Advisor(s) to designate investment preferences but require the Foundation to retain final discretion regarding those preferences. The undersigned understand that investments will be administered in accordance with the policies of The Community Foundation of South Alabama. 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 the Foundation'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 the Foundation, its directors, officers and other representatives, against any liability, cost, or expense which the Foundation may incur by reason of its acting upon recommendations given to the Foundation by any of the authorized persons named.

## Variance Power

Donor Advised Funds will be subject to the provisions of the articles of incorporation and the bylaws of the Foundation, 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 purpose and functions of the Foundation.

### Donor 1

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name (Please Print)

\_\_\_\_\_  
Date

### Donor 2

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name (Please Print)

\_\_\_\_\_  
Date

### The Community Foundation of South Alabama

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name (Please Print)

\_\_\_\_\_  
Date

# Terms And Conditions For Donor Advised Funds

Donor Advised Funds (DAF) are the most flexible fund option available at The Community Foundation of South Alabama. We created these Guidelines to ensure that Donor Advised Funds will be consistent both with the charitable purposes of the Foundation and the regulations governing Donor Advised Funds issued by the United States Treasury Department. We reserve the right to amend these Guidelines from time to time.

All funds are managed carefully and prudently by a committee of professional investment managers and administered by The Community Foundation of South Alabama. Our goal is to protect donor intent, while at the same time complying with federal tax requirements. The Foundation retains the right to make final decisions regarding the management, administration and distribution of all funds.

## Two Types of Donor Advised Funds

### Donor Advised Fund

Donors who want a more active role in grantmaking can establish a Donor Advised Fund with a minimum contribution of \$5,000. This allows you to recommend charitable organizations to receive grants from your fund. The Foundation helps you by verifying the charitable status and mission of the organizations and identifying organizations you may want to support.

### Donor/Successor Advised Fund

Provided the Donor Advised Fund attains a minimum balance of \$25,000, other persons can also be named as additional advisors. We have a simple designation form so that the donor's choices are confirmed in writing and countersigned by the Foundation. Anytime before the donor's death, the donor may designate, add, delete or change advisors or co-advisors as long as the changes are in writing and delivered to the Foundation. In the case of two or more advisors, a primary advisor must be selected to represent all advisors for the submission of grant recommendations. The Foundation may rely on only grant recommendations from such a primary advisor and shall not be required to communicate with any other advisors. If the Foundation has not received in writing the designation of additional advisors or successor advisors to the fund by the time of the death or incapacity of a Donor Advised Fund's Donor(s), the Fund shall continue as part of the Undesignated Community Endowment of the Foundation.

The Foundation suggests that fifty percent (50%) of recommendations for grants from successor advised funds be made for the benefit of qualified nonprofit organizations within the Foundation's eight county service area.

## Guidelines for All Donor Advised Funds

### What types of charities can be supported?

Grant recommendations may be made to qualified charitable organizations. A qualified charitable organization is an organization that has been given a 501(c) (3) determination letter from the IRS stating that it is a charitable organization and is not a private foundation. Municipal, state and federal governments, public schools, and some religious organizations are also considered charitable organizations even though they have not received a determination letter. The Foundation recognizes grant recommendations as long as the IRS recognizes the grantee organization as a public charity, public school, religious organization or governmental entity.

## **What types of grants cannot be made?**

The IRS regulations state grants cannot:

- Be made to individuals or on behalf of a specific individual
- Be made to non-U.S. organizations in foreign countries (grants can be made to US organizations that operate in foreign countries)
- Pay invoices or bills unless it is an operating expense of the DAF such as real estate taxes or insurance
- Pay for membership dues, tickets to a fundraising dinner, or fees for any type of fundraising event
- Fulfill pledges or pre-existing obligation. The word “pledge” implies a legal obligation or debt, or that a contribution to The Foundation was restricted for another charity.
- Give benefits to fund advisors or their families in receiving goods or services from a charity in return for a grant.

## **What is the grant recommendation process?**

You may make a grant recommendation as soon as the fund has been established for two full quarters. Recommendations may be made at any time during the year and as often as the advisors reasonably request. Grant checks are mailed to recipients on the first and fifteenth of each month, so grant recommendations should be received in the office ideally 5 business days in advance of the issue date for approval and processing. A grant recommendation may take longer than normal to process if we have never granted to the organization before and evidence of their 501 (c) (3) status is not provided to the Foundation in a timely fashion. The advisor should provide the charity’s legal name, address and phone number to expedite processing.

The Foundation will evaluate each grant recommendation independently. Foundation staff will perform due diligence on all grant requests to ensure the grantee is complying with its mission and the grant is consistent with the charitable purpose of The Foundation. Grant recommendations are not and cannot be binding. If they were, the Internal Revenue Service would take the position that the fund is not a Donor Advised Fund, but a private foundation.

Once the recommendation is approved, the grantee will be sent a letter along with the check explaining the grant, and a copy will be sent to the advisor. Unless the advisor has requested anonymity, the grant letter includes the name of the fund and the advisor’s name and address. All grant checks are to be mailed or delivered to the grantee by The Foundation. If the Advisor wishes to present the check in person, a Foundation staff member or Foundation Board member must attend the presentation to represent The Foundation. We ask grantee organizations to express their written gratitude to the advisor.

The minimum grant distribution is \$100. There is no maximum grant except to protect the minimum fund balance of \$5,000 (\$25,000 for successor advised funds) that must be maintained at all times. In the event (THAT) market conditions cause the minimum balance to drop below the \$5,000 (\$25,000) level, this requirement will not be enforced.

## **Variance Power**

Donor Advised Funds will be subject to the provisions of the articles of incorporation and the bylaws of the Foundation, 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 purpose and functions of the Foundation.

## **Spending Policy**

The Foundation’s Board of Directors has determined that the voluntary spending policy for Donor Advised Funds should be 5% of the market value based on a 20 quarter rolling average balance, or the minimum required by law. All funds will be automatically placed on this spending policy unless otherwise advised by the donor or the advisor.

**Fees**

Donor Advised Funds are subject to administrative and investment fees. Please refer to CFSA's Charitable Funds and Fee Disclosure. The Foundation reserves the right to change its fee structure at any time. In addition to regular fees, each Donor Advised Fund shall bear any costs or expenses directly attributable to it. Under no condition shall any fees be paid by the Fund to the Donor or any member of the Donor's family.

**Contribution to the Undesignated Endowment**

The Foundation's Undesignated Community Endowment makes grants to meet community needs. Upon establishment of a Donor Advised Fund, the donor will be asked to contribute a minimum of 5% of the fund's fair market value to the Undesignated Community Endowment.

**Conflict of Terms**

In the event of an inconsistency between these Terms and Conditions, and any terms and conditions appearing elsewhere in connection with any fund, these Terms and Conditions as interpreted by the Foundation shall govern, and the Foundation 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 the Foundation.