

# **Procedures for Establishing and Operating Donor Directed Funds**

## **Authorization**

The Park City Foundation ("The Foundation") 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 desirable 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, The Foundation 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 The Foundation, 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 The Foundation's Board of Directors. A Donor may not impose any material restriction or condition that prevents The Foundation from freely and effectively employing the contributed assets or the income derived there from, in furtherance of a charitable purpose of The Foundation.

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

Each Donor Advised Fund shall be the property of The Foundation, owned by it in its normal corporate capacity. In such capacity, The Foundation shall have the ultimate authority and control of all property in the Fund, and the income derived there from, for the charitable purposes of The Foundation. Each Fund may be recorded on the books and records of The Foundation 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 The Foundation and shall be subject to the governing instruments of The Foundation, including the articles of incorporation and bylaws, as amended from time to time.

## **Value**

The minimum amount to establish a Donor Directed Fund is \$5,000, but The Foundation encourages Donors to build their funds between \$15,000–50,000 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 The Foundation. The Foundation 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, telephone or through DonorCentral, our online fund management system.

## **Evaluation of Donor Recommendations**

In evaluating recommendations for distributions from Donor Directed Funds, The Foundation 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 The Foundation'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 The Park City Foundation's unrestricted endowment fund. All requests to appoint additional advisors and successor advisors must be communicated to The Foundation 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 The Foundation. If after six months from the death, resignation, or incapacity of a Donor Directed Fund's Donor(s), The Foundation 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 The Foundation.

### **Investment of Assets**

The Foundation has the responsibility and authority for the investment of the assets of each Donor Directed Fund. The funds are invested according to The Foundation'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 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 purposes and functions of The Foundation.

### **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 The Foundation's permanent funds, the desirability of maintaining the value of The Foundation's permanent funds, and other factors that the Board of Directors deems relevant. The Park City 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 The Foundation that a substantial part of the Donor Directed Funds shall remain as a permanent endowment of The Foundation.

### **Distributions**

All distributions from Donor Directed Funds are subject to The Foundation's variance power and must be ratified by The Foundation's Board of Directors. The Foundation 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**

January 2010  
PO Box 681499  
Park City, Utah 84068



Distributions from Donor Directed Funds established at The Foundation will be made only if they are consistent with The Foundation's charitable purposes and satisfy community needs identified by The Foundation 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 The Foundation'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 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.

### **Fees**

Donor Directed Funds are subject to administrative and investment fees and The Foundation reserves the right to change its fee structure at any time.

# Donor Directed Giving: Fund Agreement

Welcome to The Park City Foundation.

Thank you for choosing The Park City Foundation. We are committed to connecting you to the community and to the causes that are important to you. Our staff is available to assist you at any time with a wide variety of services, from creating your fund to ongoing grant making and charitable giving services.

Attached to this Agreement, you will find our Procedures for Establishing and Operating Donor Directed Funds. If you have any questions about this agreement or the attached Procedures, please call our office 435-214-2146.

## 1 Fund Type

What type of fund are you creating?

- Donor Advised
- Business Advised
- Designated Fund
- Field of Interest Fund

## 2 Donor Advisor Information

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## Donor Advisor 1\*

Name (First, Middle, Last) Smith)		Preferred Salutation (ex Mr. James L. Smith or Jim	
Mailing Address	City	State	Zip
Date of Birth	Send Mailings to my: <input type="radio"/> One <input checked="" type="radio"/> e		
Business or Organization Name		Position	
Business Address Zip	City	State	
Home Phone	Business Phone	Email (Preferred)	

Please indicate if you would prefer to be contacted via traditional mail \_\_\_\_\_

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

## Donor Advisor 2

Name (First, Middle, Last) Smith)		Preferred Salutation (ex Mr. James L. Smith or Jim	
Mailing Address	City	State	Zip
Date of Birth	Send Mailings to my: <input checked="" type="radio"/> Home <input type="radio"/> Office		
Business or Organization Name		Position	
Business Address Zip	City	State	
Home Phone	Business Phone	Email (Preferred)	

How would you like to be addressed?

Ex Mr. and Mrs. John H. Smith; John and Jane Smith

## Donor Advisor 3

Name (First, Middle, Last) Smith)		Preferred Salutation (ex Mr. James L. Smith or Jim	
Mailing Address	City	State	Zip
Date of Birth	Send Mailings to my: <input type="radio"/> Home <input type="radio"/> Office		
Business or Organization Name		Position	

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Business Address Zip	City	State
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Home Phone	Business Phone	Email (Preferred)
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How would you like to be addressed? \_\_\_\_\_  
Ex Mr. and Mrs. John H. Smith; John and Jane Smith

## Donor Advisor 4

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Name (First, Middle, Last) Smith)	Preferred Salutation (ex Mr. James L. Smith or Jim Smith)
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Mailing Address	City	State	Zip
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Date of Birth	Send Mailings to my:	Home	Office
		<input type="radio"/>	<input type="radio"/>

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Business or Organization Name	Position
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Business Address Zip	City	State
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Home Phone	Business Phone	Email (Preferred)
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How would you like to be addressed? \_\_\_\_\_  
Ex 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 (ex The Smith Family Fund) and the name and address of the donor advisor. However, you may recommend that specific grants be sent anonymously.

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

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

## 4 Contributions

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**The minimum initial contribution is \$5,000. Additional gifts can be made in any amount. If making a contribution of multiple securities or assets, please attach 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?

The Park City Foundation values sustainable, philanthropic giving– donations that last in perpetuity. To this end, we encourage fund advisors to grow funds to \$15,000–\$50,000. For funds starting at a \$5,000 base, we encourage, but not require, a 3–5 year growth period.

The annual administrative fee for your funds is: \_\_\_\_\_%.

The Park City Foundation is committed to smart, sophisticated investment. To learn more about our investment policies and committee, please visit our website and review our Investment Policy document.

## 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 Park City Foundation’s Endowment fund \_\_\_\_\_% of fund
- Create an endowed designated fund for the benefit of the organization(s) named below. (\$50,000 minimum requirement)  
\_\_\_\_\_  
\_\_\_\_\_ % of fund
- Transfer the fund’s assets to the Community Fund (our unrestricted pool) to help meet the most pressing needs of the greater Park City region.  
\_\_\_\_\_ % of fund
- Transfer the fund’s assets to available Field of Interest Funds: \_\_\_\_\_  
\_\_\_\_\_ % of fund

### 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 completing the Successor Advisor- Donor Directed Fund Form available from The Foundation.

## 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 The Foundation 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 The Foundation's unrestricted pool (The Community Fund)

### Successor Advisor 1

Name (First, Middle, Last) Smith)		Preferred Salutation (ex Mr. James L. Smith or Jim	
Mailing Address	City	State	Zip
Date of Birth	Send Mailings to my: <input type="radio"/> One		<input checked="" type="radio"/> Office
Business or Organization Name		Position	
Business Address Zip	City	State	
Home Phone	Business Phone	Email (Preferred)	

### Successor Advisor 2

Name (First, Middle, Last) Smith)		Preferred Salutation (ex Mr. James L. Smith or Jim	
Mailing Address	City	State	Zip
Date of Birth	Send Mailings to my: <input checked="" type="radio"/> Home		<input type="radio"/> Office
Business or Organization Name		Position	
Business Address Zip	City	State	
Home Phone	Business Phone	Email (Preferred)	

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

\_\_\_\_\_ on the following date: \_\_\_\_\_  
\_\_\_\_\_ upon the death of the present Advisor(s)

## 7 Signatures

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

### Policies and Procedures

The undersigned have received and reviewed the Procedures for Operating a Donor Directed Fund and agree to its terms and conditions described therein. The undersigned understand that any contribution, once accepted by The Park City 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.

### Service Charges

The Park City Foundation 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 The Park City Foundation. 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 if its acting upon recommendations given to The Foundation 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 Charter and Bylaws of The Park City 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 The Foundation.

Donor Advisor 1

The Park City Foundation

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name

\_\_\_\_\_  
Name (please print)

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date \_\_\_\_\_ Date

**Donor Advisor 2  
use)**

**Foundation Notes (for internal**

\_\_\_\_\_  
Signature \_\_\_\_\_

**Date of Gift**

\_\_\_\_\_  
Name (please print) \_\_\_\_\_

**Fund ID #**

\_\_\_\_\_  
Date

## **Charitable Goals**

In order to maximize your giving experience, we'd like to know more about your charitable goals. The following questions will help us serve you better.

### **1 Donor Advisor Information**

## Donor Advisor

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Name (First, Middle, Last)

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Mailing Address City State Zip

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Business Address City State  
Zip

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Home Phone Business Phone Email (Preferred)

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

## 2 Your Fund

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## 3 Charitable Interests

To help us serve you better, please indicate your philanthropic interests.  
Please check all that apply:

- Conservation & Environment
- Education
- Animals
- Arts & Culture
- Children & Families
- Health & Human Resources
- Sports & Recreation
- Civic
- Service Clubs
- Other

- If you are not interested in learning about funding opportunities in your areas of interest, please check this box

## 4 Professional Advisor

If you are working with a financial, tax or estate planning advisor, please complete the following.

_____	_____
Advisor Name	Firm Name
_____	_____
Mailing Address	City                      State                      Zip
_____	_____
Business Phone	Email Address

## 5 Referral

How did you learn about The Park City Foundation? (please list contacts)

- Advisor: \_\_\_\_\_
- Family/Friend/Donor: \_\_\_\_\_
- Foundation Employee: \_\_\_\_\_
- Website/Media: \_\_\_\_\_
- Other: \_\_\_\_\_

## 6 Motivation

Philanthropic giving is individualized to each donor. By understanding your giving motives, we can work to provide you with the services and opportunities that best meet your needs.

- Involve multiple generations in giving
- Benefit the community
- Simplify my annual charitable giving
- Learn about a specific issue
- Memorialize/honor someone
- Reduce tax burden
- Other: \_\_\_\_\_

## 7 Grants

From time to time we receive grant requests that don't fit our funding guidelines but are important giving opportunities. If these request fit your charitable goals, we would like to share them with you.

If you are not interested in learning about these opportunities, please check here.

**Thank you.**