

GIFT DESIGNATED FOR NONENDOWED SCHOLARSHIP

THE STATE OF TEXAS

COUNTY OF TAYLOR

This Agreement is made effective the _____ day of _____, _____, by and between **Community Foundation of Abilene**, a Texas nonprofit corporation (the “**Foundation**”) and _____ (the “**Donor**”).

ARTICLE ONE

Section 1. The Donor hereby gives, assigns, transfers and conveys to the Foundation the property listed on Schedule A attached hereto, as an irrevocable gift from the Donor to the Foundation. The property listed on Schedule A and any future additions thereto, including the growth or income derived from the contributed property, shall be known as the _____ **Scholarship Fund** (the “**Fund**”). It is the intent of the Donor that the Fund be used as described in Exhibit “A” (the “**Charitable Purpose**”).

Section 2. The Donor acknowledges that the Fund shall be subject to all the terms and conditions of the Foundation’s Articles of Incorporation and Bylaws as they now exist and as they may from time to time be amended. The Donor further acknowledges that neither the Donor nor any other contributors to the Fund may impose any material restriction or condition that prevents the Foundation from freely and effectively employing the Fund in furtherance of the Charitable Purpose.

Section 3. From time to time the Donor or other contributors may make gifts to or for the use of the Fund by naming or otherwise identifying the _____ **Scholarship Fund**. Such gifts will be held and administered as part of the Fund in accordance with this Agreement.

ARTICLE TWO

The Fund shall be held, administered and expended by the Foundation, acting through its duly authorized Board of Trustees, officers, and agents, consistent with the Charitable Purpose. The assets of the Fund may be kept separate from other Foundation assets, or alternatively, may be commingled with other Foundation assets; provided that the Foundation shall at all times keep accurate records showing the proportion of the assets credited to, or owned by, the Fund as to both principal and income. The assets of the Fund may be invested and reinvested from time to time in such securities, obligations or other property as the Foundation may deem prudent.

ARTICLE THREE

It is the Donor’s intent that the fund not be considered an endowment fund. Further, it is the Donor’s intent that the Fund shall be fully available to fund scholarships to qualified recipients chosen by the method and under the criteria described in Exhibit “A”. The Donor accepts that ultimately all distributions and grants from the Fund shall be made in the sole and absolute discretion of the Foundation.

At some later date, the Foundation may accept an amendment from the Donor to allow the Fund to become an endowment fund, perpetual in nature, and guided by the spending policy and procedures established from time to time by the Board of Trustees of the Foundation.

Continuity and Variance Power. It is intended that the Fund shall be used for the Charitable Purpose unless or until such time as, in the reasonable judgment of the Board of Trustees of the Foundation, the Charitable Purpose shall be incapable of fulfillment. Treasury Reg. Sec. 1.170A-9(e)(11)(v)(B)(1). In such event, to the extent practicable and permitted under then existing law, the Foundation shall endeavor to make distributions from the Fund to carry out those charitable purposes most closely aligned with the Charitable Purpose for which the Fund was originally created and subsequently supported through distributions.

ARTICLE FOUR

The Donor understands that the Foundation may employ attorneys, accountants, financial managers or advisors and such other assistants as the Board of Trustees of the Foundation in its sole and absolute discretion deems necessary. In such event, the Donor acknowledges that the Fund will bear its proportionate share of the fees and expenses actually charged for such services. In addition, the Fund will be assessed administrative fees by the Foundation in accordance with the fee schedule approved from time to time by the Board of Trustees.

Executed this _____ day of _____, _____.

(Name of Donor), Donor

(Name of Chairman), Chairman, Board of Trustees
Community Foundation of Abilene

SCHEDULE A

EXHIBIT A

Procedures for the Determination of the Recipients of Scholarships

(This page will be completed after the guidelines are reviewed and CFA staff has met with the fund donors. Federal HR4 compliance must be achieved in the description of the scholarship selection procedure.)

This scholarship shall always be known as the _____
Scholarship.

The selection committee shall be composed of (at the discretion of Donor). The selection committee must follow all procedures and policies required by Federal HR4 regulations in determining recipients.

The committee shall not consider race, creed, color, national origin or sex of any student in its deliberations when choosing a recipient of the grant.

The selection committee will consider (criteria established by the Donor) to possibly include scholastic attainment, potential, financial need, participation in extracurricular activities and after-school employment when selecting the recipients of the _____
_____ Scholarship.

Grant payments will be made directly to the institution in which the recipient enrolls.