**CFTC Logo MAY 2011.tif**

**Nonprofit Organization Agency Funds (AF)**

**ANNUAL DISTRIBUTION PROCESS**

**FEBRUARY** – Organization is informed of the amount available in current year for grant to be given from fund to organization based on the Spending Policy rate as approved by Community Foundation board of directors on an annual basis. This rate is typically between 3% and 5% of a 20 quarter rolling average look back of the fund balance net of fees.

While the purpose of the AF is to maintain a permanent charitable asset, and while the distributions shall normally be determined by the Spending Policy, special circumstances may occasionally arise leading the agency to request a Special Distribution.

A request for a Special Distribution (if allowed by this Agreement) must be supported by a two-thirds vote of the Agency’s board and must be accompanied by an attestation that the request meets all conditions (if any) imposed by the originators of and the donors to the fund and all applicable laws. If the fund consists of assets both of the Agency and of the Foundation, the Special Distribution shall be made first from the Agency’s assets.

The organization may decline to accept the grant. If the organization does not communicate with the foundation or it does not communicate a desire, then the amount of that grant remains in the fund and increases the principal amount. It cannot be banked up for future years’ distributions. If it remains in the fund it increases the base number upon which future spending rate percentages are applied.

**BY NOVEMBER** – Organization must request this amount no later than November 30 of each year to receive the grant by December 31.

The organization can use this grant in any way that is acceptable to the regulations of the IRS and does not have to be expended in the year in which it was received.