The Dallas Foundation®

Establishing your **Donor Advised Fund**

Getting started with
The Dallas Foundation

We know that you want to make the greatest impact possible with your philanthropic gifts. And we know that your philanthropy is unique to you. Whatever your passions are, The Dallas Foundation powers your philanthropy, serving as a bridge to the causes you care about, to the needs facing our community, and to the tax-advantaged vehicles which amplify your charitable investment.

When you create a donor advised fund at the Dallas Foundation, you can support the same causes you do today, and you can explore new opportunities alongside our team of philanthropic advisors. Your gift to a donor advised fund qualifies for an immediate tax deduction and allows you the time to to decide where you wish to make your philanthropic investments.

Donor Advised Fund Agreement

To begin your philanthropy with The Dallas Foundation ("TDF" or the "Foundation"), please complete the following. If you have any questions or need assistance in completing this form, please contact your philanthropic advisor at (214) 741-9898.

Section A: **Advised Fund Information**

1 Name your Fund

You can name your fund, the "Fund", after yourself, your family, in memory of someone, after an issue area that you care about, or with a name that will not convey your identity. Print the name here.

Fund Name: ______________________________

2 Donor Advisor Information

Please include the name(s) of the person(s) who will have the ability to recommend grants, investment selections, and name additional donor advisors of successor advisors, unless otherwise stated.

Donor Advisor #1:

PREFIX, FIRST NAME, LAST NAME

☐ THIS IS HOME
☐ THIS IS BUSINESS

PREFERRED MAILING ADDRESS | CITY, ST, ZIP

BUSINESS NAME (IF APPLICABLE) | BUSINESS PHONE | CELL PHONE

BIRTHDATE | PREFERRED EMAIL ADDRESS

Donor Advisor #2:

PREFIX, FIRST NAME, LAST NAME

☐ THIS IS HOME
☐ THIS IS BUSINESS

PREFERRED MAILING ADDRESS | CITY, ST, ZIP

BUSINESS NAME (IF APPLICABLE) | BUSINESS PHONE | CELL PHONE

BIRTHDATE | PREFERRED EMAIL ADDRESS

3 Professional Advisor Information

In an effort to serve you better, we may also coordinate your philanthropy with your most trusted advisors. Please provide contact information for the professional advisor(s) with whom you partner to manage your affairs. Where applicable, please select "Yes" if you are authorizing your advisor to recommend grant or investment decisions on your behalf. This information **will not be shared** outside of The Dallas Foundation.

Wealth Advisor:

PREFIX, FIRST NAME, LAST NAME

BUSINESS STREET ADDRESS CITY, ST, ZIP

FIRM BUSINESS NAME EMAIL ADDRESS

Provide this person with:

- Ability to recommend investment decisions: ☐ YES ☐ NO
- Ability to view the fund online: ☐ YES ☐ NO
- Ability to recommend grant recommendations on behalf of the Donor Advisor: ☐ YES ☐ NO

Accountant:

PREFIX, FIRST NAME, LAST NAME

BUSINESS STREET ADDRESS CITY, ST, ZIP

FIRM BUSINESS NAME EMAIL ADDRESS

Provide this person with:

- Ability to recommend investment decisions: ☐ YES ☐ NO
- Ability to view the fund online: ☐ YES ☐ NO
- Ability to recommend grant recommendations on behalf of the Donor Advisor: ☐ YES ☐ NO

Attorney:

PREFIX, FIRST NAME, LAST NAME

BUSINESS STREET ADDRESS CITY, ST, ZIP

FIRM BUSINESS NAME EMAIL ADDRESS

Provide this person with:

- Ability to recommend investment decisions: ☐ YES ☐ NO
- Ability to view the fund online: ☐ YES ☐ NO
- Ability to recommend grant recommendations on behalf of the Donor Advisor: ☐ YES ☐ NO

Other Professional (if applicable):

PREFIX, FIRST NAME, LAST NAME

BUSINESS STREET ADDRESS CITY, ST, ZIP

FIRM BUSINESS NAME EMAIL ADDRESS

Provide this person with:

- Ability to recommend investment decisions: ☐ YES ☐ NO
- Ability to view the fund online: ☐ YES ☐ NO
- Ability to recommend grant recommendations on behalf of the Donor Advisor: ☐ YES ☐ NO

4 Gifting to your Fund

On what date to you plan to make the initial gift to establish the fund? ______________________
DATE

What will be the estimated amount of your initial gift? $______________________

Indicate the type of gift you plan to contribute (put an X next to all that apply):	NOW	FUTURE
Cash	☐	☐
Publicly traded securities	☐	☐
Privately held/restricted securities	☐	☐
Private equity/venture capital/hedge fund investments	☐	☐
Real estate	☐	☐
Personal property (eg. artwork, jewelry, etc.)	☐	☐
Retirement assets	☐	☐
Charitable assets (donor-advised fund, private foundation, etc.)	☐	☐
Royalties and distribution rights, including mineral interests	☐	☐
Insurance proceeds	☐	☐
Business interests (includding partnerships and interests in LLCs)	☐	☐
Charitable remainder trust	☐	☐
Charitable lead trust	☐	☐
Other (please specify)______________________	☐	☐

5 Investment Allocations

Please check the box corresponding to the investment pool you would like to invest the Fund's assets in initially.

○	**SHORT**	Short-Term Pool - Money Market
		Short-Term Fund Cash & Cash Equivalents: This fund invests in cash and cash equivalent securities (e.g., short-term US Treasury obligations, certificates of deposit & money market funds). The primary objective of this fund is preservation of capital with very short-term liquidity. Funds deposited in this pool are typically earmarked for near-term distribution. **Investment Style – *Very Conservative***
○	**LONG**	Long-Term Pool - Balanced
		Diversified Asset Allocation: A longer-term diversified investment approach across multiple asset classes, including a substantial weighting exposure to private capital. Allocation to the private markets helps this pool weather market volatility generate long-term returns. Other elements of this pool seek to address capital preservation and liquidity. This pool is suitable for donors and nonprofits looking for a diverse investment portfolio for the long-term investment of their charitable funds for 3 years and longer. **Investment Style – *Capital Appreciation***
○	**ESG**	ESG Pool
		This pool focuses on investment funds that emphasize environmental, social, and corporate governance considerations. It is a balanced pool of approximately 60% equities and 40% fixed income. Funds invested in this pool should have a time horizon of 3 – 7 years. **Investment Style – *Moderate***
○	**OTHER**	Please consult with your TDF philanthropic advisor.

Signatures

I/We acknowledge that I/We have read and agree to this Donor Advised Fund Agreement and The Dallas Foundation's terms and conditions listed below and agree to be legally bound by such terms.

I/We understand that the transfer of the property described above is an irrevocable contributions to The Dallas Foundation and is not refundable to me/us, and such contributions is intended to create a donor advised fund under Section 4966(d)(2) of the Internal Revenue Code of 1986, as amended (the "Code"), and that nothing in this Donor Advised Fund Agreement shall affect the status of the Fund as a component fund of The Dallas Foundation.

Donors

DONOR ______________________ DATE __________

DONOR ______________________ DATE __________

For The Dallas Foundation

JULIE DIAZ, PRESIDENT & CEO ______________________ DATE __________

Please sign and send the completed agreement to:

Gary Garcia
Vice President of Philanthropic Partnerships
gwgarcia@dallasfoundation.org
214.694.2507

If you prefer to sign electronically, please submit your information and we will return the agreement via DocuSign for signature and execution.

FUND ADVISORS The donor(s) and their survivor(s), for their joint lives and the life of the survivor(s) are advisors to the Board of Governors of the Foundation with respect to the donor-advised fund (the "Fund") established by the Donor(s). The Fund advisors, if any, have been appointed for the purpose of making recommendations and giving advice and counsel to the Board of Governors regarding distributions from the Fund. The Board of Governors shall oversee the Fund's administration with the advice and consent of the advisors. A person must be at least 18 years old to serve as a donor advisor.

In the event of a dispute, business dissolution, merger, divorce proceeding or other matter where Fund Advisors no longer wish to share advisory privileges, the Foundation, in its discretion, may require that any grant recommendation be submitted jointly by all the current Fund Advisors. The Foundation may divide the Fund, regardless of the source of contributions to the Fund, into two (or more) new donor advised funds in such amounts as the Foundation may determine in its discretion.

MAKING GRANT RECOMMENDATIONS Grants of $250 or more may be recommended to a qualified 501(c)(3) public charity or private operating foundation in the United States. Our staff reviews grant recommendations from donor advised funds weekly. We ensure that the grant is to a qualified charitable organization and complies with the Code and applicable Treasury regulations. We will award and pay the grant within approximately a week after a favorable review. Grants will be designated for general operating support unless otherwise noted by the donor advisor. Grant recommendations can be submitted online through our donor portal using a user ID and password supplied by the Foundation. An unlimited number of grant recommendations can be made from the online donor portal system, subject to available funds in the Fund.

GRANT LIMITATIONS The Foudation verifies that all organizations recommended for grants are classified as public charities under the Code and, if needed, will request documentation from the organization. In the event that a matter of concern should surface, the Foundation will advise the donor advisor prior to releasing the grant. The Code, Treasury regulations and IRS guidance do not permit grants from a fund for memberships, sponsorships, tickets, or for the fulfillment of a pledge agreement made by a donor, donor advisor, or related party. Grants may not be made to individuals and cannot provide a benefit to the fund advisor or any family member or related parties. Donors and family members may not receive grants, loans or similar payments from a fund. Any grant that provides personal benefit risks significant penalties to the fund advisor and the Foundation. Fund grants may not go to private nonoperating foundations. No distribution from the fund shall be made if such distribution would result in the imposition of any tax described in Sections 4966 or 4967 of the Code.

INTERNATIONAL GRANTS Grants to international organizations with a U.S. 501(c)(3) public charity equivalent are subject to the Foundation's standard due diligence procedure. Contact your philanthropic advisor for more information about international grants.

INVESTMENTS *For assets in a financial advisor managed account:* The assets in the Fund will be managed directly by the named financial advisor on a discretionary basis, until such time that The Dallas Foundation or the Fund Advisor(s) exercise(s) the option to make a different selection for management of this Fund. The named financial advisor will manage the assets of this Fund in accordance with the Fund advisor(s)' charitable objectives and the most current financial policies and standards of the Dallas Foundation. The Foundation will regularly review the financial performance of this fund.

For assets in the Community Foundation's Investment Pools: Allocations are rebalanced to targets once a month. In the interim, cash coming into the Fund will be held in the Money Market Pool. The responsibility for managing the Foundation's investment program is vested in the Dallas Foundation's Board of Directors through its Investment Committee. The percentages in the mix options may change from time to time upon Investment Committee review.

As required by IRS regulations:

a) the investment recommendation is advisory only and the Dallas Foundation may, at its sole and absolute discretion, follow or decline to follow the recommendation;

b) the Dallas Foundation may at any time, at its sole and absolute discretion, change the investment of all or any portion of the assets in the Fund;

c) if the investment recommendation is accepted, the investments will be administered in accordance with the financial policies and fiduciary standards of the Dallas Foundation; and

d) investments are subject to normal market and interest rate fluctuation risks, and any gain or loss generated by the above investments will be credited or charged to the Fund.

INVESTMENT RETURNS AND ADMINISTRATION Investment returns are allocated pro-rata to funds on a monthly basis. Due to the inflows and outflows within each fund, the returns are allocated using the average of the daily balances. The Foundation has sole discretion to invest and reinvest in such manner as it deems fit, as long as the Fund is allocated its appropriate shares of principal and income. The Fund shall not invest or hold any assets that create "excess business holdings" as defined in Section 4943 of the Code.

ADDITIONAL CONTRIBUTIONS Once a fund is established, additional contributions may be added to the fund at any time. There is no minimum contribution amount. Additional contributions will be deposited to the fund based on the investment allocation indicated in this Fund Agreement unless indicated otherwise in writing. When making a contribution, a donor cannot impose any restriction or condition that prevents the Foundation from freely and effectively using the contribution. All contributions are subject to the approval of the Foundation and may be refused in the sole and absolute discretion of the Foundation.

DONOR FUNDRAISING Fundraising for a Fund is prohibited unless it is specifically authorized pursuant to a written fundraising plan submitted by the donor advisor to the Foundation. Such plans are subject to the review and approval of the Foundation in its sole discretion. Please contact your philanthropic advisor for more information.

GIFT ACKNOWLEDGMENT All of the contributions you make to the Fund are irrevocable and nonrefundable. Once accepted, all contributions and all related future earnings, including any income generated in the Fund and appreciation thereon, are no longer your assets; they are the property of the Foundation. Therefore, a donor cannot claim any dividend, interest or capital gains generated from the Fund as an additional tax deduction. All contributions are acknowledged with a contemporaneous written acknowledgment in accordance with Code requirements. Generally, the IRS requires taxpayers to complete and file a Form 8283 with their federal income tax returns for gifts of property valued at $5,000 or more. It is the donor's responsibility to obtain a qualified appraisal for all gifts other than cash and marketable securities for tax purposes.

GRANT ACKNOWLEDGMENT All grants from your fund will be acknowledged as coming from (Your Fund Name) at The Dallas Foundation unless you request anonymity.

FUND FEES Each fund will be allocated a portion of the Foundation's investment, administrative, and other fees as set forth below.

INVESTMENT FEES The Foundation assesses the fund an investment oversight fee to cover any underlying investment management costs, such as consulting, legal costs and taxes related to investment activity. This fee is assessed monthly based on the average of the daily balances in the fund. In addition, Funds are responsible for direct investment management expenses from the individual investment managers. Such expenses are charged directly to the earnings, with net earnings credited to the fund. Investment fees are subject to change at the sole discretion of the Foundation and its investment managers.

ADMINISTRATIVE FEES Administrative fees are deducted at the conclusion of each month based on the average daily balance and subject to a minimum annual fee. The tiered fee is currently as follows:

- 1.1% of up to $1,000,000
- .75% of next $2,500,000
- .60% of remainder

Administrative fees cover grant and fund administration, philanthropic advisor consulting support, due diligence procedures, the receipt and acknowledgment of contributions, processing and payment of grants, and compliance with federal and state reporting requirements. Fees also support online fund access through the donor portal and most of the Foundation's extensive donor services designed to enhance advisors' giving and philanthropic experiences. Fees are subject to change from time to time.

COMPLEX GIFT FEE Gift assets that require special review, such as real estate, limited partnership interests, or closely held stock, may incur additional fees to cover tax, legal, or other expenses incurred by the Foundation in association with the transaction. The Foundation reserves the right to charge the fund with respect to such additional fees as the Foundation in its sole discretion deems is appropriate.

CREDIT CARD FEES Any credit card fee as a result of contributions to the fund will be charged back to the fund.

ANONYMITY The Foundation's IRS Form 990 is accessible through public online resources but does not disclose individual giving amounts or activity within the Fund. The Foundation offers various levels of anonymity as part of the grant recommendation process.

CONTROL OF ASSETS/MATERIAL RESTRICTION The Fund shall be the property of the Foundation, held by it as a component fund of the Foundation, and shall not be deemed a trust fund held by it in a trustee capacity. The Foundation is obligated by the Code to have ultimate authority and control over all property in the Fund, and the income derived therefrom, in accordance with the Foundation's Restated Certificate of Formation and the Bylaws of the Foundation (collectively the "Governing Instruments"), and all amendments and policies adopted by the Board of Governors of the Foundation under the authority of the Governing Instruments. In the event of any inconsistency between the terms of the Foundation's Governing Documents and these terms and conditions, the Foundation's Governing Documents shall prevail. As such, all grant recommendations are advisory only and subject to the review and approval of the Foundation. Additionally, the Code requires all such funds be free of material restrictions imposed by donors in a manner consistent with the requirements of Section 1.507-2 of the Treasury Regulations.

LOW BALANCE FUNDS The Foundation periodically reviews funds with low balances and will contact the donor advisor to offer support, including the option to make additional contributions to the fund to bring the fund up to the minimum; grant out the fund balance or close the fund.

LOW ACTIVITY FUNDS The Foundation encourages the donor advisor to retain an active role in the Fund. To carry out its mandate of distributing charitable dollars to the community, the Foundation periodically reviews the grant making activity of all funds. Should a fund with a balance not make any new gifts or grants after three years, the Dallas Foundation staff will attempt to notify the donor and encourage them to become more active or provide adequate explanation for fund inactivity. If there is no fund activity for three consecutive years and no donor response, The Dallas Foundation, at its sole discretion, will reallocate the fund in its entirety to the Community Impact Fund Endowment to support a variety of community causes, including early learning, social services, and healthcare.

FUND CLOSURE A Fund Advisor may recommend the closure of a Fund by submitting a grant recommendation of up to 100% of the available Fund balance as shown in the donor portal (net of any fees). Such recommendations must be received in writing and, if approved, Fund assets will be disbursed in accordance with the Foundation's governing documents, current agreements, laws, and regulations. Alternatively, a Fund Advisor may transfer the Fund balance to The Dallas Foundation's Community Impact Fund benefitting a variety of causes, including early learning, social services, and healthcare.

TAX IMPLICATIONS As a public charity under Sections 501(c)(3) and 170(b)(1)(a) of the Code, initial and subsequent contributions made to the Foundation are eligible to receive a charitable deduction permitted under state and federal law, depending on your personal tax situation. Note: The Foundation does not provide legal or tax advice. Donors should consult with their own financial, tax or legal advisors to determine the best charitable giving strategies for their needs and the tax implications associated with any contribution to the Foundation.

SPENDING POLICY The Foundation utilizes a Spending Policy (as may be amended by the Foundation in its sole discretion) to determine the amount available for annual grant making from its endowment funds. Such Spending Policy is currently 5.0% of the twelve-quarter rolling average market value of the fund minus administration fees.

ASSIGNMENT The rights and obligations with respect to the fund may neither be transferred nor assigned without the prior written consent of the donor advisor(s) and the Foundation. The advised function of the fund cannot be assigned or varied without the prior written approval of the Foundation.

AMENDMENT All Funds are subject to the Foundation's terms and conditions as may be amended from time to time at the Foundation's sole discretion.

DISPUTES This donor advised fund agreement (including these terms and conditions) between you, as donor advisor(s), and the Foundation is governed by Texas law without regard to its conflicts of law principles. Venue for any disputes arising out of or in connection with this Donor Advised Fund Agreement or the fund shall be heard in the federal or state courts located in Dallas County.

ALLIANCE MEMBERS (Merrill Lynch and UBS) Please consult with your financial or philanthropic advisor for fee schedule, investment options, and other pertinent details.

The Dallas Foundation®

Instagram
@thedallasfoundation

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Linkedin
/the-dallas-foundation

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214.741.9898

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