



Standard Component Fund Agreement

Douglas County Water Quality Legacy Fund

1. This agreement establishes the terms and conditions which shall govern West Central Initiative (WCI) in determining the management and use of all donations to WCI designated by the donor as a contribution to a specific fund of WCI named Douglas County Water Quality Legacy Fund (The Fund).
2. The use of the assets in The Fund shall be (i) limited to distributions to organizations that are described in Sections 170(b)(1)(A), 170(c)(2), and 501(c)(3) of the Internal Revenue Code and consistent with the objectives listed below:
 - *To protect and restore our natural water resources in Douglas County, Minnesota.*
 - *To complement existing efforts to protect and improve both surface water and ground water quality in Douglas County, while providing the greatest potential benefits to our water and quality of life for generations to come.*
3. All assets deposited into The Fund shall belong to WCI and shall be held subject to its governing instruments. Decisions concerning distribution or use of all donations and the proceeds of investment of donations shall be made by the Board of Directors of WCI. An Advisory Committee of no less than six (6) and no more than fifteen (15) individuals shall be created to review proposals consistent with the objectives listed above and to recommend appropriate uses of donations to the Board of Directors of WCI. However, WCI will independently investigate and evaluate proposed uses of funds and will not be bound by the recommendations of the Advisory Committee. Members of the Advisory Committee shall be chosen in the following fashion:

The advisory committee members will be approved by WCI with nominations submitted by the Douglas County Lakes Association. Two (2) of the Advisory Committee members will be members of the Douglas County Lakes Association. The remaining members will be chosen at-large. The terms of the Advisory Committee will be for three years. The members shall be divided into three equally sized groups. The terms will start the first day of January and end the last day of December. The advisory committee will meet at least once per year to review requests for donations from the Fund and conduct other business. The members will elect a chairperson each year to conduct the meetings and will appoint one of their members to be the contact person to WCI.

4. The Advisory Committee shall conduct its business in a fashion consistent with the policies and procedures published by WCI.
5. All gifts are subject to the WCI gift acceptance policy. Unless a donor and WCI otherwise agree, 100% of all donations of cash, securities, or property which is converted to cash shall be deposited into The Fund. The principal of The Fund shall be invested by WCI. Except for endowed funds, both the principal and the income on investment of The Fund may be used to support the objectives stated above, and to meet administrative expenses related to The Fund. In endowed funds, the established payout policy of The Fund will determine the amount that can be used for distributions.
6. WCI shall administer the fund as follows:
 - 6.1 WCI shall use The Fund in a manner consistent with federal and state law. A determination by WCI and its legal counsel regarding compliance with applicable law shall be conclusive.
 - 6.2 For purposes of investment, WCI may commingle assets of The Fund with other assets that it owns, but it shall keep separate records and books of accounts with respect to The Fund.
 - 6.3 WCI shall invest and manage The Fund in accordance with the investment policies for its assets.
 - 6.4 WCI will charge The Fund a reasonable administrative fee according to the published fee schedule.
7. If WCI's Board of Directors, in its absolute discretion, determines that any restriction imposed by this gift instrument on the use of The Fund has become obsolete, inappropriate, impractical, not in the best interests of WCI, or inconsistent with the charitable needs of the area served by WCI, the Board may release or modify the restriction. In exercising this power, the Board shall keep in mind the intended objectives set forth in paragraph 2 and shall, to the extent it deems appropriate, consult the Advisory Committee.
8. The laws of the State of Minnesota shall govern this gift instrument and The Fund.
9. This document constitutes a "gift instrument" within the meaning of and governed by the Uniform Prudent Management of Institutional Funds Act, Minn. Stat. 309.73-309.77. This document constitutes the entire gift instrument with respect to all gifts to which it applies.

10. ACKNOWLEDGEMENT: On behalf of the Board of Directors of West Central Initiative, I accept the terms and conditions as stated above for governing the management and use of the donations designated for The Fund.

Anna Wasescha, President
West Central Initiative

Date

As a member of the Advisory Committee of The Fund, I have read the conditions of the document and the component fund guide and agree to the conditions and regulations stated.

(Name), Advisory Committee Member

Date

Print name

Address

City

ST

Zip

Work phone

Cell phone

E-mail

Final Document
August 30, 2018