

# Southland Foundation Community Group Endowment Fund

## Memorandum of Understanding



*The Community Group wishes to establish an Endowment Fund with the Southland Foundation, Registered Charity Number CC61897 ("the Foundation"). The Foundation agrees to establish the Endowment Fund on the terms and conditions outlined below.*

### 1. The Organisation:

Community Group:	
Charity Registration	

### 2. The Endowment Fund:

2.1 The Organisation wishes the name of the Endowment Fund (Fund) to be:

2.2 The primary purpose of the Fund is:

2.3 The beneficiary of all the distributions from the Fund is:

2.4 If the listed beneficiary in 2.3 ceases to exist the Trustees of the Foundation will use the distributions to best fulfil the primary purpose of the fund as stated in 2.2. This may be through a likeminded organisation to that listed in 2.3, or through another process such as grants.

### 3. General Conditions

- a) The Organisation will actively encourage its members and supporters to contribute to its Fund, by promoting it through their marketing channels.
- b) I/we acknowledge that the Foundation will apply an amount each year toward the Foundation's administration expenses. The amount will be debited to the capital of the Fund. At this time the annual amount is set at 1% of the capital in the Fund, but the Donor acknowledges that this may be varied from time to time by the Foundation.
- c) The Organisation undertakes that all payments received from the Foundation via this Fund will be spent for a charitable purpose, in accordance with current New Zealand legislation. In addition, the payments will be spent to benefit the Southland region as defined in the Southland Foundation Trust Deed.
- d) The Foundation will establish and administer a Named Endowment Fund (Fund) for the Organisation.
- e) All individual donations to the Fund will be issued with a tax receipt.
- f) The Organisation acknowledges that all monies received into the Fund will be invested in accordance with the Foundation's investment policy, which is intended to ensure that the value of the endowment is maintained in real terms in perpetuity.

- g) The Organisation recognises that this Fund is not a separate trust or sub-trust and, although the Foundation will keep a separate accounting record of the amount in the Fund, Endowment Funds administered by the Foundation may be pooled and invested accordingly and the income and the changes in capital value shared proportionately.
- h) The Organisation understands distributions are the proportion which the Foundation decides to distribute for that year in compliance with the Foundation's distribution policy.
- i) The Foundation will assist the Organisation, where possible, to promote the endowment concept to the Organisation's members and supporters, to encourage them to contribute to the Fund, or to set up their own Named Endowment Funds with the Organisation as a recipient.
- j) At the end of each financial year to 31 March, the Foundation will provide the Organisation with an annual summary of all donations received, investment income and disbursements in that year to the Fund.

**On behalf of the Organisation**

Name:	
Signature:	
Date:	

**On behalf of the Southland Foundation**

Name:	
Position:	
Signature:	
Date:	