

Donor Advised Fund Agreement

1. FUND INFORMATION

This agreement is made on _____, between the Community Foundation of Anne Arundel County Inc. ("CFAAC") and _____ (hereafter referred to as "Founder(s)") to establish and govern the administration of a Donor Advised Fund of CFAAC.

2. NAME OF FUND

Funds at the Community Foundation of Anne Arundel County are identified by a fund name. Please indicate the name for this fund: _____.

3. PURPOSE OF FUND

General Charitable Purpose

Specific Charitable Purpose (describe below)

4. PROPERTY OF THE FUND

An initial contribution of \$ _____ made via _____ (*check, securities, other*) will be contributed to open this fund. All funds must maintain a minimum balance of \$10,000 (\$25,000 if endowed). Additional gifts may be made to the fund at any time.

- a. All contributions to the fund shall be administered pursuant to the terms and conditions of this agreement.
- b. The Founder acknowledges that the delivery of the initial property and any additional property contributed to the fund, including any income therefrom, constitutes an irrevocable gift of such property to CFAAC, and shall constitute an asset of CFAAC for the purpose of providing solely charitable benefits.

5. FOUNDER(S) / FUND ADVISOR(S)

The Founder is considered the "Fund Advisor" of this fund and will have the privileges normally assigned to "Fund Advisors" as allowed under IRS regulations and, have the authority to access fund information, recommend grants, and name additional Fund Advisors and/or Successor Advisors.

Founder/Advisor 1

_____ Name		_____ Date of Birth
_____ Street Address		_____ City, State ZIP
_____ Phone (Home)	_____ Phone (Cell)	_____ Email Address
Founder	Fund Advisor	

Founder/Advisor 2

Name

Date of Birth

Street Address

City, State ZIP

Phone (Home) Phone (Cell)
 Founder Fund

Email Address
Advisor

Founder/Advisor 3

Name

Date of Birth

Street Address

City, State ZIP

Phone (Home) Phone (Cell)
 Founder Fund Advisor

Email Address

6. SUCCESSOR ADVISORS

The Founder may designate individuals to serve as Successor Advisors with the privilege of making grant distribution recommendations from the fund in the event of the Founder’s death, resignation, incapacity, or inability to serve for any reason. When Successor Advisors assume responsibility for the fund, unless otherwise specified by the Founder, they in turn may name additional Successor Advisors, subject to CFAAC’s approval. Successor Advisors may be changed or added via written request by the submission of an Advisor Update Form to CFAAC.

Succession Advisor 1

Name

Date of Birth

Street Address

City, State ZIP

Phone (Home) Phone (Cell)

Email Address

Succession Advisor 2

Name

Date of Birth

Street Address

City, State ZIP

Phone (Home) Phone (Cell)

Email Address

7. DISTRIBUTIONS FROM THE FUND

The Founder may choose to make this Donor Advised Fund endowed (permanent), which limits the amount available for annual grant distributions according to CFAAC's annual spending policy. The current spend rate is 4%.

Select whether this is an endowed fund:

This is an endowed fund. Grant distributions are limited to CFAAC's annual spending policy.

This is a partially endowed fund \$ _____ (minimum \$25,000) of the initial gift will be endowed. The remaining assets will be spendable. Grant distributions from the endowed portion of the fund will be transferred to the spendable portion of the fund annually.

This is a non-endowed fund. Grant distributions may be made from the entire balance of this Fund's assets.

If you wish your non-endowed fund to convert to an endowed fund upon your death, ***please initial here:*** _____
The undersigned acknowledge that an endowed fund will be managed using a total return concept of endowment management based on CFAAC's spending policy rate as adjusted from time to time by the Board of Trustees.

8. INVESTMENT OF FUND ASSETS

IRS regulations permit Fund Advisor(s), including the Founder, to indicate investment preferences for the fund; however, CFAAC retains final discretion regarding the investment of the fund. The undersigned understand that investments will be administered in accordance with CFAAC's Investment Policy Statement as revised from time to time by its Board of Trustees. The undersigned acknowledge that investments are subject to the risk of market and interest rate fluctuation, and that any investment gain or loss generated will be credited or charged to the fund. The total investment return of each investment vehicle is net of its operating expenses. Please note that all endowed (permanent) funds will be invested using the Long-Term Growth investment option. Information on these options may be found in the *Fund Policies and Procedures in this agreement*.

Select one investment option:

Preservation

Conservative

Balanced

Long-Term Growth (limited to endowed funds only)

9. FEES

CFAAC assesses a fee to help defray the costs associated with the administration of a fund. Administration fees cover fund management, such as due diligence procedures, the receipt and acknowledgment of contributions, processing and payment of grants, and compliance with federal and state reporting requirements. Fees also support online Fund access through our online portal, and most of CFAAC's extensive donor services designed to enhance advisors' giving and philanthropic experience.

Unless otherwise noted, fees are assessed quarterly in March, June, September, and December and are calculated as follows: the average month-end balance of the previous three months is multiplied by the annual fee percentage and divided by four. Additional terms may be set for some funds, such as those requiring additional or special services. All funds are subject to a minimum annual fee of \$150 for non-endowed funds, and \$250 for endowed funds. New funds are charged a one time set-up fee of \$250. Non-endowed funds are assessed a 1.5% fee. Endowed funds are assessed a 1% fee. Please see Schedule of Fees.

10. FUND PROMOTION

To express appreciation to the Founder and to set an example for others to follow, CFAAC lists funds on its website and may choose to publicize its funds or highlight grants in its public communication and promotional materials. If the Founder agrees, **initial here:** _____.

- a. **Fund not to be promoted:** If the Founder wishes to remain anonymous, **initial here:** _____.
- b. Information provided to each grantee **should** **should not** include fund advisor(s) name in addition to fund name.

11. ESTATE PLANS

If you intend to name this fund as a beneficiary in your estate, or have already included CFAAC in your will or estate plan, please indicate the type of planned gift below and attach a copy of the page from your testamentary document that pertains to CFAAC. We encourage you to complete a Letter of Understanding to outline how you would like the fund administered.

Bequest	Charitable Remainder Trust	Charitable Gift Annuity
IRA/Retirement Plan Assets	Life Insurance	Charitable Lead Trust

Other: _____

12. ULTIMATE DISPOSITION OF THE FUND

At such time as there is no Advisor or Successor Advisor willing or able to serve, or if the fund remains inactive (no new contributions received, or grants distributed) for three years, the fund shall be administered as follows:

- a. **According to the Letter of Understanding attached, initial here** _____
- b. **CFAAC's Operating Endowment** _____%
Please consider supporting CFAAC's Community Leadership efforts to build and sustain Anne Arundel County with a designation of 10% or more.
- c. **CFAAC's Fund for Anne Arundel** _____%
Please consider supporting CFAAC's grantmaking efforts to address the most pressing needs in Anne Arundel County with a designation of 10% or more.
- d. **Field of Interest:** _____%
To support a specific interest of the Founder (e.g. Health, Arts, Environment etc.).
- e. **Designated for the support of the following nonprofit organizations** _____%

13. POLICIES AND PROCEDURES

The Founder has reviewed the *CFAAC Fund Policies and Procedures* in this agreement and agrees to the terms and conditions described therein. The undersigned understands that any contribution, once accepted by CFAAC, represents an irrevocable gift to CFAAC. All contributions of any kind and from whatever sources, including any earnings and appreciation on such contributions to the fund, will be subject to the terms of this agreement. The fund will become active once the initial gift is received by CFAAC. Legal control and responsibility for the fund rests with CFAAC. In carrying out such responsibilities, CFAAC shall hold, manage, invest, and reinvest the fund, and shall collect the income and pay and disburse monies from the fund for the charitable purposes outlined in this agreement. The Founder certifies that all information presented in connection with this agreement is accurate and agrees to notify CFAAC in writing of any changes. In the event of any conflict between the terms of this Agreement and the Policies, the terms of this Agreement will govern.

14. VARIANCE POWER

Should the purposes for which this fund was created ever become obsolete, inconsistent with the charitable needs of the community, or incapable of fulfillment, as determined by CFAAC’s Board of Trustees in its sole discretion, CFAAC’s Board of Trustees shall have the power and authority to modify any restriction or condition on distributions from this fund set forth in this agreement. In adopting any such modification, the Board of Trustees shall endeavor to use the funds’ assets for a purpose as similar as possible as those set forth in this agreement.

15. SIGNATURES

The undersigned acknowledge that we have read and agree to the Community Foundation of Anne Arundel County’s Policies and Procedures. The undersigned represent the Founder of this fund and agree to the terms of this agreement.

This agreement may be amended only by mutual agreement of the parties hereto and this agreement shall be governed in all respects by the laws of the State of Maryland. CFAAC is authorized to amend this agreement to conform to the provisions of any applicable law or government regulation.

Founders:

Please let us know how you would like your name(s) to be listed for recognition purposes, such as when listed in the Annual Report: _____.

I/We prefer to be anonymous, **initial here:** _____.

Signature

Signature

Name (Please Print)

Name (Please Print)

Date

Date

Community Foundation of Anne Arundel County:

By: _____
Mary Spencer, President & CEO

Date

CFAAC Fund Policies and Procedures

Reviewed September 2023

All gifts are subject to the Community Foundation of Anne Arundel County's (CFAAC) Policies and Procedures and may be amended from time to time at CFAAC's sole discretion.

FOUNDER

The Founder is defined as the person(s) or organization who establishes the Fund and is responsible for the initial contribution. If the Founder is not an active Fund Advisor, the named Fund Advisors may act on the Founder's behalf. CFAAC will communicate with the Founder or Fund Advisor(s), as appropriate, about the Fund.

FUND ADVISORS

(For Funds such as Donor Advised, Legacy, Designated, Corporate Advised, Agency Endowed, and Endowed)

Upon establishing a Fund, the Founder may give one or more Fund Advisors the authority to access information regarding the Fund and make grant recommendations. Fund Advisors may access quarterly statements electronically and will receive statements sent by mail, if requested. The Founder is automatically a Fund Advisor in most cases.

APPOINTMENT OF ADDITIONAL AND SUCCESSOR ADVISORS

(For Funds such as Donor Advised, Legacy, Designated, Corporate Advised, Agency Endowed, and Endowed)

Requests to appoint additional Fund Advisors, Successor Advisors, or changes in the Fund Advisors must be communicated to CFAAC by submitting an Advisor Update Form. Requests will be accepted from the Founder or current Fund Advisors. 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 CFAAC, the balance of the Fund will be moved to CFAAC's permanent Community Leadership Fund.

Donor or Corporate 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 Fund Advisors, Successor Advisors, or changes in the Fund Advisors must be communicated to CFAAC in writing by the organization and/or the appointed committee.

SUCCESSION PLANS

Founders can request a succession plan for their 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 CFAAC's permanent Community Leadership Fund. All plans must be submitted in writing and are subject to CFAAC's approval. For further information on various types of succession plans, please call CFAAC at 410-280-1102.

MAKING GRANT RECOMMENDATIONS

For funds established with grant making privileges, grant recommendations can be submitted via the online portal located on the CFAAC website, www.cfaac.org, or by emailing a staff member of CFAAC. Grants will be designated for general operating support unless otherwise requested by the Fund Advisor. All grants must be for charitable purposes. Grants of \$250 or more may be recommended to any qualified public charity as described in section 501(c)(3) of the IRS Code or any church as described in the IRS Code. Fund Advisors may also recommend grants to most units of government (e.g., public schools, town and municipal governments, police departments, etc.). All recommendations may be accepted or rejected, in whole or in part, by CFAAC at its sole and absolute discretion. Also, see CFAAC's *Non-Discrimination Grant Policy*.

CFAAC **will not** make grants from Funds held at CFAAC, even for charitable purposes, to other types of nonprofit organizations (non-charities) or to businesses. Examples of organizations to which CFAAC will not make grants include social welfare organizations 501(c)(4), cemeteries, Chambers of Commerce and similar business associations, fraternities and sororities, social clubs, and fraternal organizations such as The Elks or The Moose. CFAAC does not make grants to private foundations. Grants requiring expenditure responsibility are not permitted from Donor or Corporate Advised Funds.

INTERNATIONAL GRANTS

CFAAC makes grants to qualified public charities located in the U.S.A. that carry on their work in other countries. Grants to international organizations without a U.S. 501(c)(3) determination may also be possible after CFAAC completes an alternate due diligence process through a third-party agency for an additional fee. CFAAC does not make grants to foreign governmental entities. Please contact CFAAC at 410-280-1102 for additional information or to discuss a specific organization.

GRANT RESTRICTIONS

CFAAC verifies that all grant recipients are classified as public charities under section 501(c)(3) of the Internal Revenue Code. Additional due diligence is performed in accordance with CFAAC's *Due Diligence Policy* available upon request by calling CFAAC at 410-280-1102. CFAAC will alert the Fund Advisor(s) should a matter of concern be discovered during the due diligence process.

The Internal Revenue Code prohibits grants to individuals from Donor or Corporate Advised Funds. Also prohibited are grants for political contributions or to support political campaigns. Grants may not result in benefits, goods, or services to a Donor, the Fund Advisor, members of their families, or businesses they control. Failure to observe this restriction can subject the Fund Advisor to tax penalties. Benefits include the payment of pledges, event tickets, meals, registration fees, discounted merchandise, preferred parking and/or seating, and memberships unless the membership confers nothing of value. If you have questions regarding whether recommending a specific grant will result in a prohibited benefit, please contact CFAAC.

Expense reimbursements, loans, compensation, and other similar payments to Donors, Fund Advisors, or related parties are not permitted from any funds.

GRANT ACKNOWLEDGMENT

Unless other arrangements have been made, grant letters sent to grant recipients will indicate that the grant is from the Fund and that it has been given upon the recommendation of the "Advisor" of the Fund. The recipient organization is encouraged to acknowledge the gift *to the advisor through CFAAC. Additional language confirms that no benefits have been or will be offered or provided to the advisor in exchange for the accompanying grant.* If the recipient organization publishes a news release or a list of donors, it is asked to indicate the contribution as a grant from "*The "Name of Fund" of The Community Foundation of Anne Arundel County.*" All grants are distributed or delivered directly from CFAAC to the grantee. Fund Advisors are prohibited from hand delivering grant award checks to grantees for any reason. Award presentations may be arranged through CFAAC.

ANONYMITY

CFAAC's IRS Form 990 is accessible on our website, www.cfaac.org, and through other public online resources but does not disclose individual donor names. CFAAC offers various levels of anonymity as part of the grant recommendation process. Founders may indicate a default preference for anonymity when completing the Fund Agreement.

ENDOWED (PERMANENT) FUNDS

Founders or Fund Advisors may request to make their Fund endowed (permanent) thereby limiting the amount available for grant distributions to CFAAC's *Endowed Fund Policy*. The minimum fund balance for an endowed fund is \$25,000. The Fund will be managed using a total return concept of endowed management based on CFAAC's annual spending rate, as adjusted from time to time, by CFAAC's Board of Trustees. CFAAC's spending rate for endowed funds is designed to maintain and, if possible, increase the real value (as adjusted by inflation) of the Fund while at the same time providing a relatively stable and predictable level of funding available for grantmaking. Should the Fund be endowed, Successor Fund Advisors may not change the Fund to a non-endowed fund. CFAAC's *Endowed Fund Policy* may be requested by contacting CFAAC.

LOW BALANCE FUNDS

Should a non-endowed fund's balance fall below CFAAC's minimum, CFAAC will contact the current Fund Advisor and offer options to make additional contributions to bring the Fund up to the minimum or to grant out the fund balance and close the Fund. If the low balance continues for 24 months and/or attempts to locate and/or contact the most recent Fund Advisors fail, the Fund will be closed, and its assets transferred to the CFAAC Community Leadership Fund.

LOW ACTIVITY FUNDS

CFAAC encourages the Founder to retain an active role in their Fund. To carry out its mission of distributing charitable dollars to the community, CFAAC periodically reviews the grantmaking activity of all Funds. Should a non-endowed fund with a balance above the minimum fail to disburse any grants for a period of two years, CFAAC will contact the Founder to discuss intentions for the Fund.

If the Founder or Fund Advisor(s) cannot be located or is/are unresponsive after another year, making the Fund inactive for a total of three years, the Fund will be considered inactive and the *Ultimate Distribution of the Fund*, as described in the Fund Agreement, will be implemented.

INVESTMENTS

Fund Assets are combined in Pools for investment to reduce investment costs. CFAAC offers several investment options to donors. IRS regulations permit the Founder to indicate investment preferences for the Fund. Founders may request to change the investment allocation in writing at any time, subject to the approval of CFAAC. CFAAC will consider a reallocation request no more than once per year and reserves the right to manage the timing of any transfers. The following is a brief description of the investment options:

- **Preservation:** The primary investment objective of the Preservation Pool is stability of principal. This pool is appropriate for pass-through and operating reserve funds or other situations where funds can be withdrawn with little or no advance notice, and/or in situations where only minimal fluctuations to principal can be tolerated. Agencies and donors with grant distribution time horizons of zero to three years should consider this strategy.
- **Conservative:** The primary investment objective of the Conservative Pool is to provide both income and growth, with growth being a secondary objective. This pool may experience some reduction of purchasing power over time due to inflation. This pool will most likely experience moderate fluctuations to principal. This pool is appropriate for non-endowed funds that have a grant distribution time horizon that is more than three years.
- **Balanced:** The investment objective of the Balanced Pool is to balance spending needs with growth, providing for greater total spending over a longer time period. This pool will most likely experience considerable fluctuations to principal. This pool is appropriate for non-endowed funds that have a grant distribution time horizon of more than six years.
- **Long-Term Growth:** The primary investment objective of the Long-Term Growth Pool is to provide a relatively stable, inflation adjusted, annual payout to support CFAAC's annual spending rate. There will be some inevitable volatility in principal value in this pool, but it offers the potential for a sustainable payout plus inflation protection over the long term. This pool is intended for endowed funds or non-endowed funds with a grant distribution time horizon of ten years or more.

CFAAC retains final discretion regarding the investment of the Fund. The Founder understands that investments will be administered in accordance with CFAAC's investment policies as determined by CFAAC's Board of Trustees. The Founder(s) understands that investments are subject to the risk of market and interest rate fluctuation, and that any investment gain or loss generated will be credited or charged to the Fund.

Additional Investment information and performance information is available upon request.

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 daily balance. Each fund is subject to its share of Mason Investment Advisory Services investment management fee, which is between 0.25 - 0.50%. This fee is deducted from investment returns.

ADDITIONAL CONTRIBUTIONS

Once a Fund is established, donations may be added to the Fund at any time. There is no minimum contribution amount. Gifts of cash, securities, and many types of real and/or tangible property may be added to the Fund. Please call 410-280-1102 for additional information about acceptable gifts.

GIFT ACKNOWLEDGEMENT

All gifts are acknowledged in accordance with IRS 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.

FEES

CFAAC assesses a fee to help defray the costs associated with the administration of a Fund. Administration fees cover fund management 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 our online portal, and most of CFAAC's extensive donor services that are designed to enhance advisors' giving and philanthropic experience.

As of the date of this agreement, non-endowed funds are assessed a 1.5% fee and endowed funds are assessed a 1% fee. Fee amounts decline when the fund balance increases according to CFAAC's Fee Schedule. Unless specifically described in an associated Administrative Agreement, annual fees are assessed quarterly in March, June, September and December and are calculated as follows: Average daily balance of the previous three months multiplied by the annual fee percentage and divided by four. Additional terms may be set for some funds, such as those requiring additional or special services. All non-endowed funds are subject to a minimum annual fee of \$150 (1.5% of \$10,000 fund minimum) and all endowed funds are subject to a minimum annual fee of \$250 (1% of \$25,000 fund minimum). New funds are assessed a set-up fee of \$250, except Designated Agency Funds and Endowed Agency Funds opened during the *25th Anniversary Endowment Promotion*.

A schedule of fees is available upon request. CFAAC reserves the right to increase or decrease fees from time to time and will notify the Fund Advisor of any changes affecting the Fund.

FEE SCHEDULE

Donor Advised and Corporate Advised Funds

Fund Size	Annual Fee	
	Non- Endowed	Endowed
Up to \$1,000,000	1.50%	1.00%
\$1,000,000 - \$2,000,000	1.25%	0.50%
\$2,000,000 - \$5,000,000	1.00%	0.50%
\$5,000,000 - \$10,000,000	0.75%	0.50%
Over \$10,000,000	0.50%	

Designated and Field of Interest Funds

Fund Size	Annual Fee	
	Non- Endowed	Endowed
Up to \$500,000	1.50%	1.00%
\$500,000 to \$1,000,000	1.00%	1.00%
\$1,000,000 to \$10,000,000	0.75%	0.50%
Over \$10,000,000	0.50%	0.50%

Scholarship Funds

Fund Size	Annual Fee	
	Non- Endowed	Endowed
Up to \$500,000*	1.50%	1.00%
\$500,000 to \$1,000,000	1.00%	1.00%
\$1,000,000 to \$10,000,000	0.75%	0.50%
Over \$10,000,000	0.50%	0.50%

*The minimum fund value for a scholarship fund is \$250,000

EXCESS BUSINESS HOLDINGS

CFAAC places a limitation on accepting gifts of assets to a Donor or Corporate Advised Fund and does not allow Donor or Corporate Advised Funds to purchase business holdings. CFAAC recognizes the IRS Ruling included in the Pension Protection Act (PPA) regarding excess business holdings. That is, the holdings of a Donor or Corporate 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;
- And interest in a sole proprietorship.

CFAAC will identify and monitor any new gift to a Donor or Corporate Advised Fund of any interest qualifying as an “excess business holding” under the PPA and will accept such gifts as appropriate according to CFAAC’s *Gift and Fund Acceptance Policy*. CFAAC 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, CFAAC 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. CFAAC will notify potential donors of such interests of this requirement prior to the contribution of such interest.

CONTROL OF ASSETS/MATERIAL RESTRICTION

In order for a contribution to be treated as a charitable gift, the IRS requires that CFAAC retain ultimate control over investments, administration, and grantmaking 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.

FUNDRAISING FOR COMPONENT FUNDS POLICY

CFAAC maintains rigorous fundraising policies in accordance with IRS guidelines. All gifts are subject to the Community Foundation of Anne Arundel County’s Policies and Procedures as may be amended from time to time at CFAAC’s sole discretion.

Occasionally groups want to increase the amount of money in a particular fund at CFAAC by undertaking some form of fundraising to benefit the Fund. This fundraising may take the form of requesting money through an appeal letter to friends and associates or organizing an event such as a golf tournament, auction, or dinner. **Any materials designed to raise money for or to otherwise publicize the Fund must be submitted in writing prior to use for review and approval of CFAAC.**

Friends and associates may be solicited directly through an appeal to give directly to a CFAAC Fund. The donors send their gift directly to CFAAC indicating the pertinent Fund and gifts are acknowledged as required by IRS rules and regulations. The other way to raise money for a Fund is to hold a fundraising event.

There are two ways that CFAAC funds receive money from a fundraising event.

1. **Proceeds from an event/solicitation sponsored by a 501(c)(3) organization with or without a Fund at CFAAC.** An organization with its own 501(c)(3) federal ID number may sponsor a fundraising event/solicitation and deposit the proceeds (which may include individual contributors’ checks) into its bank account. The organization issues its own acknowledgment letters, and the contributors receive a charitable deduction for their gifts because the sponsoring organization has its own charitable tax status. The net proceeds would then be transferred to CFAAC to be deposited into a Fund of CFAAC. This is generally used by Field of Interest and Agency Funds.
2. **Proceeds from an event/solicitation for which donors were not offered a tax deduction.** An individual or group may choose to host a fundraising event such as a golf tournament, auction or wine-tasting and the net income is forwarded to CFAAC and is designated for a particular fund. CFAAC has neither endorsed the activity nor been involved in its planning or execution. CFAAC does not acknowledge the individual contributors for any money raised, and no one receives a charitable deduction for participating in the event. A receipt for the net amount received is sent to the organizing group. Any published materials related to the fundraising event should have the following wording: “The net proceeds of this event will be contributed to the XYZ Fund of Community Foundation of Anne Arundel County.”

FUND PROMOTION

To express appreciation and set an example for others to follow, CFAAC may choose to publicize its funds or highlight particular gifts or grants in its public communications and promotional materials. It is the responsibility of the Donor or Fund Holder to alert CFAAC if they wish to remain anonymous.

VARIANCE POWER

CFAAC is committed to abiding by the wishes of each gift to CFAAC. Occasionally, a situation arises that renders this impossible such as when a nonprofit organization closes; a nonprofit is not in compliance with state laws; a specified program is no longer needed; or the purpose of the Fund becomes obsolete, inconsistent with the charitable needs of the community, or incapable of fulfillment. In these types of situations, CFAAC's Board of Trustees may decide, in its sole discretion, to use its variance power and authority to modify any restriction or condition on the distribution of funds set forth in this agreement including delaying a grant or directing a grant to a different organization. As stated in CFAAC's Bylaws, the Board of Trustees of CFAAC has the right to redirect the use of any gift under certain conditions to better meet the changing needs of the community. In adopting such modification, the Board of Trustees shall endeavor to use the funds for a purpose as similar as possible to those set forth in the agreement.

ASSIGNMENT

The rights and obligations with respect to a Fund may not be transferred nor assigned without the prior written consent of the Founder or Fund Advisors and CFAAC. The advisory function of the Fund cannot be assigned or varied without the prior written approval of CFAAC.

DISPUTES

The Fund Agreement (including these Policies and Procedures) between the Founder(s) and CFAAC is governed by the laws of the State of Maryland without regard to its conflicts of law principles. The venue for any disputes arising out of/or in connection with the Fund shall be sited in the federal or state courts located in Maryland.

CONFLICT OF TERMS

In the event of an inconsistency between these Policies and Procedures and any policies and procedures appearing elsewhere in connection with the Fund, these Terms and Conditions as interpreted by CFAAC shall govern. CFAAC reserves the right to take any action at any time, which, in its discretion, it deems reasonably necessary or desirable for the proper administration of any fund.

PRIVACY POLICY

CFAAC deeply values its relationship of trust with its donors and Fund Advisors. CFAAC's *Confidentiality Policy* and *Website Privacy Policy* govern the maintenance of personal data and prohibit CFAAC from the selling, trading, or exchanging information about its donors or Fund Advisors, and requires CFAAC to honor the wishes of those who prefer to remain anonymous in all communications materials. The full policy is available upon request.

For access to policies listed in this document, please visit www.cfaac.org or call CFAAC at 410.280.1102.