

Fayette County Public Education Foundation Agreement

This Fayette County Public Education Foundation Agreement ("Agreement") is effective as of the ____ day of December, 2014, by Blue Grass Community Foundation ("BGCF"), a Kentucky non-profit corporation having its principal office at 499 East High Street, Ste. 112, Lexington, KY 40507, and the Fayette County Board of Education, to create a permanently endowed charitable fund to be known as the Fayette County Public Education Foundation ("Fund").

WHEREAS, the Fayette County Board of Education adopted a resolution dated the 15th day of December, 2014 requesting that the Community Foundation establish a permanent endowed component fund at the Community Foundation to enhance, promote and support the public schools of Fayette County, Kentucky; and

WHEREAS, Blue Grass Community Foundation is willing to establish the Fayette County Public Education Foundation as a component fund of BGCF on the terms and conditions contained in this Agreement,

NOW, THEREFORE, in consideration of the mutual promises of the parties as set forth in this Agreement,

IT IS AGREED AS FOLLOWS:

1. Establishment. BGCF hereby agrees to establish a component fund, the Fayette County Public Education Foundation, in accordance with the terms of this Agreement. The purpose of Foundation is to develop philanthropic funds to support education excellence for Fayette County Public School students by creating opportunities for students and teachers in every school in the District. These funds may include unrestricted, field of interest, designated, scholarship or other types of funds normally maintained by BGCF in accordance with its Gift Acceptance Policy and Fee Schedule.
2. Donations. All assets donated to BGCF which are designated as being for the Fayette County Public Education Foundation or any fund under the Foundation umbrella, shall be added to and become part of the Fayette County Public Education Foundation.
3. Advisory Committee. The Fayette County Board of Education shall recommend not less than five (5) and not more than thirteen (13) people to be known as the Fayette County Public Education Foundation Advisory Committee ("Advisory Committee"). The Advisory Committee shall consist of, at a minimum, the Fayette County Board of Education Chair or his/her designee; one (1) Fayette County Public School Principal; and three (3) community volunteers. The Advisory Committee shall recommend and take primary responsibility for identifying opportunities to raise private donations in support of public education excellence in Fayette County and shall recommend distributions from the Foundation consistent with the purpose for which the Foundation and any underlying funds are established. Each Advisory Committee will be subject to all BGCF policies and protocol, including, but not limited to: conflict of interest, terms of service, grantmaking protocol and fund options.

4. Advisory Committee Rules of Procedure. The Advisory Committee may suggest policies and procedures for its internal operations which provide for Advisory Committee officers, regular and special meetings, subcommittees and other similar matters, as the Advisory Committee may determine to be desirable in the fulfillment of the Advisory Committee's duties and responsibilities; provided that such rule of procedure must be approved by the Sr. VP/General Counsel of the Community Foundation and are in no way inconsistent with the Community Foundation's bylaws.
5. Services Provided by the Community Foundation. BGCF shall provide the following services to the Foundation.
 - a. Annual audit as part of the BGCF audit
 - b. Annual IRS report as part of BGCF's IRS Form 990
 - c. Online access to all Foundation activity, including contributions, investment earning (updated monthly) and grants, with separate accounting statements for each individual charitable fund that comprises the Foundation
 - d. Staff support of Advisory Committee meetings
 - e. Staff support in evaluating grant requests, monitoring grants funded and other reasonable grant support as requested by the Advisory Committee
 - f. Staff support in endowment building techniques, i.e. identifying potential donors, speaking engagements and professional advisor outreach
 - g. Donor relations support, including language and mechanisms for receiving and making gifts and creating funds
 - h. Formal record keeping of all records of the Foundation that are mandated by state and federal laws governing community foundations, including IRS and Kentucky Department of Treasury Regulations
 - i. Promotion of the Foundation on the BGCF website and other miscellaneous communications
 - j. Other services requested by the Advisory Committee and approved by BGCF based upon staff capacity and available resources
6. Service Fee. As compensation for its services, BGCF shall charge an annual community support fee according to the fee schedule in effect at the time of the Agreement and as amended from time to time by BGCF, currently at 1.5% for such funds. Investment fees are charged separately.
7. Exclusion from Fees. The following services are not provided as part of the annual service fee:
 - a. Legal services or outside legal advice requested by the Advisory Committee or incurred by BGCF in the administration of the Foundation
 - b. Costs of specialized marketing {such as brochures, etc.}
 - c. Mailings made specifically for the Fayette County Public Education Foundation
 - d. Extraordinary fund development or grant activities related to the Fayette County Public Education Foundation or the promotion thereof

- e. Meeting expenses such as facility rental, refreshments, meals, travel, etc.
8. Distribution. All grants from the Fayette County Public Education Foundation shall require the approval of BGCF after receiving written recommendation from the Advisory Committee. It will be the policy of BGCF to approve recommendations by the Advisory Committee for the disbursement of grants as long as the grant is in compliance with the policies and procedures of BGCF and all applicable legal and tax requirements.

The annual amount available for distribution, as set forth in BGCF's current Investment and Spending Policy, net of fees and expenses, shall be committed, granted or expended for the purposes described in Internal Revenue Code Section 170(c)(2)(B) to organizations described in Sections 509(a)(1), (2) or (3).

If any gifts to BGCF for the purposes of the Fayette County Public Education Foundation are received and accepted subject to a donor, grantor or other transferee condition or restriction as to the use of the gift, said condition and restrictions shall be honored; provided, however, BGCF shall have the power to modify any restriction or condition on the distribution of funds for any specified charitable purpose or to any specified organization if in the sole judgment of BGCF such restriction or condition becomes, in effect, unnecessary, incapable of fulfillment or inconsistent with the charitable needs of the community or area served. Upon such determination, BGCF shall exercise its judgment to select a similar use for the funds that will most nearly fulfill the original charitable intent of the gift and may re-direct the funds to those purposes most closely related to the donor's, grantor's or other transferor's original intent.

It is intended that nothing in this Agreement shall affect the status of Foundation as a 501(c)(3) organization, as defined in the Internal Revenue Code. This Agreement shall be interpreted in a manner consistent with the foregoing intention and so as to conform to the provisions of any and all applicable law or government regulation. Foundation shall have all the powers provided in its charter, Articles of Incorporation and Bylaws or otherwise by law in connection with its administration of the Foundation.

IN WITNESS THEREOF, the parties have executed this Agreement as of the day and year first above written,

BLUE GRASS COMMUNITY FOUNDATION

By:_____

FAYETTE COUNTY BOARD OF EDUCATION

By:_____