

Donors Trust Gift Acceptance Memorandum of Understanding

as of June 2022

This Gift Acceptance Memorandum of Understanding (Memorandum), made between Donors Trust, Inc. (DT), a Maryland non-profit corporation and the Account Holder(s), is entered into, made effective, and incorporated as if set forth in full in the donor-advised fund Application Form (Agreement) on the date the Agreement was executed by the Account Holder(s), copy attached hereto. This Memorandum sets forth the entire understanding between DT and Account Holder(s) concerning operation of the Donor-Advised Fund established at the time this Agreement is executed.

1. A Board of Directors-designated fund (the Fund) will be established on the books of DT and identified with the Fund name specified in the Agreement submitted by Account Holder at the time assets are transferred by charitable gift to and accepted by DT.

2. The Fund is established as a donor-advised fund (DAF) as that term is defined by section 4966(d)(2) of the Internal Revenue Code of 1986, as amended (IRC). This Memorandum should be interpreted accordingly and so as to conform to the requirements of federal tax law, any regulations issued pursuant thereto, and any other authoritative interpretive guidance. Any provision in this Memorandum in irrevocable conflict with the definition of a DAF should be disregarded.

3. In accordance with the definition of a DAF, at the time an initial charitable contribution is made by the Account Holder or any other person with instructions that the contribution is for the Fund, and upon acceptance of the contributed property by DT's Board of Directors, a Board of Directors' designated fund will be established on the books and records of DT, identified with the fund name specified in the Agreement submitted by Account Holder.

4. The amount of the initial contribution and any and all subsequent contributions to the Fund will be separately accounted for on DT's books and records. However, in accordance with the definition of a DAF, such separate accounting is for internal accounting purposes only. The Fund and all assets allocated to the Fund are part of DT's unrestricted assets, free from all conditions and restrictions, and are the sole property of DT, subject to DT's exclusive legal control. Accordingly, Account Holder(s) acknowledge and understand assets allocated to the Fund by DT in its books and records:

- a. are an integral part of DT's unrestricted funds, and are not part of a separate trust;
- b. are the property of DT, solely, and held by it in its corporate capacity;
- c. are not, and will not be deemed a trust fund held by DT in a fiduciary capacity;

- d. are assets that may be commingled with other funds and assets held by DT; and
- e. are not a 'restricted fund,' as that term is used for Generally Accepted Account Principle (GAAP) and legal purposes.

5. The Account Holder and/or any person designated by the Account Holder has the privilege of providing advice to DT for grants from the Fund to other charitable organizations, such advice may or may not be accepted by DT at its sole, absolute and unilateral discretion.

6. At the option of DT, the Account Holder may also have the privilege of providing advice as to investment of amounts allocated to the Fund by DT:

- a. among various investment options maintained by DT for the purpose of investing amounts held in all funds at DT;
- b. by requesting DT add particular investment choices, such as exchange traded funds (ETFs) or mutual funds, as an investment choice for amounts allocated to the Fund; and
- c. by requesting DT engage a particular investment advisor to manage amounts allocated to the Fund.

Such investment advice may or may not be accepted by DT at its sole, absolute and unilateral discretion; and, if accepted, the timing of the allocation shall at the sole, absolute and unilateral discretion of DT.

7. Property allocated to the Fund may be used only for charitable purposes, and may not be used to benefit a donor, an account advisor (Account Holders), or for any other purpose that would confer a private benefit on any person. Designated Account Holder(s) have the privilege of advising grants be made from the Fund to charitable organizations. DT retains the sole discretion as to whether such advice will be accepted and a grant will be issued, and may accept or reject such advice for any reason whatsoever. However, in no event will DT issue a grant:

- a. that satisfies a legal obligation of any person, including a pre-existing charitable pledge that is legally enforceable;
- b. that would not be one hundred (100) percent deductible as a charitable contribution if made by an individual to the grantee organization;
- c. to a grantee organization if, in general, it receives more than 25% of its support from the government or governmental organizations and the purpose of such grant is for general operations of the grantee, unless the board of directors deems that an exception should apply in the case of a particular grant request – the decision to grant an exception

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in the case of a particular grant request shall not waive the right of DT to accept or not accept grant advice for future grants in its sole, absolute and unilateral discretion;

- d. if the grant would be used for lobbying, electioneering or other political activity; or
- e. if the grant's purpose is not compatible with DT's mission of advancing liberty, personal responsibility, free market economics; and advancing solutions to society's problems through private, as opposed to governmental, efforts and initiatives as that purpose is determined in the sole, absolute and unilateral discretion of the board of directors on a grant by grant base. A prior decision of the board of directors shall not bind the board with respect to a decision to accept or reject future grant advice.

8. Account Holder acknowledges and understands that Account Holder and its designee Account Holder(s), if any, neither retain nor receive legally enforceable rights with respect to amounts allocated to the Fund, but, rather, are granted the privilege of providing advice to DT with respect to amounts allocated to the Fund that DT is free to accept or disregard in its sole discretion.

9. Amounts allocated to the Fund on DT's books and records will include the initial charitable gift, such other property as may be transferred to DT by the Account Holders or others for inclusion in the Fund and accepted by DT; such property as from time to time may be received by DT from any other source and accepted by DT for inclusion in the Fund; and all income and other proceeds allocated to the Fund by DT, such income and proceed allocations to be made at DT's sole discretion.

10. It is the policy of DT to liquidate any marketable securities or other non-cash property transferred to it as soon as possible after settlement, irrespective of market conditions.

11. The Fund's allocated assets shall be reduced by the expense of liquidating any non-cash asset contributed to DT, including any direct and indirect administrative costs DT determines are appropriate costs associated with such liquidation to be allocated to the fund, as well as by any amount DT assesses for general operating expenses of DT for maintaining the Fund and for other general operating expenses of DT (Administration Fee).

- a. The Administration Fee calculation is based on the average daily value of the Fund and allocated from the Fund to DT on a quarterly basis (i.e., on a fee of 75 basis points, 0. 1875 percent of a fund's average daily value during the previous quarter is allocated to DT's general operating funds at the beginning of each quarter). DT is free to change

the method of calculating and the amount of its Administration Fee at any time and in its sole discretion. However, DT will inform existing Account Holders of changes to the applicable fee schedule prior to implementing any change.

12. The Fund's allocated assets will be reduced by the amount of any grants issued by DT that were recommended by the Account Holder(s) as grants to be made from the Fund and that are approved and issued by DT.

13. No less frequently than on a quarterly basis, DT will issue statements to Account Holder(s) reflecting the value of the Fund at the beginning and end of each quarter as recorded on DT's books and records and that reflect activity within the Fund during the quarter allocated to the Fund. The timing of the issuance of statements may vary depending upon various factors, and is at the sole discretion of DT.

14. DT retains the right to unilaterally amend this this Memorandum at its sole discretion for any reason it deems appropriate, and, particularly, to conform to the provisions of any applicable law or government regulation in order to carry out the foregoing intention and to reflect any duly adopted prospective changes to its DAF program not in conflict with any applicable law or government regulation. No particular meaning shall be ascribed on account of one party having either drafted this Memorandum or on any other bases.

15. In addition to this Memorandum, DT publishes and maintains a *Donor's Guide to DonorsTrust* that further explains the daily operations of DT. Anything included in a *Donor's Guide to DonorsTrust* is meant to carry out the intent of this Memorandum and to explain the day-to-day operations of DT. To the extent that there is any conflict between this Memorandum and a *Donor's Guide to DonorsTrust*, this Memorandum controls. Accordingly, account Holders are on notice and acknowledge the fact that DT may have operated in accordance with a *Donor's Guide to DonorsTrust* previously, even though such operations were or may have been in conflict with this Memorandum, does not provide Account Holder(s) or any third party a right to legally rely upon anything found in a *Donor's Guide to DonorsTrust* that is in conflict with this Memorandum. Similarly, Account Holders and third parties may not legally rely upon any past or current operational practices of DT that may be in conflict with this Memorandum, or reference such practices as proof that this Memorandum has been altered. This Memorandum may only be altered by a writing issued by DT stating that it supersedes any previously issued Memorandum, in whole or part.

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