F U N D A G R E E M E N T

Please Complete This Form to Establish a:

Donor Advised Fund

at

The Boston Foundation

Return to:

Donor Services Manager,
The Boston Foundation, 75 Arlington Street, Boston, MA 02116

tBf The Boston Foundation

INNOVATION. INFORMATION. IMPACT.

I. General Information

A. PRIMARY DONOR(S) *Fill in all areas.*

☐ Individual/s ☐ Trust/Foundation ☐ Estate ☐ Corporation ☐ Other

☐ Mr. ☐ Mrs. ☐ Ms. ☐ Dr. _____
First Name Middle Initial Last Name

☐ Mr. ☐ Mrs. ☐ Ms. ☐ Dr. _____
First Name Middle Initial Last Name

_____
Name of Trust, Foundation, Estate or Corporation (if applicable)

Mailing Address: ☐ Home ☐ Work

_____
Company

_____
Street City State Zip Code

Phone: _____ _____
Home Work

Email: _____ _____
Home Work

I/We prefer to be contacted via: ☐ Home email ☐ Work email ☐ Home phone ☐ Work phone ☐ Mail

B. NAME YOUR CHARITABLE FUND

Funds at the Boston Foundation are identified by a fund name. Please indicate the preferred name of your fund here:

_____

C. NAME ADDITIONAL ADVISORS

The Primary Donors listed in Section A are considered Fund Advisors and have the authority to access fund information, recommend grants, name additional Fund Advisors and successor advisors. To name additional Fund Advisors, please complete the section below. If the Primary Donors do not wish to act as Fund Advisors, please indicate: ☐ Primary Donor is not a Fund Advisor.

Additional Fund Advisor 1

☐ Mr. ☐ Mrs. ☐ Ms. ☐ Dr. _____
First Name Middle Initial Last Name

Mailing Address: ☐ Home ☐ Work

_____
Street City State Zip Code

Phone: _____
Home Work

Email: _____

I/We prefer to be contacted via: ☐ Email ☐ Home phone ☐ Work phone ☐ Mail

Relationship to Primary Donor: _____

Attach additional advisors on a separate piece of paper.

II. Fund Information

A. FUND PERMANENCE

Donors may choose to make their Donor Advised Fund permanent by limiting the amount available for grant distributions to the Foundation's Spending Policy as in effect.

☐ I would like my fund to be able to make grant distributions from the entire balance

☐ I would like my fund to be permanent and limit the amount available for grantmaking to the spending policy of the Boston Foundation

Note that all distributions are subject to the variance power contained in Article 4.7 of the Articles of Organization of the Foundation

B. ANONYMITY

Donors may choose to grant anonymously on a case by case basis through the grant recommendation process. Alternatively, should donors prefer a default anonymity for all grants made from the fund, please indicate below:

☐ Advisor name anonymous

☐ Fund name anonymous

☐ Completely anonymous in all Boston Foundation publications

☐ Instruct grantee to omit fund name from external communications

☐ Instruct grantee to omit Advisor name(s) from external communications

C. INTEREST AREAS

What are your charitable interests?

☐ Arts and Culture

☐ Education

☐ Environment

☐ Health and Human Services

☐ Out of School Time

☐ Housing and Community Development

☐ Religious giving

☐ Parent/Alumni giving

☐ Civic Engagement

☐ Workforce Development

☐ Nonprofit Sector

☐ Other

III. Gift Information

The Boston Foundation recommends that donors work with a legal, tax or financial professional to determine the best charitable gifting asset for their needs. **For wiring instructions or review of an asset**, please call the Development Office at 617-338-1700.

Cash:

☐ By check $ _____ ☐ By wire $ _____ Bank: _____

Securities:

$ _____

Approximate Value | Approximate # of shares | Name of Security | CUSIP/Symbol

Type: ☐ Public ☐ Private *Sent by:* ☐ Electronic transfer ☐ Certificate transfer

_____

Broker Name | Firm | Phone

Complex Assets:

$ _____ Description: _____

Planned Gift:
☐ Bequest
☐ Charitable remainder trust
☐ Charitable gift annuity
☐ IRA / retirement plan assets
☐ Life insurance
☐ Charitable lead trust
☐ Other _____

Contributions are Irrevocable All gift contributions made to the Boston Foundation become assets of the Boston Foundation and are irrevocable as tax deductible gifts. All gifts to the Boston Foundation must further the charitable purpose and mission of the Boston Foundation. The Boston Foundation reserves the right to review and approve all contributions.

ESTATE PLANS

Do you plan to name this fund as a beneficiary in your estate plan? If so, please indicate the type of planned gift:

Planned Gift:
☐ Bequest
☐ Charitable remainder trust
☐ Charitable gift annuity
☐ IRA / retirement plan assets
☐ Life insurance
☐ Charitable lead trust
☐ Other _____

How Did You Learn About The Boston Foundation?

☐ Professional Advisor

Name:_____

Firm:_____

Address:_____

Phone:_____

Email:_____

☐ Current Donor Name:_____

☐ Boston Foundation publications

☐ Media coverage

☐ Boston Foundation web site

☐ Family / Friend Name:_____

☐ Foundation employee Name:_____

☐ Other:_____

Fund Access

Donors may authorize someone other than a Fund Advisor to receive quarterly statements and have read-only access to fund information online.

☐ Professional Advisor listed above

☐ Other

Name:_____

Address:_____

Phone:_____

Email:_____

Relationship to Donor:_____

IV. Investment

A. INVESTMENT SELECTION

Funds at the Boston Foundation are invested in the Fund for the 21st Century. Donors may customize the investments of their fund by allocating assets among the following three pools. Please indicate your desired allocation below:

_____% **Balanced Plus Pool**
Designed to produce the highest long term investment return

_____% **Balance Pool**
Designed for mid- long term investment return, with limited exposure to alternative investments

_____% **Short Term Pool**
Designed for minimal risk, this portfolio is invested in money market funds and U.S. Treasuries

Investment information, performance and fee information is available at www.tbf.org or through the Development Office at (617) 338-1700

Donors may add to their funds at any time using a variety of assets, including cash, securities, restricted stock, partnership interests and real estate. As a default, all future contributions will be invested based on the allocation referenced above.

**The default allocation may be changed on a case by case basis upon written request.*

B. GRANT DISTRIBUTIONS

As a **default**, grant distributions are paid from your fund in the following order:

Short Term Pool

Balanced Pool

Balanced Plus Pool

If you would like a grant to be paid from a particular pool, please indicate your request when you complete the Grant Suggestion Form in the "Notes to TBF" section.

V. Terms and Conditions

Donor Advised Fund Terms and Conditions

All gifts are subject to the Boston Foundation's Terms and Conditions as may be amended from time to time at the Foundation's sole discretion.

PRIMARY DONOR

The Primary Donor is defined as the person who established the fund and is responsible for the initial contribution. If the Primary Donor is not an active Fund Advisor, the named Fund Advisors may act on the Primary Donor's behalf. For these Terms and Conditions, the Boston Foundation will communicate with the Primary Donor or Fund Advisor(s) as appropriate.

FUND ADVISORS

Upon establishing a Donor Advised Fund, the Primary Donor may give one or more Fund Advisors the authority to access information regarding the fund and make grant recommendations. Fund Advisors will be able to access quarterly statements electronically and may request to have statements sent by mail. A Primary Donor is automatically a Fund Advisor unless otherwise indicated in writing by the Primary Donor.

APPOINTMENT OF ADDITIONAL AND SUCCESSOR ADVISORS

Requests to appoint additional advisors, successor advisors, or changes in the Fund Advisors must be communicated to the Foundation in writing. Such requests will be accepted from the Primary Donor, or other Fund Advisors if the Primary Donor is not a current advisor. There is no limit to the generations of successor advisors that can be named. Should the Fund Advisor be deceased, unwilling, or unable to serve or cannot be located, and a successor advisor has not been named and there is no written succession plan on file at the Boston Foundation, the balance of the fund will be moved to the Permanent Fund for Boston, Greater Boston's endowment.

Donor Advised Funds created by organizations, rather than by individuals, are often advised by an appointed committee with an identified process for selecting new members. As with funds created and advised by individuals, additional advisors, successor advisors, or changes in the Fund Advisors must be communicated to the Foundation in writing by the organization and/or the appointed committee.

SUCCESSION PLANS

Primary Donors have the opportunity to request a succession plan for their Donor Advised Fund. There are many options available including naming successor Fund Advisors, converting to a Designated Fund, converting to a Field of Interest Fund or becoming a named fund within the Permanent Fund for Boston. All plans must be submitted in writing and are subject to the Boston Foundation's approval.

MAKING GRANT RECOMMENDATIONS

Grants of $250 or more may be recommended to a qualified 501(c)(3) public charity or private operating foundation in the United States. Grant recommendations are processed within seven business days of receipt, provided that the Foundation has received, or has in its files, all necessary documentation from the organization. Grants over $250,000 may take longer to process due to liquidity limitations. The Foundation will contact the donor if there is a delay in processing the grant request. Grants will

be designated for general operating support unless otherwise noted by the Fund Advisor. Grant recommendations can be submitted online through Advisor Xpress using a user ID and password supplied by the Foundation. An unlimited number of grant suggestions can be made, and Advisor Xpress provides access to a list of previously approved grants to facilitate grant resubmissions. Alternatively, donors may fax or mail a Grant Suggestion Form to the Foundation. Donors receive confirmation via email or mail that grant suggestions have been approved and paid.

GRANT LIMITATIONS

The Foundation verifies that all organizations recommended for grants are classified as public charities under Section 501(c)(3) of the Internal Revenue Code and, if needed, will request documentation from the organization. In the event that a matter of concern should surface, the Foundation will advise the Primary Donor prior to releasing the grant.

U.S. Government regulations do not permit grants for memberships, sponsorships, tickets, or for the fulfillment of a donor's, Fund Advisors or related party's pledge. Grants may not be made to individuals and cannot provide a benefit to the Primary Donor, Fund Advisor or any family member or related parties. Donors and family members may not receive grants, loans or similar payments from a Donor Advised Fund. Any grant that provides personal benefit risks significant penalties to the donor and the Foundation. Donor Advised Fund grants may not go to private, non-operating foundations. Grants requiring expenditure responsibility are not permitted from a Donor Advised Fund.

INTERNATIONAL GRANTS

Grants to international organizations with a U.S. 501(c)(3) determination are subject to the Foundation's standard due diligence procedure. Grants to international organizations without U.S. 501(c)(3) determination may also be possible after completing an alternate qualifying process through a third party agency for additional fees. Contact the Philanthropic and Donor Services Office for more information.

ANONYMITY

The Boston Foundation's IRS Form 990 is accessible through public online resources, but does not disclose individual giving amounts or activity. The Foundation offers various levels of anonymity as part of the grant recommendation process. Primary Donors may indicate a default preference for anonymity when completing the Fund Agreement.

PERMANENT FUNDS

Primary Donors may request to make their Donor Advised Fund permanent by limiting the amount available for grant distributions to the Foundation's Spending Policy as it is in effect. Primary Donors must make this request in writing. Should the fund be permanent, successor Fund Advisors may not change the distribution arrangement selected by the Primary Donor.

GRANTMAKING ACCOUNT

Primary Donors may elect to have a Grantmaking Account administered within their Donor Advised Fund. This account will be calculated annually using the Foundation's current Spending Policy.

LOW BALANCE FUNDS

The Foundation periodically reviews funds with balances under the Foundation's $10,000 minimum, and will contact the Primary Donor to offer assistance, including the option to make additional

contributions to the fund to bring the fund up to the minimum or grant out the fund balance and close the fund. Should a non-permanent fund, with a balance below the Foundation's $10,000 minimum become inactive for two years, neither receiving additional contributions nor making any grants, Fund Advisors will be notified with 90 days warning that the fund may be terminated and the balance moved to the Permanent Fund for Boston.

LOW ACTIVITY FUNDS

The Foundation encourages the Primary Donor to retain an active role in their Donor Advised Fund. In order to carry out its mandate of distributing charitable dollars to the community, the Foundation periodically reviews the grantmaking activity of all Donor Advised Funds. Should a fund with a balance of more than $10,000 not make any grants after two years, the Boston Foundation will contact the Primary Donor to discuss intentions for the fund. If a fund does not make any grants for another year, the Primary Donor will be given the following options:

- Provide a plan for funding a specific charitable project that requires an accumulation of resources for more than the three year period.
- Recommend total grants, equal to the equivalent of the Foundation's Spending Policy as retrospectively applied to the fund, to one or more 501(c)(3) public charities of their choice.
- Recommend that the equivalent of the Foundation's Spending Policy as retrospectively applied to the fund be transferred to the Permanent Fund for Boston, to meet the most pressing needs of the Greater Boston region, or to one of the Foundation's Field of Interest Funds.

In the event that the Fund Advisor(s) cannot be located or is/are unresponsive after another year, making the fund inactive for a total of four years, the fund will be considered terminated and transferred to the Permanent Fund for Boston.

INVESTMENTS

The Foundation offers several different investment pools to donors: Balanced Plus Pool, Balanced Pool and the Short Term Pool. Primary Donors elect an investment allocation at the time they establish the fund. Primary Donors may request to change the investment allocation in writing at any time, subject to the approval of the Foundation. The Boston Foundation will consider a balance reallocation request no more than once per quarter and reserves the right to manage the timing of any transfers.

INVESTMENT RETURNS

Investment returns are allocated pro-rata to funds on a monthly basis. Due to the inflows and outflows within each fund, the returns are allocated using the average of the daily balances.

GRANT PAYMENTS

Unless told otherwise, grants are paid from the Grantmaking Account first. If there is no balance in the Grantmaking Account, grants will be paid first from the balance in the Short Term Pool and then the Balanced Pool. Grants will be paid from the Balanced Plus Pool when there are no available funds in either the Short Term Pool or the Balanced Pool.

ADDITIONAL CONTRIBUTIONS

Once a fund is established, a Primary Donor may add to the fund at any time. There is no minimum contribution amount. Additional contributions will be deposited to the fund based on the investment

allocation indicated in the Fund Agreement unless the Foundation is instructed otherwise. Donors have the option to earmark additional contributions to one or more of the investment pools available.

EXCESS BUSINESS HOLDINGS

The Boston Foundation places a limitation on accepting gifts of assets to a Donor Advised Fund and does not allow Donor Advised Funds to purchase business holdings. The Boston Foundation recognizes the IRS Ruling included in the Pension Protection Act regarding excess business holdings. That is, the holdings of a Donor Advised Fund in a business enterprise, together with the holdings of persons who are disqualified persons with respect to that fund, may not exceed any of the following:

- Twenty percent of the voting stock of an incorporated business
- Twenty percent of the profits interest of a partnership or joint venture or the beneficial interest of a trust or similar entity
- Ownership of an unincorporated business that is not substantially related to the fund's purposes

The Boston Foundation will identify and monitor any new gift to a Donor Advised Fund of any interest qualifying as an "excess business holding" under the PPA, and will accept such gifts as appropriate according to TBF's Gift Acceptance Policies. The Foundation will exercise its best effort to dispose of the contributed interest at the best possible price within five years of the date of the gift, as required under the PPA. In any event, the Foundation will dispose of any excess business holding prior to the five year time limit, except in the event that the Treasury Department grants an additional five year holding period. The Foundation will notify potential donors of such interests of this requirement prior to the contribution of such interest.

GIFT ACKNOWLEDGEMENT

All gifts are acknowledged in accordance with Internal Revenue Code requirements. Generally, the IRS requires taxpayers to complete and file a Form 8283 with their federal income tax return for gifts of property valued at $5,000 or more. It is the donor's responsibility to obtain a qualified appraisal for all gifts other than cash and marketable securities for tax deduction purposes.

DONOR FUNDRAISING

The Boston Foundation maintains rigorous donor fundraising policies in accordance with IRS guidelines and the Massachusetts Division of Public Charities. Please contact the Foundation prior to making any third party solicitation.

FUND FEES

Each fund will be allocated a portion of the Boston Foundation's administrative, investment, and other fees as set forth below.

ADMINISTRATIVE FEES

The fee for Donor Advised Funds is assessed quarterly and is calculated on the average daily balance of the most recent preceding quarter for which we have investment results. New funds are charged a pro-rated fee during the first year based upon the cumulative initial gift value. Fees are reviewed annually by the Boston Foundation's Board of Directors, and are subject to change at the sole discretion of the Boston Foundation. Notice of any changes in fees will be given prior to implementation. Contact the Development Office for current fund fees.

Administrative fees cover grant and fund administration, such as due diligence procedures, the receipt and acknowledgement of contributions, processing and payment of grants, and compliance with federal and state reporting requirements. Fees also support online fund access through Advisor Xpress and most of the Foundation's extensive donor services designed to enhance advisors' giving and philanthropic experience.

PASS-THROUGH FEE

Funds that grant out the entire fund balance within 12 months of being established will be assessed a 1% pass-through fee. The minimum pass-through fee is $500.

COMPLEX GIFT FEE

Gift assets that require special review, such as real estate, limited partnership interests, or closely-held stock, may incur additional fees to cover tax, legal or other Foundation expenses associated with the transaction.

CREDIT CARD FEES

Contributions received by credit card result in a processing fee of 3.75% of the amount of the contribution. This fee is assessed to cover bank transaction fees and is charged to the fund receiving the contribution.

INVESTMENT FEES

The Boston Foundation assesses each fund an investment management fee to cover investment management expenses plus any underlying investment management costs such as consulting, legal costs and taxes related to investment activity. This fee is assessed monthly based on the average of the daily balances in the fund. In addition, the Boston Foundation has negotiated competitive fees from investment managers not typically available to individual investors. Funds are responsible for an allocable portion of these fees as investment management expenses. Such expenses are charged directly to the earnings, with net earnings credited to the fund. Investment fees are subject to change in the sole discretion of the Boston Foundation and its investment managers. For current investment fees, contact the Development Office.

TAX STATUS

All funds at the Boston Foundation are component funds and assets of the Boston Foundation, Inc., and, as such, any contribution to a component fund is automatically treated as a gift to a 501(c)(3) public charity.

TAX IMPLICATIONS

As a public charity under Sections 501(c)(3) and 170(b)(1)(a) of the Internal Revenue Code, initial and subsequent contributions made to the Boston Foundation currently receive the maximum charitable deduction permitted under state and federal law. Each gift to the Boston Foundation is acknowledged with a receipt confirming the date of the gift for the donor's tax records.

Note: The Boston Foundation is not a licensed tax advisor. Donors should work with their financial, tax or legal professional to determine the best charitable giving strategy for their needs.

SPENDING POLICY

The Boston Foundation utilizes a Spending Policy to determine the amount available for annual grantmaking from its Permanent Fund for Boston, Field of Interest and Designated Funds. Donor Advised Funds are not generally required to adhere to the Spending Policy, but a donor may elect for their funds to be subject to the Spending Policy as described in these Terms and Conditions. Call the Development Office for the current rate and information on how the Spending Policy is calculated.

CONTROL OF ASSETS/MATERIAL RESTRICTION

In order for a contribution to be treated as a charitable gift, the IRS requires that the Boston Foundation retain ultimate control over investments, administration, and granting activity. Additionally, the IRS requires all such funds be free of material restrictions imposed by donors in a manner consistent with the requirements of Section 1.507-2 of the Treasury Regulations.

VARIANCE POWER

All contributions to the Boston Foundation are subject to the Boston Foundation's variance power, as stated in the Article 4.7 of its Articles of Organization, which gives the Board of Directors of the Boston Foundation the right to redirect the use of any fund under certain conditions to better meet the changing needs of the community.

ASSIGNMENT

The rights and obligations with respect to a fund may not be transferred nor assigned without the prior written consent of the Primary Donor and the Boston Foundation. The advised function of any fund cannot be assigned or varied without the prior written approval of the Boston Foundation.

DISPUTES

The fund agreement (including these Terms and Conditions) between a Primary Donor and the Boston Foundation is governed by the laws of the Commonwealth of Massachusetts without regard to its conflicts of law principles. Venue for any disputes arising out of or in connection with a fund shall be sited in the federal or state courts located in Boston, Massachusetts.

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 component 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 component fund.

PRIVACY POLICY

The Boston Foundation deeply values its relationship of trust with its donors and Fund Advisors. The Foundation's Confidentiality Policy governs the maintenance of personal data and provides that the Foundation will not sell, trade or exchange information about its donors or Fund Advisors, and will honor the wishes of those who prefer to remain anonymous in all communications materials. The full policy is available at: www.tbf.org/privacy.aspx.

VI. Signatures

☐ I/We acknowledge that I/we have read and agree to the Boston Foundation's *Terms and Conditions*, (see pages 6 to 11) and agree to the policies described therein. I/We understand that the transfer of the property described above is an irrevocable gift to the Boston Foundation and is not refundable to me/us.

For the Donor(s):

Signature _____ Date _____

Signature _____ Date _____

For the Boston Foundation, Inc.

Signature _____ Date _____

Title _____

About the Boston Foundation

The Boston Foundation, Greater Boston's community foundation, is one of the oldest and largest community foundations in the nation. The Foundation is made up of hundreds of separate charitable funds established by donors either for the general benefit of the community or for special purposes. The Boston Foundation serves as a major grantmaker, civic leader, provider of information, convener, and sponsor of special initiatives designed to address the community's and region's most pressing challenges. For more information about the Boston Foundation, visit www.tbf.org or call 617-338-1700.

For more about the Foundation, visit www.tbf.org.

tBf The Boston Foundation

INNOVATION. INFORMATION. IMPACT.

11/2013