



# DESIGNATED FUND GIFT INSTRUMENT

## Section One – Donor(s)

DONOR 1	DONOR 2
Full Name: _____	Full Name: _____
Birthdate: ___/___/_____ Gender: _____	Birthdate: ___/___/_____ Gender: _____
Address: _____	Address: _____
City: _____ State: _____ Zip: _____	City: _____ State: _____ Zip: _____
Primary Contact Number: <input type="radio"/> Home <input type="radio"/> Cell <input type="radio"/> Work (H) _____ (C) _____ (W) _____	Primary Contact Number: <input type="radio"/> Home <input type="radio"/> Cell <input type="radio"/> Work (H) _____ (C) _____ (W) _____
Email: _____	Email: _____

## Section Two – Fund Name & Anonymity

The name of the Fund shall be: \_\_\_\_\_

Every grant made from a fund at the Foundation is coupled with a letter identifying the name of the fund unless you request anonymity. Fund names are often listed in our written and electronic publications as well.

- I/We would like grants from the above fund to remain anonymous.
- I/We would like the above fund listed as anonymous in the Foundation’s publications.

## Section Three – Fund Purpose

You may establish a designated fund that provides distributions from the fund be made to one or more Section 501(c)(3) public charities. Please indicate the qualifying charitable recipient(s) that you would like to receive distributions from the fund. You may designate the Hawaii Community Foundation as a charitable recipient if you desire.

- The Fund shall be (choose one):**
- Endowed** (please skip Section Four)
  - Non-Endowed** (please complete Section Four)

### Name of Organization

### Percentage Allocation

_____	_____ %
_____	_____ %
_____	_____ %
_____	_____ %
	100%

If you wish to specify a purpose or impose restrictions, please describe in the Exhibit “A” attached.

Note that distributions from the Fund are subject to the Foundation’s “Terms and Conditions Applicable to Designated Fund Gift Instruments”.

**Section Four – Non-Endowed Fund Distributions**

I/We specify that the Foundation limit distributions from the fund as follows:

- There are no restrictions on the amount of annual distributions.
- Distributions shall be made over a period of \_\_\_\_\_ years.
- Other restrictions: Please specify in the Exhibit "A".

**Section Five – Charitable Gift**

**I/We will contribute the following assets to establish my/our fund:**

(May include cash, marketable securities, real estate, retirement accounts, business and/or partnership interests)

Asset Type & Description	Ownership (Donor 1, Donor 2, Joint)	Current Value (Approx.)
<i>Example: 100 shares of XYZ Company stock, held at ABC Bank</i>	<i>Donor 1</i>	<i>\$100,000</i>
		\$
		\$
		\$
		\$
		\$

Schedule of Charitable Gifts attached to this Instrument?    **Y**        **N**

**Section Six – Professional Advisor Information**

If you are working with a professional advisor, please provide the information requested below.

- Attorney      ○ CPA      ○ Financial Planner      ○ Other

Professional Advisor's Full Name: \_\_\_\_\_

Company Name: \_\_\_\_\_

Address: \_\_\_\_\_

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

Contact Number: \_\_\_\_\_ Email: \_\_\_\_\_

- I/We authorize the Foundation to share information about my gift and my fund with this advisor.
- Please keep our advisor's name anonymous.

**Section Seven – Acknowledgement & Acceptance**

I/We make this charitable contribution for the purpose of forming a component fund, to be held and administered solely for charitable purposes in accordance with this Instrument and its "Governing Documents" (i.e., the Foundation's Terms and Conditions Applicable to Designated Fund Gift Instruments (a copy of which has been provided to me/us), Articles of Incorporation and By-Laws), and any amendments to the Governing Documents. I/We expressly and specifically provide(s) that any contribution to the Fund shall not be subject to the Foundation's Declaration of Trust.

I/We expressly agree that the Fund and all matters relating to it are subject to the "variance power" provision which authorizes the Foundation to modify any restriction or condition on the distributions of a fund for any specified charitable purpose or organization if, in the sole judgment of the Foundation, such restriction or condition becomes unnecessary, incapable of fulfillment or inconsistent with the charitable needs served by the Foundation. In the event of any conflict between the Governing Documents and this Instrument, the Governing Documents shall control.

I/We expressly agree that matters involving Fund administration, including but not limited to additional contributions to the Fund, termination of small funds, fees and expenses of the Fund and governing law shall be administered pursuant to the Governing Documents. In the event of any conflict between the Governing Documents and this Instrument, the Governing Documents shall control.

I/We understand and agree that the Fund created by this Instrument, the initial contribution thereto, and any subsequent contributions, are absolute and irrevocable, and that after the execution of this Instrument, I/We shall have no rights, title or interest in the Fund or any right to alter, amend or terminate this Instrument.

The Gift Instrument shall be governed by and construed in accordance with the laws of the State of Hawaii. The effective date for purposes of establishing a fund shall be the date on which the last party signs and the required minimum contribution is actually received by the Foundation.

\_\_\_\_\_  
DONOR'S SIGNATURE

\_\_\_\_\_  
DATE

\_\_\_\_\_  
DONOR'S SIGNATURE

\_\_\_\_\_  
DATE

HAWAII COMMUNITY FOUNDATION

\_\_\_\_\_  
Name:  
Its:

\_\_\_\_\_  
DATE



## **TERMS AND CONDITIONS APPLICABLE TO DESIGNATED FUND GIFT INSTRUMENTS**

**Designated Fund Characteristics:** Donors establishing a designated fund (“fund”) at the Hawai‘i Community Foundation (“Foundation”) can benefit one or more specific 501(c)(3) public charities in perpetuity. Should an organization cease to exist, you have the confidence that the Foundation’s Board of Governors (“Board”) will select an alternative charity to support with a mission that adheres to your original intent.

### ***Section One - Donor(s)***

**Donor:** The “donor” is the person(s) or organization who creates the fund by completing the Foundation’s gift instrument coupled with an initial contribution to start it. Others who subsequently contribute to the same fund or are otherwise connected to the fund are not “donors” for purposes of deciding the fund parameters. Only the initial “donor” has that privilege.

### ***Section Two - Fund Name & Anonymity***

**Fund Name:** The “fund name” is a special opportunity for the donor to associate the donor’s fund with his or her charitable vision. It could be as easy as the “Jane Aloha Fund” or as creative and meaningful as the donor wishes.

**Anonymity:** *If you request grants from the fund to remain anonymous*, a recipient will not know that the grant is from your fund. *If you request your fund to be listed as anonymous in our written and electronic publications*, this means your fund will not be listed publicly on the Foundation’s website and other publications nor will any photos or other media relevant to your fund be released for community recognition purposes.

### ***Section Three - Fund Purpose***

**Fund Purpose:** Please work with our staff to develop your fund purpose. We can assist you in confirming the tax status of the charities you wish to benefit. Distributions from this fund generally must be to section 501(c)(3) public charities. You may designate the Foundation as a charitable recipient if you desire.

**Endowed/Non-Endowed Funds:** See definitions below.

**Section Four - Non-Endowed Fund Distributions:** If you wish to create a non-endowed Designated Fund, you may decide the timing of the payouts in this section. Do you want the grants to be open as to amount, leaving it to the discretion of the Foundation to decide how much to

give annually? Or do you wish to limit payment over a term of years or allow the fund to grow to a certain amount before allowing grants to be made?

## **GENERAL TERMS & CONDITIONS APPLICABLE TO ALL FUNDS (IN ALPHABETICAL ORDER)**

**Distributions:** To ensure that each fund is used to actively invest in the community and charitable causes, the Foundation prefers distribution from each fund at least every three years. Donors may, at the time they create a fund, recommend that the fund be managed as a permanent endowment and paid out in accordance with the Foundation’s payout policy or paid out as a non-endowed fund over a specified period of time. Donors may also specify that no distributions be made until the fund reaches a certain dollar amount. All distributions from funds are subject to the Foundation’s variance power, as noted below.

**Endowed Fund:** An endowed fund is established to exist in perpetuity. The corpus, or principal, of the initial gift to an endowed fund is left untouched and produces interest income for grantmaking today and beyond a donor’s lifetime. Distributions are made in a manner that ensures a permanent endowment and is limited to the amount available for grantmaking in accordance with the Foundation’s spending policy.

**Fees:** Funds established at the Foundation are subject to administrative and investment fees. A list of fees is available upon request. The Foundation reserves the right to change its fee structure at any time without prior notice.

**Investment of Assets:** All assets contributed to an endowed fund established at the Foundation will be managed in the Foundation’s combined investment fund (“CIF”). All assets contributed to a non-endowed fund will be invested in a very conservative manner, such as through a money-market account, *unless* the Foundation has agreed to invest the non-endowed funds as part of the CIF at the written request of the donor, the duly authorized advisors of the fund, or fund committee members. Assets may be managed by an independent trustee, custodian, investment advisor or other fiduciary (an “outside investment manager”) apart from the Foundation’s CIF as a “specialty account”, *provided* that minimum fund values are met and all such assets are managed in accordance with the Foundation’s investment policy. All outside investment managers shall be provided with a copy of and must agree to adhere to the Foundation’s investment policy as a condition of continued service in such capacity, and the Foundation reserves the right to replace any outside investment manager in its sole discretion. For more information about the requirements for using an outside investment

manager, please contact a staff member regarding “specialty accounts”.

**Non-Endowed Fund:** A non-endowed fund is established to allow the entire gift to the fund to be available for grantmaking. Distributions can be made, without limit, over a term of years or upon triggering events as instructed by the donor in the gift instrument or as determined by the Foundation to be appropriate given the circumstances at the time.

**Payout Policy:** Generally, the Foundation anticipates distributions from each endowed fund at least annually of an appropriate percentage of the fund’s market value, as determined by the Board. In determining the annual distribution amount to be paid from endowed funds, the Board may consider the expected total return on the fund’s investments, the desirability of maintaining the value of those funds and any other factors that it deems relevant. The Foundation reserves the right to spend the entire amount of any fund, if by the terms of the gift agreement the gift is subject to the Foundation’s “Payout Policy” and the Foundation determines that such expenditures better satisfy the donor’s intentions than a limitation on expenditures.

**Restrictions on Grants from Funds:** Distributions from 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 memberships, pledges, sponsorships, tickets or for any purpose that would otherwise provide a benefit to donors, donor advisors or related parties. Distributions may not involve loans, compensation, expense reimbursements or similar payments to donors, donor advisors or related parties. Distributions from funds may not be made to any specific individual (other than from approved “scholarship funds” or “field of interest funds” with expenditure responsibility oversight) or to participate in, or intervene in (including the publishing or distributing of statements), any political campaign on behalf of (or in opposition to) any candidate for public office.

**Tax Status of Funds:** Funds established at the Foundation are component funds of the Foundation, a section 501(c)(3) public charity. All contributions to these funds are treated as gifts to a section 501(c)(3) public charity and are tax deductible to the extent allowed by law.

**Variance Power:** All funds established at the Foundation are subject to the Foundation’s “variance power,” as set forth in Section 3.1(1)(d) of its Articles of Incorporation. The variance power provides the Board with the authority

to modify any donor restriction or condition on distributions of funds for any specified charitable purpose or to any specified charitable organization if, in the Board’s sole judgment, such restriction or condition becomes unnecessary, incapable of fulfillment or inconsistent with the charitable needs of the community.