

KERN COMMUNITY FOUNDATION
NON-ENDOWED DONOR ADVISED FUND
INSTRUMENT OF GIFT

This Agreement is made this ____ day of _____, in the year _____, between _____ (the “Donor”) and the Kern Community Foundation (the “Foundation”), a California nonprofit public benefit corporation having its principal office in the City of Bakersfield and State of California, to create a philanthropic and charitable fund.

1. **Creation of Fund.** The fund shall be known as the _____ Fund (the “Fund”). All money and property transferred to the Fund shall be an irrevocable gift to the Foundation.

2. **Management of Fund.** The Foundation shall hold, manage, invest and reinvest the Fund, shall collect the income and shall pay and disburse the net income and principal therefore exclusively for general charitable uses and purposes, in accordance with the provisions specified in the Articles of Incorporation of the Foundation. The Articles of Incorporation have been adopted by the Board of Directors of the Foundation, and their provisions, as they may be amended from time to time, are hereby incorporated by reference and conclusively assented to and adopted. The phrase “charitable uses and purposes” shall be defined as all of those activities, uses and purposes described in Section 501(c)(3) of the Internal Revenue Code of 1986 (the “Code”).

3. **Donor Advice.** The Donor (or any person nominated by the Donor as Fund Advisor and acceptable to the Foundation) may submit recommendations to the Foundation concerning the distribution of income and principal of the Fund (to the extent not disbursed pursuant to paragraph 2) exclusively for general charitable uses and purposes, either within or without the State of California. Such recommendations are not binding on the Foundation and may be accepted or rejected, in whole or in part, by the Foundation in its sole and absolute discretion.

4. **Costs of Administration.** The Foundation shall charge fees to the Fund in accordance with the Fee Schedule adopted from time to time by the Foundation’s Board of Directors. The Fee Schedule in effect as of the date of this Agreement is attached as Attachment A.

5. **Component Part and Donor Advised Fund.** It is intended that the Fund shall be a component part of the Foundation as defined in Section 1.170A-9(f)(11) of the Income Tax Regulations and that nothing in this Agreement shall affect the status of the Foundation as an organization (i) described in Section 501(c)(3) of the Code and (ii) which is not a private foundation within the meaning of Section 509(a) of the Code. The Fund shall meet the requirements of a donor advised fund under Section 4966 of the Code. Among other things, the Fund shall not (i) make distributions to individuals, private

Non-Endowed Donor Advised Fund

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non-operating foundations, certain supporting organizations or to any organization for a non-charitable purpose; (ii) maintain excess business holdings as described under Section 4943(e) of the Code; (iii) engage in excess benefit transactions as described under Section 4958 of the Code or (iv) provide prohibited benefits as described under Section 4967 of the Code. This Agreement shall be interpreted in a manner consistent with the foregoing intention and to conform to the requirements of the foregoing provisions of the Federal tax laws and any regulations issued thereunder.

6. **Status of Foundation.** All transfers of property under this Agreement are subject to the condition that the Foundation, as of the date of transfer, is classified in good standing by the Internal Revenue Service as an organization (i) described in Section 501(c)(3) of the Code and (ii) which is not a private foundation as defined in Section 509(a) of the Code.

7. **California Law.** The Fund created by this Agreement shall be administered in and under the laws of the State of California, and this Agreement and the validity thereof shall be governed by and construed in accordance with the laws of the State of California.

8. **Variance Power.** The Fund is protected from obsolescence. If, in the sole judgment of the Board of Directors of the Foundation, the purposes for which the Fund was created ever become unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community served by the Foundation, the Foundation's Board of Directors shall modify any restriction or condition on the use or distribution of the income and principal of the Fund.

IN WITNESS WHEREOF, the Donor has received a copy and accepts the terms of the Foundation's "Procedures for the Establishment and Operation of Funds and Affiliated Organizations" and "Inactive Fund Policy." The Donor and the Foundation have executed this Agreement as of the date first above written.

DONOR:

By: _____

KERN COMMUNITY FOUNDATION:

By: _____

Kristen A. Beall
President and CEO

Attachment A: Fund Types and Administrative Fees

FUND TYPES

Unrestricted: Support broad charitable needs of the community.

Field of Interest: Support specific areas such as education, healthcare, social services, the arts, or other special interests and geographic regions named by the Donor.

Designated: Support one or more specific charitable organizations named by the Donor.

Nonprofit Agency: Established by the Board of a nonprofit organization to support the long-term sustainability of the organization’s mission and programs.

Donor Advised: Donor stays involved and recommends grants to support any 501(c)(3) charitable organization.

Scholarship: Help students pursue their dreams.

The administrative fee structure illustrates the annual cost for a fund. These fees are assessed to the fund on a monthly basis. (The monthly fee equals one-twelfth of the annual fee, based on the average fair market value of the fund assets for the month.) A minimum \$250 annual fee is assessed to all funds.

Fund Assets		Annual Administrative Fee	
		Non Endowed	Endowed
\$5 million and above	first \$1 million	2.0% or \$250 <i>(whichever is greater)</i>	1.5% or \$250 <i>(whichever is greater)</i>
	next \$3 million	1.00%	1.00%
	next \$1 million and above	0.50%	0.50%

Sample Fee Calculations

<i>Fund Size</i>	<i>Non Endowed</i>	<i>Endowed</i>
\$1,000	\$250	\$250
\$500,000	\$10,000	\$7,500
\$2,000,000	\$30,000	\$25,000

Funds may be charged for extraordinary services or direct expenses incurred on behalf of a specific fund, such as commissions for the sale of contributed stock.

What does the Foundation do with the money from administrative fees?

Administrative fees are used exclusively to support our mission-based operations. These fees are your investment in Kern Community Foundation - a 510(c)(3) public charity dedicated to the initiatives of Nonprofit Strengthening and College Access.

Here are some examples of work we do for the community that is supported by these fees:

- Nonprofit speaker series, free to the public.
- Academic advising and career counseling to all scholarship recipients.
- Direct assistance to local nonprofits to encourage long-term sustainability.

Donor Signature

Date

Donor Signature

Date

INVESTMENT RECOMMENDATION FORM

Kern Community Foundation's investment program offers the flexibility to customize your fund's investments to meet your charitable goals.

There are two ways to participate:

OPTION 1: HAVE YOUR TRUSTED FINANCIAL ADVISOR MANAGE YOUR FUND

With this option you can benefit from custom investment management by an advisor you already know and trust.



If this option is right for you, simply put the Community Foundation in touch with your financial advisor and our team will take care of the rest.

OPTION 2: SELECT YOUR OWN MIX USING ONE OR MORE OF THE COMMUNITY FOUNDATION'S INVESTMENT POOLS

The Community Foundation's investment pools allow you to match your investment strategy with your risk tolerance and long-term objectives for your fund. The pools are organized according to asset class and include the following: Money Market, Short-Term Fixed Income, Intermediate-Term Fixed Income and Equity.

You may change your investment mix as often as you like. Mix changes submitted during the month will be implemented at the beginning of the following month.

The responsibility for managing the Community Foundation's investment program is vested in the Foundation's Board of Directors through its affiliation with Greater Horizons and Greater Kansas City Community Foundation. The Community Foundation works closely with Greater Horizons and Greater Kansas City Community Foundation to set policy, establish performance benchmarks and monitor performance. The percentages in the mix options may change from time to time.

OPTION 1: WORKING WITH YOUR FINANCIAL ADVISOR

Yes, I want my fund advised by the financial advisor listed below.

I (we), the undersigned, would like to establish a segregated fund that is managed by:

Financial Advisor's Name:

Firm Name:

Address:

Phone:

City:

State: Zip Code:

Email:

Online Viewing Access

My (our) financial advisor will participate in the Community Foundation's Financial Advisor Program until such time that the Community Foundation or I (we) exercise the option to make a different selection for management of this fund. As a participant in the Financial Advisor Program, I (we) understand that my (our) elected financial advisor will be responsible for the management of the assets in this fund, and he/she will do so in accordance with the most current financial policies and standards of the Community Foundation.

As required by IRS regulation,
I (we) acknowledge and agree that:

- the above recommendation is advisory only and the Community Foundation may, at its sole and absolute discretion, follow or decline to follow my (our) recommendation;
- the Community Foundation may at any time, at its sole discretion, change the investment of all or any portion of the assets in the fund;
- if my (our) recommendation is accepted, the investments will be administered in accordance with the financial policies and fiduciary standards of the Community Foundation; and
- 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.

Your Name

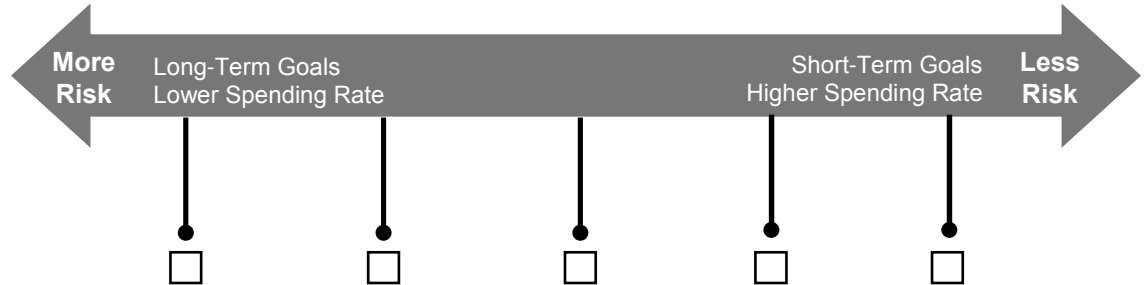
Your Fund's Name

Signature

Date

OPTION 2: INVESTMENT POOLS

To invest in the Community Foundation's investment pools, please select one investment mix from the options below, or create your own mix in the space provided. Asset allocation mixes offer a simple, one stop approach to an investment strategy that best reflects your investment philosophy and charitable goals.



Investment Pool	Aggressive	Moderately Aggressive	Moderate	Conservative	Risk Averse
Money Market	0%	5%	15%	25%	100%
Short-Term Fixed Income	10%	21%	27%	33%	0%
Intermediate-Term Fixed Income	10%	14%	18%	22%	0%
Equity	80%	60%	40%	20%	0%

Create Your Own Investment Mix

Money Market Pool _____%

Short-Term Fixed Income Pool _____%

Intermediate-Term Fixed Income Pool _____%

Equity Pool _____%

Combined Total Must Equal 100% _____%

As required by IRS regulation, I (we) acknowledge and agree that:

- a) the above recommendation is advisory only and the Community Foundation may, at its sole and absolute discretion, follow or decline to follow my (our) recommendation;
- b) the Community Foundation may at any time, at its sole discretion, change the investment of all or any portion of the assets in the fund;
- c) if my (our) recommendation is accepted, the investments will be administered in accordance with the financial policies and fiduciary standards of the Community 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.

Your Name

Your Fund's Name

Signature

Date