

## restricted fund agreement • state of alabama • montgomery county

THIS RESTRICTED FUND AGREEMENT ("Agreement") is made this \_\_\_\_\_ day of \_\_\_\_\_, 2025, between the Central Alabama Community Foundation, Inc., an Alabama nonprofit corporation and community foundation ("Foundation"), and \_\_\_\_\_ ("Charitable Donor"), to create a Restricted Fund ("Fund") of the Foundation. All persons and organizations making contributions to the Fund created hereunder shall be bound by the terms of this Agreement.

1. Introduction.

- (a) The Charitable Donor, in furtherance of his/her charitable purposes and functions, has decided to create a charitable endowment fund to aid and assist \_\_\_\_\_ (*the Charitable Organization*) in carrying out its charitable programs and in preserving its long-term financial stability.
- (b) The Foundation is a publicly supported community foundation exempt from federal income taxation pursuant to Sections 501(c)(3) and 170(b)(1)(A)(vi) of the Internal Revenue Code and is an appropriate organization within which to establish such a charitable endowment fund for the Charitable Organization's benefit.
- (c) The Foundation is willing and able to create such an endowment as a Restricted Fund, subject to the terms and conditions of this Agreement.

2. Name of Fund. The name of the Fund created hereby is the \_\_\_\_\_. Any recipient of benefits from this Fund shall be advised that such benefits are from \_\_\_\_\_.

3. Contributions to the Fund.

- (a) Initial Contribution. Upon signing this Agreement, the Charitable Donor has transferred and delivered to the Foundation the property described in the schedule attached hereto as Appendix A and made a part of this Agreement. The Fund is created and this contribution made for the purposes and uses and upon the terms and conditions set forth in this Agreement.
- (b) Subsequent Contributions. Any person or organization (hereinafter referred to as "Donor"), may make a contribution to the Foundation for the purposes of the Fund by a transfer to the Foundation in whole or in part for the Fund. All contributions to the Fund, including the Charitable Donor's initial contribution, described in the preceding paragraph, shall be irrevocable. The

Foundation, the Charitable Donor, and any other Donor may from time to time make additions to the Fund from money or property available to them.

4. Incorporation of Governing Instruments of the Foundation. The Foundation acknowledges receipt of the contribution and agrees to hold and administer the contribution and any subsequent contributions to the Fund under this Agreement, on the terms and subject to the conditions set forth in its (the Foundation's) governing instruments, including its Articles of Incorporation and Bylaws, as amended from time to time, and any resolutions and procedures from time to time in effect. All the provisions of such governing instruments of the Foundation and such resolutions and procedures are incorporated in this Agreement and by this reference made a part hereof.
5. Purposes. The purposes of the Fund are to further or carry out the charitable, educational, religious, and/or scientific purposes and functions of the Foundation and \_\_\_\_\_ (*The Charitable Organization*), publicly supported organizations described in Section 501(c)(3) of the Internal Revenue Code, neither of which is a private foundation within the meaning of Section 509(a) of the Code ("Charitable Organization"), as set forth in their respective governing instruments, as amended from time to time.
6. Use of the Fund. It is the general policy of the Foundation that a substantial part of Restricted Funds shall remain as a permanent endowment to the Foundation. It is also the general policy of the Foundation that an amount equal to four percent (4.50%) of the value of a Restricted Fund may be distributed during each fiscal year.
7. Distributions. The money or other property in the Fund shall be held and administered and distributions from the Fund shall be made in accordance with such procedures for the administration and operation of Restricted Funds of the Foundation as may be in effect from time to time. Consistent with such procedures and subject to the provisions of Paragraph 6 above, distributions shall be made at least annually to the charitable organization at such times, in such amounts, and in such ways as the Foundation may determine from time to time.
8. Reporting. The Foundation agrees to provide the Charitable Organization such information relating to the Fund as the Charitable Organization may reasonably request from time to time.

9. Foundation as Owner of the Fund. The 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 therefrom, for the charitable purposes of the Foundation. Anything herein to the contrary notwithstanding, this Agreement shall be subject to and governed by the Articles of Incorporation and Bylaws of the Foundation, as from time to time amended; and the Fund hereby created shall be held and managed, and the income or principal or both used, in all respects, in accordance with the terms of the governing instruments of the Foundation, as amended from time to time, and resolutions and procedures adopted by the Board of Directors of the Foundation under the authority of its governing instruments.
10. Compensation to the Foundation. As compensation for its services, the Foundation shall receive those fees which it customarily charges for services of a nature similar to those required herein (such fees are currently 0.75% per annum of the fair market value of the Fund).
11. Definitions.
- (a) For the purpose of this Agreement, "charitable purposes" include charitable, religious, scientific, literary, or educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code, contributions for which are deductible under Section 170(c)(2) of the Internal Revenue Code.
  - (b) All references to this Agreement to sections of the Internal Revenue Code shall be considered references to the Internal Revenue Code of 1986, as from time to time amended, and to the corresponding provisions of any applicable future United States Internal Revenue Law, and to all regulations issued under such sections and provisions.

IN WITNESS WHEREOF, the Foundation and the Charitable Donor have executed this Agreement, as of the day and year first written above.

\_\_\_\_\_  
Donor

**Central Alabama Community Foundation**

By: \_\_\_\_\_

By: \_\_\_\_\_

*Lisa Free*  
*Its Chairman*