



COMMUNITY FOUNDATION
Ocala Marion County

**DESIGNATED AGENCY FUND AGREEMENT
BETWEEN
THE COMMUNITY FOUNDATION FOR OCALA MARION COUNTY, INC.,
AND
THE MARION COUNTY BAR ASSOCIATION**

THIS AGREEMENT (the "Agreement") is made and entered into as of 00/00/2017, by and between the Community Foundation for Ocala Marion County, Inc. (the "Community Foundation"), and the Marion County Bar Association ("Agency").

Recitals

WHEREAS, the Agency desires to establish a designated agency fund in the Community Foundation; and

WHEREAS, the Community Foundation is a Florida nonprofit corporation exempt from federal income taxes under Internal Revenue Code ("Code") section 501(c)(3), a public charity described in Code section 170(b)(1)(A)(vi), and accordingly an appropriate institution within which to establish such a designated endowment fund; and

WHEREAS, the Community Foundation is willing and able to hold and administer such a designated agency endowment fund, subject to the terms and conditions hereof.

General Provisions

NOW THEREFORE, the parties agree as follows:

1. GIFT AND FUND DESIGNATION. The Agency hereby transfers – subject to the later provisions of this agreement – to the Community Foundation the property (cash, publicly traded securities, or other assets) described in the attached Exhibit A to establish a designated agency endowment fund to be known as (the "Fund"). Subject to the right of the Community Foundation to reject any particular gift, from time to time the Community Foundation may accept additional irrevocable gifts of property from Donors or from any other source to be added to the Fund, all subject to the provisions hereof. All gifts, bequests, and devises to this Fund shall be irrevocable once accepted by the Community Foundation.

2. PURPOSE. The purpose of the Fund shall be to provide support to the Marion County Bar Association, a voluntary professional organization, in funding legal aid in Marion County, FL in accordance with the Donor intent of the MCBA Legal Aid Fund Committee (the "Designated Agency"), as directed by the Board of Directors (the "Board") of the Community Foundation. Such support shall be used to further the charitable or other exempt purposes of the Designated Agency within the meaning of Code section 170(c)(1) or 170(c)(2)(B) and shall be consistent with the mission and purposes of the Community Foundation.

3. DISTRIBUTIONS. The income, all appreciation and principal allocable to the Fund, net of the fees and expenses set forth in this Agreement, may be committed, granted, or expended pursuant to the current spending policy of the Community Foundation; as such policy may be amended from time to time by the Community Foundation, solely for purposes described in this Agreement. The Community Foundation's spending policy, as applied to agency funds such as the Fund, shall be designed to take into account total return concepts of investment and spending, while balancing the need for consistent spending to support the charitable and similar exempt purposes of such agency funds. **In that this agency fund is treated as a "quasi endowment fund" (all or part of the agency's endowment as distinct from its "operating reserves") established as an endowment fund for investment purposes, all of the income and principal of the Fund is available for distribution per the terms of the required Agency Spending Policy of the Marion County Bar Association as to donor intent and made an integral part of this overall fund agreement.**

If any gift to the Community Foundation for the Fund is accepted subject to conditions or restrictions as to the use of the gift or income therefrom, such conditions or restrictions will be honored, subject, however, to the authority of the Board to vary the terms of any gift if continued adherence to any condition or restriction is in the judgment of the Board unnecessary, incapable of fulfillment, or inconsistent with the charitable or other exempt purposes of the Community Foundation or the needs of the community served by the Community Foundation. No distribution shall be made from the Fund that may in the judgment of the Community Foundation jeopardize or be inconsistent with the Community Foundation's Code section 501(c)(3) status or result in the imposition of any excise tax, penalty, or other tax, fine, or assessment under the Code.

4. ADMINISTRATIVE PROVISIONS. Notwithstanding anything herein to the contrary, the Community Foundation shall hold and administer the Fund, and all contributions and assets allocable to the Fund, subject to the provisions of applicable law and the Community Foundation's Articles of Incorporation and Bylaws, as amended from time to time. The Board shall oversee distributions from the Fund and shall have all powers of modification and removal specified in United States Treasury Regulation section 1.170A-9(e) (11) (v) (B).

The Board agrees to provide the Agency a copy of any annual examination of the finances of the Community Foundation as reported by independent certified public accountants.

This Agreement and all related proceedings shall be governed by and interpreted under the laws of the State of Florida. Any action with respect to this Agreement shall be brought in or venued to a court of competent jurisdiction in Florida.

5. CONDITIONS FOR ACCEPTANCE OF GIFTS. The agency agrees and acknowledges that the establishment of the Fund is made in recognition of, and subject at all times to, applicable law and the terms and conditions of the Articles of Incorporation and Bylaws of the Community Foundation, as amended from time to time, including, but not by way of limitation, provisions for:

- a. Presumption of Donors' intent;
- b. Variance from Donors' direction; and
- c. Amendments.

6. CONTINUITY OF THE FUND. The Fund shall continue so long as assets are available in the Fund and the purposes of the Fund can be served by its continuation. If the Fund is terminated, the Community Foundation shall use any remaining assets in the Fund exclusively for charitable or other exempt purposes that are within the scope of the charitable and other exempt purposes of the Community Foundation; and most nearly approximate, in the good faith opinion of the Board, the original purpose of the Fund

The Donor may create a separate Foundation for the purpose of managing and administering the Fund, in which case, subject to the requirement that the distribution to the Foundation formed by the Donor complies with the criteria of allowable distributions specified in Section 3 of this Agreement, upon the written request of the Donor, the Community Foundation will distribute the contents of the Fund, as then constituted, to the Foundation formed by the Donor.

7. NOT A SEPARATE TRUST. The Fund shall be a component part of the Community Foundation. All money and property in the Fund shall be held as general assets of the Community Foundation and not segregated as trust property of a separate trust.

8. ACCOUNTING. The receipts and disbursements of the Fund shall be accounted for separately and apart from those of other gifts to the Community Foundation.

9. INVESTMENT OF FUND ASSETS. The Community Foundation shall have all powers necessary, or in its judgment desirable, to carry out the purposes of the Fund including, but not limited to, the power to retain, invest, and reinvest the assets of the

EXHIBIT A

LIST OF INITIAL DONATIONS TO FUND

Cash: _____

Publicly Traded Securities:

Other:

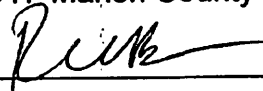
Fund and the power to commingle the assets of the Fund for investment purposes with those of other funds or the Community Foundation's general assets.

10. COSTS OF THE FUND. It is understood and agreed that the Fund shall share a fair portion of the total investment and administrative costs and expenses of the Community Foundation. Those costs and expenses charged against the Fund shall be determined in accordance with the then current administrative fee policy identified by the Community Foundation as applicable to funds of this type; as such policy may be amended by the Community Foundation from time to time. Any costs and expenses incurred by the Community Foundation in accepting, transferring, or managing property donated to the Community Foundation for the Fund, including without limitation the Community Foundation's costs and expenses (including reasonable attorneys' fees) of any claim or proceeding with respect to the Fund in which the Community Foundation is prevailing party, also shall be paid from the Fund.


Execution

IN WITNESS WHEREOF, the Agency and the Community Foundation, by a duly authorized officer, have executed this Agreement as of the day and year first above written.

AGENCY: Marion County Bar Association

By: 
Title: President

COMMUNITY FOUNDATION FOR OCALA MARION COUNTY, INC.:

By: 
Title: Barbara Fitos
Executive Director



COMMUNITY FOUNDATION
Ocala Marion County

Our Community. Our Commitment.

Donor Advised Fund Application Form

Section A: Donor Information

All correspondence will be sent to the primary account listed below. If there is more than one account holder listed, the Community Foundation will require signatures from all account holders for the donor advised fund agreement and for any recommended grant disbursements or changes to this application form.

Account Holder

| | | | |
|------------------|----------|-------|-------|
| | _____ | | |
| | Name | | |
| Mailing Address | _____ | | |
| City, State, Zip | _____ | | |
| Phone | _____ | _____ | _____ |
| | Business | Home | Cell |
| Email Address | _____ | | |

Joint Account Holder

| | | | |
|------------------|----------|-------|-------|
| | _____ | | |
| | Name | | |
| Mailing Address | _____ | | |
| City, State, Zip | _____ | | |
| Phone | _____ | _____ | _____ |
| | Business | Home | Cell |
| Email Address | _____ | | |

Section B: Donor-Advised Fund Name or Name of Existing Fund

Please specify your fund name (e.g. Jane and John Doe Donor Advised Fund, The Doe Family Fund, etc.) Unless you wish to remain anonymous, grants made from your fund are sent to the charity of your choice with a letter including your fund's name and your name and address.

Fund Name _____

Section B: Contribution

Please indicate the opening amount to establish your donor-advised fund (\$5,000 minimum)

Check payable to The Community Foundation for Ocala Marion County or name/amount of transferred assets.

Section C: Anonymity

Choose one of the following options to identify your default anonymity choice. (Option to change when making a grant from the fund)

- Account Name Only
- Account Name & Full Name
- Account Name, Full Name & Address
- Anonymus
- Case-by-case Basis

Section D: Signature/Acknowledgement of Terms

By my signature below, I/we acknowledge my/our intent to establish a donor-advised fund with The Community Foundation for Ocala Marion County.

I/we understand that I/we will be provided with the appropriate Donor Advised Fund Agreement for execution along with all applicable policy guidelines/conditions.

Account Holder Signature: _____ Date: _____

Account Holder Signature: _____ Date: _____



Barbara Fitos
Executive Director



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Ocala, FL 34471
352-804-0306
Barbara@ocalafoundation.org

Serving as a *Convener – Collaborator – Catalyst* for community building through philanthropic funding for
civic, cultural, community and economic development
www.ocalafoundation.org



COMMUNITY FOUNDATION
Ocala Marion County

Investment Policy Statement

I. Introduction

The Community Foundation for Ocala Marion County Fund (hereinafter referred to as the "Fund") was created to provide perpetual financial support to The Community Foundation for Ocala Marion County (the "Foundation"). The purpose of this Investment Policy Statement is to establish guidelines for the Fund's investment portfolio (the "Portfolio"). The statement also incorporates accountability standards that will be used for monitoring the progress of the Portfolio's investment program and for evaluating the contributions of the investment manager(s) hired on behalf of the Fund and its beneficiaries.

II. Role of the Investment Committee

The Investment Committee (the "Committee") is acting in a fiduciary capacity with respect to the Portfolio, and is accountable to the Board of the Foundation and to the Executive Committee, for overseeing the investment of all assets owned by, or held in trust for, the Portfolio.

- A. This Investment Policy Statement sets forth the investment objectives, distribution policies, and investment guidelines that govern the activities of the Committee and any other parties to whom the Committee has delegated investment management responsibility for Portfolio assets.
- B. The investment policies for the Fund contained herein have been formulated consistent with the Foundation's anticipated financial needs and in consideration of the Foundation's tolerance for assuming investment and financial risk.
- C. Policies contained in this statement are intended to provide guidelines, where necessary, for ensuring that the Portfolio's investments are managed consistent with the short-term and long-term financial goals of the Fund. They are intended to provide for sufficient investment flexibility in the event of changes in capital market conditions and in the financial circumstances of the Foundation.
- D. The Committee will review this Investment Policy Statement annually. Any recommended changes to this Investment Policy Statement can be made only by affirmation of a majority of the Committee. Written confirmation of said changes will be provided to all Committee members and to any other parties hired on behalf of the Portfolio as soon thereafter as practical.

III. Investment Objective and Spending Policy

- A. The fund is to be invested with the objective of preserving the long-term, real purchasing power of assets while providing an expected and growing stream of annual distributions in support of the Foundation's mission.
- B. For the purpose of making distributions, the Fund shall make use of a total-return-based spending policy, funding distributions from net investment income, net realized capital gains, and proceeds from the sale of investment.
- C. The distribution of Fund assets will be permitted to the extent that such distributions do not exceed a level that would erode the Fund's real assets over time. The Committee will seek to reduce the variability of annual Fund distributions by factoring past spending and Portfolio asset values into its current spending decisions. The Committee will review its spending assumptions annually whether any changes therein necessitate amending the Fund's overall policy, its target allocation, or both.
- D. Periodic cash flow, either into or out of the Portfolio will be used to better align the investment portfolio to the target asset allocation outlined in the asset allocation policy.

IV. Portfolio Investment Policies

A. Asset Allocation Policy

1. The Committee recognizes that the strategic allocation of Portfolio assets across broadly defined financial asset categories with varying degrees of risk, return, and return correlation will be the most significant determinant of long-term investment returns and Portfolio asset value stability.
2. The Committee expects that actual returns and return volatility may vary from expectations and return objectives across short periods of time. While the Committee wishes to retain flexibility with respect to making periodic changes to the Portfolio's asset allocation, it expects to do so only in the event of material changes to the Fund, to the underlying investment assumptions of the spending policies, and/or to the capital markets and asset classes in which the portfolio invests.
3. Fund assets will be managed as a balanced portfolio composed of two major components: a) equity and b) fixed income. The role of the equity portion will be to maximize the long-term real growth of Portfolio assets. The role of the fixed income portion will be to generate current income, provide for more stable periodic returns, and provide some protection against a prolonged decline in the market value of Portfolio equity investments.

4. Cash investments will, under normal circumstances, only be considered as temporary Portfolio holdings, and will be used for Fund liquidity needs.
5. *Given the current investment climate*, outlined below are the long-term strategic asset allocation guidelines:

| | Tactical Minimum | Strategic | Tactical Maximum |
|-------------------------------|---------------------|--------------|---------------------|
| Global Equity | 40.0% | 50.0% | 60.0% |
| Large Cap US Equity | 12.0% | 25.0% | 42.0% |
| Small/Mid Cap US Equity | 6.0% | 12.5% | 21.0% |
| Non-U.S. Equity - Dev | 0.0% | 9.4% | 17.9% |
| Non-U.S. Equity - Emg | 0.0% | 3.1% | 7.4% |
| Global Fixed Income | 29.0% | 39.0% | 49.0% |
| Core Fixed Income | 17.4% | 39.0% | 49.0% |
| Global Bonds | 0.0% | 0.0% | 9.8% |
| High Yield | 0.0% | 0.0% | 9.8% |
| TIPS | 0.0% | 0.0% | 9.8% |
| Diversified Strategies | 0.0% | 10.0% | 20.0% |
| Cash | 0.0% | 1.0% | 10.0% |

6. To the extent that the Portfolio holds investments in nontraditional, illiquid, and/or nonmarketable securities including, but not limited to, venture capital, hedge funds, and real estate investments, these assets will be treated collectively as alternative investments for the purpose of measuring the Portfolio's asset allocation. While not specifically considered within this policy, alternative investments may comprise no more than 15% of total Portfolio assets and, to the extent they are owned, will proportionately reduce target allocations to the three primary asset classes itemized above.

B. Diversification Policy

1. Diversification across and within asset classes is the primary means by which the Committee expects the Portfolio to avoid undue risk of large losses over long time periods. To protect the Portfolio against unfavorable outcomes within an asset class due to the assumption of large risk, the Committee will take reasonable precautions to avoid excessive investment concentrations. Specifically, the following guidelines will apply:
 - a. With the exception of fixed income investments explicitly guaranteed by the U.S. government, no single investment security shall represent more than 5% of total Portfolio assets.
 - b. No single investment pool or investment company (mutual fund) shall comprise more than 20% of total Portfolio assets.

- c. With respect to fixed income investments, for individual bonds, the minimum average credit quality of these investments shall be investment grade (Standard & Poor's BBB or Moody's Baa or higher).

C. Rebalancing

It is expected that the Portfolio's actual asset allocation will vary from its target asset allocation as a result of the varying periodic returns earned on its investments in different asset and sub asset classes. The Portfolio will be rebalanced to its target normal asset allocation under the following procedures:

1. The investment manager will use incoming cash flow (contributions) or outgoing money (disbursements) of the Portfolio to realign the current weightings closer to the target weightings for the Portfolio.
2. The investment manager will review the Portfolio semiannually (six (6) month intervals based on the fiscal year) to determine the deviation from target weightings. During each semiannual review, the following parameters will be applied:
 - a. If any asset class (equity or fixed income) within the Portfolio is +/- 5 percentage points from its target weighting, the Portfolio will be rebalanced.
 - b. If any fund within the Portfolio has increased or decreased by greater than 20% of its target weighting, the Fund will be rebalanced.
3. The investment manager may provide a rebalancing recommendation at any time.
4. The investment manager shall act within a reasonable period of time to evaluate deviation from these ranges.

D. Investment Management of Non-Pooled Assets

Donor Advised Funds, Endowment Funds and Agency Funds less than \$250,000 will be deemed Portfolio Funds or Pooled Funds managed under the terms of this Policy. For donor contributions in excess of \$250,000 whereby the donor wishes to designate and/or retain their own Investment Manager, the following provisions apply:

1. The account will be titled in the name of the Community Foundation with Executive Director as the authorized signer for the account.
2. Designated Investment Manager **should follow** IPS guidelines of the Community Foundation as contained within this approved Investment Policy Statement, a copy of which will be included with the applicable Fund Agreement.
3. The Investment Committee and the Board of Directors of the Community Foundation will monitor such non-pooled accounts to ensure compliance with the IPS.
4. Non-pooled custodian statements will be sent at least quarterly to the Community Foundation to be incorporated with Investment Manager Fund Statements for comprehensive reporting purposes.

Any request for Non-Pooled Asset Management for gifts in excess of \$250,000 must be approved by the Board of Directors of the Community Foundation.

E. Other Investment Policies

Unless expressly authorized by the Committee, the Portfolio and its investment managers are prohibited from:

1. Purchasing securities on margin or executing short sales.
2. Pledging or hypothecating securities, except for loans of securities that are fully collateralized.
3. Purchasing or selling derivative securities for speculation or leverage.
4. Engaging in investment strategies that have the potential to amplify or distort the risk of loss beyond a level that is reasonably expected, given the objectives of their Portfolio.

V. Monitoring Portfolio Investments and Performance

The Committee will monitor the Portfolio's investment performance against the Portfolio's stated investment objectives. At a frequency to be decided by the Committee, it will formally assess the Portfolio and the performance of its underlying investments as follows:

- A. The Portfolio's composite investment performance (net of fees) will be judged against the following standards:
 1. The Portfolio's absolute long-term real return objective.
 2. A composite benchmark consisting of the following unmanaged market indexes weighted according to the expected target asset allocations stipulated by the Portfolio's investment guidelines.
- B. The performance of professional investment managers hired on behalf of the Portfolio will be judged against the following standards:
 1. A market-based index appropriately selected or tailored to the manager's agreed-upon investment objective and the normal investment characteristics of the manager's portfolio.
 2. The performance of other investment managers having similar investment objectives.
- C. In keeping with the Portfolio's overall long-term financial objective, the Committee will evaluate Portfolio and manager performance over a suitably long-term investment horizon, generally across full market cycles.
- D. Investment reports shall be provided by the investment manager on a quarterly basis or as more frequently requested by the Committee. Each investment manager is expected to be available to meet with the Investment Committee at minimum of once per year to review portfolio structure, strategy, and investment performance.



COMMUNITY FOUNDATION

Ocala Marion County

PROPOSED FEE SCHEDULE

Endowment Funds

A. Donor advised funds, unrestricted funds, field of interest funds, family foundation funds and scholarship funds:

- Annual fee of 1% of fair market value of fund assets

B. Agency funds, designated funds, annuities, and charitable remainder trusts (including non-endowed passthrough funds):

Annual fee (as determined and paid on a monthly basis):

- | | |
|---|-----------------------------|
| • ½ of 1% of fair market value of fund assets | 1 st \$1 million |
| • ¼ of 1% of fair market value of fund assets | Next \$4 million |
| • 1/10% of fair market value of fund assets | > \$5 million |

C. Annuities less than \$25,000

Annual fee of \$250

The Foundation is also entitled to recover outside fees for investment and management of fund assets.

Note: Percentage of Spendable Assets: 5% - 1% administration; 4% grants