

# CREATING A FUND AT

## The Portsmouth Community Foundation

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### SAMPLE LANGUAGE

The following is sample language that may be used to create a fund at The Portsmouth Community Foundation. Gifts may be made by a current declaration or by a Will or trust as part of an estate plan. In all cases, a gift should be tailored to meet the donor's specific needs and interests by adding one or more of the additional clauses.

#### GIFT BY CURRENT DECLARATION

A donor's gift to The Portsmouth Community Foundation can be placed in a separate named fund or can be added to the Foundation's unrestricted fund.

For addition to the Foundation's unrestricted fund, use the following language: "I/We hereby make delivery of the property (the "Property") described below as an irrevocable gift to The Portsmouth Community Foundation, Inc. ("the Foundation"), a Virginia non-stock corporation. The donor(s) desire this gift become a part of the Foundation's unrestricted endowment, and be kept in a fund

For creation of a separate named fund, use the following language: "I/We hereby make delivery of the following property (the "Property") (insert description of dollar amount or assets) to The Portsmouth Community Foundation, Inc., a Virginia non-stock corporation, to be held and administered as a component fund (the "Fund") in accordance with the Bylaws of The Foundation and subject to the terms and conditions set forth herein."

#### DESIGNATED FUND

If the donor wishes to establish an endowed fund designated for the support of one or more specific named charities or a specific cause, the following language may be used:

"The net income of the Donor's Fund as the board of directors of the Portsmouth Foundation or the distribution committee of the Portsmouth Community Trust in their sole discretion shall from time to time determine, shall be committed, granted or expended.

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### TO ESTABLISH A COMPONENT FUND

The Foundation believes that the changing needs of the community can best be served when the Distribution Committee has the flexibility to distribute fund income and, on a discretionary basis, to support programs and projects with the greatest demonstrated need. Indeed, the ability of The Foundation to respond to future challenges and problems, which may not even be foreseen at the time of a gift, is one of The Foundation's greatest strengths. For that reason, unrestricted gifts are encouraged. The following language should be added to the instrument by which the gift is created in order to establish an unrestricted fund:

“Distributions of annual net income from the Fund shall be made at such times, in such amounts, in such ways and for such charitable, educational, religious, or other public charitable purposes, according to the Foundation's spending policy and as the Foundation shall determine. The Donor may from time to time submit to the Foundation recommendations with respect to the distributions, which recommendations shall be solely advisory and the Foundation is not bound, by such recommendations.”

*THE PORTSMOUTH COMMUNITY FOUNDATION*  
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### FIELD OF INTEREST FUND

Where the donor does not wish to designate specific charities but would like the Fund used to support programs or organizations in a general field of interest, such as education, the arts, or for a particular area of the city, the following language may be used:

“The annual net income of the Fund shall be distributed (according to the Foundation's spending policy) for (specify charitable purpose or purposes in the donor's field of interest).”

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### DONOR ADVISED FUND

With an advised fund, the donor, or family members or other individuals specified by the donor, may make recommendations and suggestions as to how the income from the fund will be distributed. The Foundation welcomes this form of input and will make every reasonable effort to follow the wishes of the donor or donor's representatives. To establish an advised fund, the following language may be added:

“(The donor OR an advisory committee consisting of \_\_\_\_\_) may from time to time make suggestions to the Distribution Committee concerning distributions from the Fund for such charitable, educational, religious or other public charitable purposes, subject to the right of the Distribution Committee to accept or reject such suggestions, in whole or in part, in the discretion of the Committee.”

### SCHOLARSHIP FUND

It is essential to confer with The Foundation staff before finalizing details for the establishment of a Scholarship Fund.

“This devise shall be used to create a component fund to be known as the \_\_\_\_\_ Fund, the annual net income of which shall be distributed in the form of scholarships by The Portsmouth Community Foundation, Inc. to (name or type of institution) for the benefit of (category of recipient and other restriction, if any).”

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## DISTRIBUTIONS FROM A FUND

It is the general purpose and goal of The Foundation to maintain a permanent fund for the support of the community. For that reason, distributions from Foundation funds are generally limited to income, and principal will rarely be distributed. If a donor wishes to authorize or direct the distribution of principal from a fund, additional language should be added. It is recommended that the donor or the donor's professional advisor consult with Foundation staff if distributions of principal are desired.