

# Declaration of Understanding Re: Named Endowment Fund

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This Declaration of Understanding (“Agreement”) is made this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ by and between (ORG) (“(ORG)”) and \_\_\_\_\_ (“DONOR”). (ORG) and DONOR are hereafter referred to collectively as “PARTIES.”

The PARTIES agree to the following:

**Intent to Make Gift and Create Endowment Fund:**

DONOR intends to make a gift to (ORG) and further intends for this gift to be used by (ORG) to create an endowment fund.

**Name of Endowment Fund:**

The name of this endowment fund shall be the “\_\_\_\_\_ Endowment Fund,” hereafter referred to as “Endowment Fund.”

**Management of Endowment Fund:**

DONOR’s gift to (ORG) shall form the initial principal of the Endowment Fund. (ORG), in its sole discretion shall manage or designate the manager of the initial principal of the Endowment Fund, together with any subsequent additions thereto, any income and/or gain generated there from, and any reinvestment thereof.

**Payouts from Endowment Fund:**

(ORG)’ Board of Directors shall have the right to set the percent of distribution from the Endowment Fund for any purpose determined by (ORG) in its sole discretion, including but not limited to (ORG)’s general operating purposes.

**Principal from Endowment Fund:**

In addition to the foregoing, if two-thirds of the Board of Directors of (ORG) determines that it is advisable, (ORG) in its sole discretion shall have the right to distribute or direct distribution from the principal of the Endowment Fund.

**Acknowledgement of DONOR’s Gift:**

Within a reasonable time after receiving DONOR’s gift, (ORG) shall provide DONOR with a written acknowledgement and description of DONOR’s gift.

**Miscellaneous:**

This Agreement shall inure to the benefit of and shall be binding upon the PARTIES and their respective successors.

Donor:

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Beneficiary:

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President, (ORG) Board of Directors

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Chief Executive Officer, (ORG)