



Community Group Endowment Fund Memorandum of Understanding ("MoU")

Agreement between Top of the South Community Foundation and

_____ (the Organisation)

The parties agree to the following on a binding basis:

A. The Organisation's Obligations

1. The Organisation will establish a Named Endowment Fund (Fund) with Top of the South Community Foundation ('TOTSCF').
2. The Organisation will actively encourage its members and supporters to contribute to its Fund, by promoting it via newsletters, brochures, website, and in any other way considered appropriate.
3. The TOTSCF Endowment Fund will be recognised and promoted as the Organisation's preferred endowment vehicle.
4. The Organisation agrees that Top of the South Community Foundation will receive 1% of the average capital value of the Fund each year as a donation.
5. The Organisation undertakes that all payments received from Top of the South Community Foundation via this Fund will be spent for a charitable purpose, as defined by the New Zealand Charities Commission.
6. The Organisation confirms that it is a Charitable entity registered with the New Zealand Charities Commission.

B. Top of the South Community Foundation's Obligations

1. Top of the South Community Foundation will establish and administer a Named Endowment Fund (Fund) for the Organisation.
2. All individual donations to the Fund will be issued with a tax receipt.
3. All monies received into the Fund will be invested in accordance with Top of the South Community Foundation's investment policy, and treated in the same way as all other endowment funds received.

4. Once the total value of the Fund has reached \$50,000, it is intended that 5% of the capital value of the fund, including investment income, will be returned to the Organisation in one annual payment. This is in line with Top of the South Community Foundation's general distribution policy.
5. Any investment income that the Fund makes in excess of 6% each year will be reinvested into the Fund.
6. At the end of each financial year to 31 March, the Top of the South Community Foundation will provide an annual summary of all donations received, investment income and disbursements to the Fund.
7. Top of the South Community Foundation will assist the Organisation, where possible and agreed by both parties, to promote the endowment concept to the Organisation's members and supporters, in order to encourage them to contribute to the Fund, or to set up their own Named Endowment Funds.

C. General

1. This MoU may only be varied by both parties entering into a written variation.
2. Both parties agree to act in good faith, communicate regularly and use their best endeavours to meet their respective obligations set out in this MoU, in the spirit within which the MoU is entered.

D. Term

1. This agreement commences upon signing and is intended to continue in perpetuity.
2. If either party decides to end the agreement it must advise the other party of its intentions and allow the other party twenty working days to respond prior to final confirmation in writing of the cessation of the agreement.

Signed for Top of the South Community Foundation

Date _____

Signed for the Organisation

Date _____