



Knox County Foundation

Instrument of Transfer

ENTER NAME Fund

Donor Advised Fund

This agreement is made this ____ day of _____, 202_, by DONOR NAME (hereinafter identified as “Donor”) and the Knox County Foundation (hereinafter identified as “Foundation”), to establish a Donor Advised Fund. The Fund, to be known as the **ENTER NAME Fund** (hereinafter identified as the “Fund”), will be a donor advised fund subject to the following provisions. It is acknowledged by the Donor that the establishment and administration of the Fund is subject to the resolutions and policies of the Foundation, as amended from time to time, governing donor advised funds.

Purpose of Fund

The Fund is being established by the Donor for the distribution of charitable grants that are consistent with the Foundation’s charitable purpose. The Donor reserves the right to consult with, advise and make recommendations to the Foundation with respect to any distribution from the Fund. The Foundation shall consider and evaluate all donor recommendations, but such advice or recommendations shall be solely advisory. The Foundation will independently determine whether recommendations received are consistent with the Foundation’s charitable purposes and whether to accept or reject recommendations.

Delivery of Irrevocable Gift

Delivery of property to the Fund shall constitute an irrevocable gift to the Foundation upon acceptance by the Foundation. The Fund shall include the property on this day received from the Donor. In addition, the Donor and any individual, corporation, or organization may at any time donate property to this Fund, if such property is determined acceptable by the Foundation. The initial gift, and all subsequent gifts, will be subject to the same terms and conditions set forth within this agreement instrument.

Operation of Fund

Donor understands and acknowledges that the Fund will be administered by the Foundation per the following terms and conditions:

- Distributions from this fund shall never exceed the amount available for distribution as calculated by the Foundation.

- ## Acceptance of Agreement

Foundation By: _____ Date: _____
Jeffrey Scott, Executive Director

Attachment A
Knox County Foundation Spending Policy

Background: The Knox County Foundation's ("Foundation") annual payout to charitable beneficiaries of endowment funds is determined by a board-approved payout rate known as the "Spending Policy". The Spending Policy for each fund is calculated by applying the payout rate to the average market value as of December 31 of each endowment fund over the 12 preceding quarters (or quarters in existence for new funds with less than 12 quarters of activity).

The use of the Spending Policy provides for a disciplined stream of income to charitable beneficiaries. It restrains spending in years when total return on funds (growth and income) exceeds the charitable payout, providing for growth of principal and enables level spending in under-performing markets.

The intent of the Spending Policy is to provide reasonably stable grants while preserving the inflation-adjusted value of funds. The Spending Policy developed considers the Foundation's dual responsibility to pay out charitable distributions and to perpetuate endowments entrusted to it by donors.

Policy: The Foundation shall consider the following factors in making a determination for appropriate expenditures:

- 1) The duration and preservation of the endowment fund(s);
- 2) The purposes of the institution and the endowment fund(s);
- 3) General economic conditions;
- 4) Projected effect of inflation or deflation;
- 5) The expected total return from income and appreciation of investments;
- 6) The investment policy of the institution.

The Foundation initially adopted a Spending Policy based upon average market value over 12 preceding quarters in 2005. The terms of the current Spending policy as approved by the Board of Directors are as follows:

The Foundation's Spending Policy for endowed funds is 4.5% of the average market value over the 12 preceding rolling quarters (or quarters in existence for new funds with less than 12 years of activity). The 4.5% rate represents the maximum amount of charitable distributions allowable for an endowed fund for a calendar year.

Non-endowed funds, including special project, short-term, operating and other related funds are not subject to this Spending Policy. The donor-advised fund Spending Policy is based on each individual fund agreement. A donor-advised fund may be endowed, non-endowed, or partially endowed. Reconcile

Administrative & Investment Fees: All funds held by the Foundation are subject to an administrative and investment fee to provide an income stream to cover operational and investment manager costs. The approved inclusive fee to be charged for all funds, except for Scholarship Funds, is 1%. Scholarship funds with a fund balance below \$50,000 are assessed a 1.5% fee, those with a fund balance between \$50,000 and \$250,000 are assessed a 1.25% fee, and those with a fund balance above \$250,000 are assessed a 1%

fee. The minimum annual fee for any scholarship fund is \$100. All fees are calculated and paid quarterly (0.25% per quarter). The quarterly fee is calculated using the fair market value of the most recently completed quarter, not the 12-quarter rolling quarter calculation used for charitable payout.

Other Information (UPMIFA): The state of Ohio adopted the Uniform Management of Institutional Funds Act (UPMIFA) in 2009. Under UPMIFA, the Foundation may expend so much of an endowment fund, including historic gift dollar value, as it considers prudent while considering factors including future appreciation. In addition, the Ohio version of UPMIFA establishes a “safe harbor” annual spending limit of 5% of the fund’s average value over the preceding 12 quarters. In general, the Foundation’s Spending Policy will likely be between 3 – 5% based upon historical return activity and projected future returns. When total return for a year is less than allocated spendable income, distributions from fund assets will be assumed from prior year unspent return before historic gift dollar value is spent.

Spending Policy Approval: On an annual basis, the Investment Committee shall review the most recently adopted Spending Policy. Based upon identified factors above, the investment committee shall make a recommendation to the Foundation Board as to whether the policy shall remain unchanged or be amended based upon historical and projected investment returns. Based on the investment committee’s recommendation, the Board shall determine whether a revision to the Spending Policy is required.

Adopted Date: 02/09/2005

Revised Date: 02/10/2016 – Spending Policy increased from 4.0% to 4.5%

Reviewed Date: January 25, 2017 (Investment Committee – recommended no change) Last

Reviewed Date: August 9, 2017 (Board of Directors)

Revised Date: 2/14/2024--Administrative and Investment Fees amended for scholarship funds