Eau Claire Community Foundation
Supporting Organization Agreement

This Supporting Organization Agreement ("Agreement") is dated as of **December 1, 2011** ("Effective Date") between the Eau Claire Community Foundation ("ECCF"), 306 South Barstow Street, Eau Claire WI 54701, and the Eau Claire Area Public Schools Foundation ("Supporting Organization") 500 Main St., Eau Claire, WI 54701.

WHEREAS, ECCF is a nonprofit charitable corporation, organized and existing under the Wisconsin Nonstock Corporation Law. The principal objective of ECCF is to solicit, receive and accept property to be administered, used and applied for charitable purposes primarily in, or for the benefit of, the community of Eau Claire, Wisconsin, and the surrounding area. ECCF has been determined by the Internal Revenue Service to be: (1) a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), and (2) an organization described in Sections 501(c)(3) and Sections 509(a)(1) or 509(a)(2) of the Code, and hence not a private foundation.

WHEREAS, the Supporting Organization is a nonprofit charitable organization, established to operate exclusively for the benefit of, to perform the functions of, or to carry out the purposes of ECCF by providing support for the Eau Claire public schools, and the Supporting Organization's governing documents give ECCF the power to approve or appoint a majority of the Supporting Organization's board.

WHEREAS, ECCF and the Supporting Organization have common goals and interests in providing support for the Eau Claire public schools, the parties desire to coordinate certain administrative activities in order to minimize expenses. The purpose of this Agreement is to confirm the terms and conditions upon which the parties will share administrative support.

WHEREAS, the Supporting Organization may have separate Funds as then-available, such as: Fund for Operations, Pass-Through Funds and Endowment Funds (e.g., Unrestricted, Donor Advised, Designated Named, Field of Interest) (together, its "Family of Funds")..

NOW, THEREFORE, ECCF and the Supporting Organization, intending to be legally bound, agree as follows:

1. Establishing Gift: The Supporting Organization will pay $2,000 payable upon execution of this Agreement to establish the Fund known and identified as the ECPSF Fund for Operations. This establishing gift may be used to pay the initial Set-Up Fee or other Service Fees.

2. Set-Up Fee: $1,500 payable in three monthly installments of $500 commencing on the Effective Date of this Agreement.

3. Operations Fund Annual Administrative and Management Service Fee: The administrative and management service fee, currently 1.5%, shall be charged to and deducted from the ECPSF Fund for Operations at the end of each calendar quarter beginning January, 2012, which charge is currently 0.375% of the average Fund balance during the then-ending quarter.

4. **Endowment Funds Annual Administrative and Management Service Fee**: The Supporting Organization shall pay ECCF's standard annual administrative and management service fee, currently 1.5%, which shall be charged to and deducted from the Supporting Organization's Endowment Fund(s) at the end of each calendar quarter beginning January, 2012, which charge is currently 0.375% of the average Fund(s) balance during the then-ending quarter.

    a. When the total balance of the Supporting Organization's Endowment Fund(s) equals or exceeds $250,000 at the end of an ECCF fiscal year, the annual administrative and management service fee will be reduced by 0.25% for the next fiscal year, which would currently result in a quarterly charge of 0.3125%.

    b. When the total balance of the Supporting Organization's Endowment Fund(s) equals or exceed $500,000 at the end of an ECCF fiscal year, the annual administrative and management service fee will be reduced by an additional 0.25%for the next fiscal year, which would currently result in a quarterly charge of 0.25%.

    c. The difference between the standard rate and any reduced rate under a or b above shall be transferred from the Supporting Organization's Endowment Fund(s) to the ECPSF Fund for Operations.

5. **Endowment Fund(s)**. The Supporting Organization's Endowment Fund(s) shall be held and administered subject to the provisions of ECCF's governing documents now in effect or as they may be amended from time to time by ECCF.

6. **Contacts**. The Executive Directors of the ECCF and the Supporting Organizations will be the liaisons and principal contacts between ECCF and the Supporting Organization.

7. **ECCF duties in the administration and management of the Fund(s):**

    a. Receive and record contributions to the Fund(s).
    b. Establish and maintain financial records of assets received for each of the Fund(s).
    c. Provide acknowledgement letters to donors as required by the Internal Revenue Service for charitable contributions. (Supporting Organization will print and mail acknowledgement letters.)
    d. Provide semi-annual fund statements for the primary contacts of each Fund(s) to Supporting Organization. (Supporting Organization will print and mail semi-annual statements.)
    e. Provide investment management of Supporting Organization assets and appropriate oversight through the placement of assets in ECCF portfolios.

8. ECCF Grant cycle duties in the administration and management of the Fund(s):

a. Perform spending policy calculation and tracking for Supporting Organization.
b. ECCF staff carries out Supporting Organization's wishes to direct funds to specified organizations or charitable projects as directed by Supporting Organization.
c. Provide grant check processing and tracking for Supporting Organization.
d. Retrieve Conditions of Grants and Grant Reporting Summary from each grantee about the use of their grant award to assure appropriate use of funds.
e. Prepare Grant Award letters and necessary documents. (Supporting Organization will print, sign and mail award letters and necessary documents.)
f. Manage the required record-keeping for each grant awarded, including retrieving information from each grantee about the use of their grant award to assure appropriate use of funds as well as maintaining appropriate documentation from each charitable organization.

9. Additional Services: During the term of this Agreement, at the request of the Supporting Organization, ECCF shall provide the following optional services (the "Services") to the Supporting Organization for the fee described below.

a. Provide hardware/software support.
b. Prepare system-generated financial reports monthly.
c. Maintain general ledger and accounts payable information.
d. Provide Fund reconciliation services.
e. Coordinate Annual Audit if completed separately from the Foundation.
f. Provide monthly Fund balance reports, which shall be available after the 15th of each month for the prior month.
g. Provide donor reports.
h. Provide mailing labels as requested using the Supporting Organization's donor lists.
i. Provide proofreading of communications and marketing materials that include ECCF.
j. Assist in news release development, media relations support (excluding costs for advertising).
k. Provide new Fund development written agreement support.
l. Provide investment management of Supporting Organization assets and appropriate oversight through the placement of assets in ECCF portfolios if an outside money manager is involved.

Fee for Additional Services: $25 an hour, payable monthly, which will commence on the third monthly anniversary date of this Agreement. Fees for services requested above and beyond the services listed above, which would include supporting a capital campaign or similar pledge campaign, will be negotiated at the time of the request and will require final approval of ECCF Board of Trustees.

10. Supporting Organization shall be responsible for:

a. Donor Advised Funds: Donor is assisted by Supporting Organization in selecting grant recipients.
b. Unrestricted and Field of Interest Funds: Supporting Organization Grant Review Committee determines recipients of funds by reviewing grant applications. Committee also determines amount of grant to be awarded.
c. Designated Name Funds: Supporting Organization Grant Review Committee determines recipients of funds in accordance with donor's specified organization(s).
d. Pass-Through Funds: Supporting Organization's staff carries out donor's wishes to direct funds to specified organization or charitable project.
e. Supporting Organization will follow the policies and procedures of ECCF.
f. All grants require due diligence by the Supporting Organization to make certain the recipient meets the Foundation's guidelines as a charitable organization before Supporting Organization Board approval and to assure appropriate use of funds by the grant recipient.

11. At all times during the term of this Agreement, the Supporting Organization shall operate as a "supporting organization" as contemplated in Section 509(a)(3) of the Code.

12. Term. The term of this Agreement shall commence on the Effective Date and shall continue until the earlier of:

a. The liquidation and termination of the Supporting Organization,
b. Notification from the Internal Revenue Service that the Supporting Organization is not a "supporting organization" under Section 509(a)(3) of the Code, or
c. Cancellation by written instrument executed by both parties. If ECCF is liquidated or dissolved for any reason, its assets, including the Supporting Organization's Endowment Fund(s), shall be dispersed exclusively for the purposes of ECCF in such a manner or to such organization or organizations established and operated exclusively for charitable, educational, religious, or scientific purposes, which shall at the time qualify as an exempt organization under Section 501(c)(3) of the Internal Revenue Code.

This Agreement may be amended from time to time by written instrument signed by the parties; and this Agreement shall be amended by the parties whenever necessary or advisable in order to comply with requirements of the Code relating to tax-exempt organizations.

13. Withdrawal. The then-current Supporting Organization Board may, at any time, by the affirmative vote of at least 75% of the directors then in office, request the transfer of the Supporting Organization's Family of Funds from ECCF to a then-existing Foundation. The prerequisites must be met before the ECCF Board of Trustees considers any such request.

a. The successor Foundation meets the following prerequisites to the ECCF Board of Trustees satisfaction:

i. Proof of incorporation under the laws of the State of Wisconsin and possession of a ruling from the Internal Revenue Service approving its application for 501(c)(3) status as a public charity;

ii. Possession of a charitable solicitation license from the State of Wisconsin;

iii. Appointment of a Board of Directors broadly representative of the geographic area the Supporting Organization's Family of Funds serves;

iv. Adoption of a comprehensive plan to address its future financial viability and current administrative and legal requirements; and

b. The Supporting Organization meets the following prerequisites:

i. A provision in its Articles of Incorporation dissolution clause naming ECCF as the recipient of its assets if it loses its recognition as a qualified charitable organization or ceases to exist, in which case all assets of the Supporting Organization shall be transferred to ECCF as designated to carry out the purposes of the ECCF's Family of Funds and to carry out the fiduciary obligation to honor and comply with the terms of all donor advised, designated, and other types of funds that are transferred.

ii. The receipt by ECCF of a legal opinion from a Wisconsin law firm of ECCF's choice affirming the proposed transfer of the Supporting Organization's Family of Funds meets the requirements of applicable law, which opinion shall be at the expense of the Supporting Organization.

iii. The receipt by ECCF of a certified copy of the resolution(s) of the Supporting Organization's Board authorizing the transfer of the Supporting Organization's Family of Funds, reflecting approval by the required 75% vote, stating the specific reasons for the transfer, and describing why such a transfer would be in the best interests of the Donors and the charitable beneficiaries of the funds.

iv. The receipt by ECCF of a certified copy of the(s) resolution of the transferee foundation accepting the transfer and agreeing to carry out the fiduciary obligation to honor and comply with the terms of all Donor Advised, Designated, and other types of funds that are transferred.

Upon satisfaction of the foregoing criteria, the ECCF Board, in its sole discretion, will make a determination on the request for withdrawal/transfer. In the event of approval, payment of funds may occur in multiple payments and will be finalized after the determination of Fund value as of the end of the month in which withdrawal of the Fund(s) is approved. Administrative fees may be incurred while terminating the Fund(s). All costs incurred over and beyond identified administrative costs, may be deducted from the final payment to the Supporting Organization.

14. Reports of the Supporting Organization. Supporting Organization acknowledges that ECCF cannot effectively perform the Services under this Agreement without full access to documents and records of Supporting Organization. Therefore, Supporting Organization agrees to furnish ECCF on a timely basis all records, billings, Board minutes, books, and other documentation necessary for ECCF to perform the Services under this Agreement.

15. Confidentiality. Subject to Donor-requested confidentiality, ECCF may disclose the existence, funding, and grants of the Supporting Organization in its Annual Report and other documentation published by ECCF. Any information relating to the Supporting Organization or its Fund(s) that is intended for publication by ECCF shall be approved in advance by the Supporting Organization.

16. Annual Audit. ECCF will administer the Fund(s) of the Supporting Organization and maintain the official records thereof. The Supporting Foundation's activities will be audited annually together with those of ECCF. It is not anticipated there will be any additional charge for this service; however, ECCF reserves the right to notify the Supporting Organization in advance of a change in this policy. Supporting Organization is responsible for its Form 990 preparation and expense.

17. Liquidation. Upon liquidation or termination of the Supporting Organization, any monies remaining in its Family of Fund(s) and other assets shall be distributed to ECCF in accordance with the Articles of Incorporation of the Supporting Organization.

18. Governing Law. This Agreement and the legal relations between the parties shall be governed under the laws of the State of Wisconsin. Supporting Organization will provide supporting documentation including Articles of Incorporation, Bylaws, IRS Determination Letter and other requested documentation to ECCF. The Fund shall be held and administered subject to the provisions of ECCF's governing documents now in effect or as they may be amended from time to time.

19. Status of the Supporting Organization. The Supporting Organization acknowledges that it is an independent organization, solely responsible for its own operations, and for its compliance with tax and other laws.

20. Board of Trustees. The Board of Trustees of the ECCF will approve or appoint a majority of the Board of Directors of the Supporting Organization. The persons approved or appointed by ECCF to serve as Trustees or Directors of the Supporting Organization may be present or former members of the Board of Trustees of the ECCF, or other persons selected by the ECCF. The Trustees or Directors of the Supporting Organization approved or appointed by the ECCF shall:

a. Serve for terms of three (3) years and shall be eligible for reappointment according to the Bylaws of the Supporting Organization;
b. Shall not receive compensation for their service as Trustees or Directors of the Supporting Organization.

The Supporting Organization shall notify ECCF if any prospective Trustee or Director, or a relative of a prospective Trustee or Director, may be a "substantial contributor" of the Supporting Organization, as defined in Section 4946 of the Code. Such persons are not prohibited from serving as Trustees or Directors of the Supporting Organization, but must hold less than 50% of the voting power of the Supporting Organization's governing body and cannot have veto power of the actions of the Supporting Organization. ECCF may reapprove or reappoint Trustees or Directors consistent with the Articles of Incorporation and Bylaws of the Supporting Organization.

21. Liability. ECCF shall not be liable, responsible or accountable, in damages or otherwise, to Supporting Organization for any act or omission performed or omitted by ECCF in good faith on behalf the Supporting Organization, and in a manner reasonably believed by ECCF to be within the scope of authority conferred upon ECCF by this Agreement and in the best interests of Supporting Organization.

Liability for loss or damage and liability insurance or other insurance reasonably needed in connection with the purposes of the Supporting Organization shall be maintained by the Supporting Organization.

22. Indemnification. The Supporting Organization shall defend, indemnify, and hold harmless ECCF, its officers, Trustees, employees, and agents, from and against any and all claims, liabilities, losses, and expenses, including reasonable attorneys' fees, directly or indirectly arising in connection with any act or omission of the Supporting Organization, its officers, directors, employees, or agents. ECCF shall specifically be indemnified and held harmless from any and all actions taken in good faith and in reasonable reliance on advice of Supporting Organization's attorney(s) or accountants(s) or at the direction of Supporting Organization's officers or directors.

23. Ownership. The Supporting Organization's Family Fund(s) will be the sole property of ECCF once contributed to ECCF. These Fund(s) will be held and managed by ECCF to fully support and protect the intent of the donor. Neither the donor nor the Supporting Organization nor any other entity shall have any right to reclaim monies from ECCF other than as provided in this Agreement. In order to further ensure donor intent, the proceeds in the Fund(s) will be segregated for bookkeeping purposes by ECCF. The assets of the Fund(s) will be invested under ECCF's usual investment policy and will be subject to any market fluctuation, including market losses. The Fund(s) will participate in the costs and expenses of described, incorporated herein, including without limitation, participation in the cost of any money manager charges incurred in the management of the investments.

24. Approval. Upon receipt of a copy of this Agreement signed by ECCF's Board Chair, the Supporting Organization shall deliver the establishing gift as set forth in paragraph 1 and such other funds as it so desires. By signing this Agreement, the Supporting Organization requests approval of the Agreement by ECCF's governing body and agrees the Fund(s) shall be the sole property of ECCF, subject to ECCF's authority to vary the terms of the gift(s). This authority, ECCF's "variance power," is set forth in ECCF's governing documents and IRS regulations governing Supporting Organizations.

Each party represented understands that the person signing this Agreement on behalf of the party is duly authorized by the party (ie, by their respective boards of directors) to enter into the Agreement.

Dan Market,
Board Chair (SO)

Date: 10/18/11

Jeffrey R Munger,
Director or Trustee

Date: 10/18/11

Sue Bornmann
Executive Director, ECCF

Date: 10/19/11

Carole Hallberg
Executive Director (SO)

Date: 10/18/2011

Accepted as of Oct 27, 2011

Chair, ECCF Board of Trustees

Approved by ECCF Board of Trustees: Oct 27, 2011