## **UC San Diego Foundation**

EC staff to alter & implement as appropropriate.

The Board reviewed the letter in 12/98 but approval was not sought.

## **Donor Advised Fund Agreement**

This Donor Advised Fund (“DAF”) Agreement is made on [insert date] between \_\_\_\_\_\_\_\_\_\_\_ (“Donor(s)”), and the UC San Diego Foundation (“Foundation”), a not-for-profit charity exempt from taxation under section 501(c)(3) of the Internal Revenue Code (IRC), operating as an organization defined under IRC section 509(a)(1). The Foundation, by resolution of its Board of Trustees, has approved a DAF Policy.

#### **Gifts and DAF Creation**

The Donor(s) hereby irrevocably contribute(s) to the Foundation $\_\_\_\_\_\_\_\_\_\_\_\_\_ (or the property as described in Attachment A) as the initial contribution to a DAF. This gift value is equal to or greater than the minimum required DAF initial contribution amount of $100,000, and does not contain a quid pro quo (value received in return) component. The DAF created by this gift is to be entitled “[DONOR NAME] Donor Advised Fund”. Additional gifts may be made to the DAF, subject to the gift acceptance policies of the Foundation.

#### **DAF Administration**

#### **Fund Type and Investment**

The assets of DAFs will be commingled for investment purposes and invested in the common investment pools of the Foundation according to fund type and governing investment policy.

The fund type to be created for this DAF is (check one):

[ ]  **Fully Expendable**

Expendable funds are invested and administered in accordance with the Foundation’s Current Funds Investment and Payout Policy and credited with earnings from that Investment Pool monthly.

[ ]  **Endowed**

Endowed funds are invested in perpetuity. Gifts to this type of DAF create the endowment corpus, which is invested for total return, and administered in accordance with the Foundation’s Endowment Investment and Spending Policy. Endowment payout is made available to the fund monthly, and the balance accumulates for allocation by the donor. If checked below, the endowment payout may be added back to principal until otherwise changed to permit the endowed DAF to grow.

[ ]  Add endowment payout to principal until otherwise notified.

#### **Recommendations for Allocations from the DAF**

The Donor(s) acknowledge that all DAFs are the exclusive property of the Foundation and are subject to the control of the Foundation with respect to all recommendations for allocations. The President and CFO of the Foundation have signature authority over all DAFs.

The Donor(s) as named above, or their successors as named in Part V below, may make recommendations for allocations from the DAF.

The Donor(s) may recommend up to 50% of each dollar of original gift and credited interest, or 50% of the endowed payout distributed from a DAF for allocation to external public charities, provided that they are public charities qualified under Internal Revenue Code Section 509(a) (1) or 509 (a) (2) and provided that their purposes are not inconsistent with those of the University of California or UC San Diego.

The Donors will make such recommendations in writing in a standard form to be provided by the Foundation. Such recommendations must be a minimum of $1,000 to each charity and recommendations will be processed once per quarter. The recommendations must be directed to the CFO of the Foundation; and subject to review and approval of the Distribution Committee.

**Prohibited Transactions**

Recommendations for allocations may not contain a quid pro quo return component (value received in exchange for payment). Any quid pro quo component is to be separately paid by the Donor.

Recommendations for allocations may not be made to make a payment on an existing pledge.

#### **DAF Remainder**

This DAF is intended to be operational during the lifetime of the Donor(s). However, at the death of the Donor(s), \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_(family member name) may make recommendations for allocations from the DAF for a period of up to \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (not to exceed five years).

At the death of the Donor(s), or upon expiration of the term of the successor(s) named above, any balance remaining in the DAF will be allocated as deemed appropriate by the Board of Trustees of the Foundation, with preference for the following purpose: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

At the death of the Donor(s), the market value of an endowed DAF must meet the minimum required for a standard endowed fund in the Foundation or UCSD, or it will be allocated to an expendable fund.

If the DAF is (1) inactive for more than three years; (2) the Donor(s) have had no contact with the Foundation; and (3) Donor(s) do not respond to requests from the Foundation for recommendations or other information, the Board of Trustees will give written notice to the Donor(s), or last known successor, that the right to make further recommendations is terminated. Furthermore, expendable DAF funds shall maintain a minimum balance of $50,000. If the fund maintains a balance below the minimum for more than 12 consecutive months it will be terminated. The balance in the DAF will be allocated as deemed appropriate by the Board of Trustees of the Foundation.

#### **DAF Provisions**

This DAF Agreement is irrevocable. To ensure the DAF is a qualified component of the Foundation for Federal Tax purposes, the Foundation shall have the sole power to modify the terms of this agreement to the extent required to ensure such qualification. The agreement shall be governed by the laws of the State of California.

IN WITNESS HEREOF, the Foundation and the Donor(s) have executed this agreement on the date specified below:

# UC San Diego Foundation

#### By its:

#### Signed:

# Donor

#### Name:

#### Signed:

# Donor

#### Name:

#### Signed: