

Memorandum of Understanding



Named Fund

Date: **XX xxxx 202X**

I/We, _____ (“we”, “us”, “Donors”) wish to establish a Named Fund (“the Fund”) with Taranaki Foundation (“the Foundation”), an incorporated charitable trust, Charities Registration Number CC51935.

1. Donor Details

Full name	
Address	
Phone number	
Mobile number	
Date of birth	
Email	
Solicitor’s details	

We will update the Foundation with any changes in our contact details.

2. Name of Fund

The name of the Fund will be: _____

3. Intended Beneficiaries

We request that the Foundation makes annual distributions from the Fund as follows:

[Select either (a) (b) or (c) or a combination of the below]

a. _____% of income is to be **distributed** to any charitable purpose (or purposes) within the Taranaki area (as defined in 7c below) at the discretion of the Trustees of the Foundation.

b. _____% is to be **distributed** to the following areas of interest:

- Arts & Culture ___ % Children & Youth ___ % Education ___ %
 Health/ Wellbeing ___ % Recreation/Sport ___ Strong Communities ___ %

c. To the following charity(s) or individuals, at the proportion listed to each if more than one:



d. Additional Comments

Please provide any further relevant information about your interests and aspirations, to assist Taranaki Foundation with future decision-making on your behalf.

4. Donation Value¹

We will make contribution(s) to our Fund as follows:

<input type="checkbox"/>	Upon the establishment of this fund \$_____ will be made to our fund via internet banking by_____(date).
<input type="checkbox"/>	\$_____ annually/quarterly/monthly for the next _____ years. For monthly/quarterly payments: <input type="radio"/> Please send me/us one tax receipt per annum, for donations made during our financial year, which ends on _____(day) _____(month) <input type="radio"/> Please send me/us a tax receipt each time we make a donation. Annual donations will be made in the month of _____.
<input type="checkbox"/>	As a bequest of \$_____ or _____% of the residue of our estate in our will. We will instruct my solicitor to make a provision for this Fund in our will.
<input type="checkbox"/>	As a discretionary beneficiary in the _____ Trust to receive \$_____ or _____% of the net assets of the Trust. We will instruct our solicitor to make a provision for this Fund in Trust documentation.
<input type="checkbox"/>	Contributions may also be made on an ad hoc basis from, by individuals, family and any other organisations that may wish to do so.

5. Establishment Donation¹

Donors are invited to make a one-off establishment/administration donation (suggested amount \$5,000-10,000 depending on size) towards the operating expenses of the Foundation. This donation allows the Foundation to set-up and administer the donor's fund, continue to build the profile of the Foundation, and encourage other potential donors to set up a fund.

We agree to pay an establishment donation of \$_____ by the following method: *(please tick appropriate box)*

<input type="checkbox"/>	Upon the establishment of this fund by internet banking OR;
<input type="checkbox"/>	\$_____ annually for the next _____ years by internet banking OR;
<input type="checkbox"/>	At the time the Foundation receives the funds.

6. Ongoing Liaison

¹ The Foundation is a registered charity and donations made to the Foundation during a donor's lifetime may qualify for a 33.3% tax rebate.

- a. The Foundation will provide ongoing liaison as follows:
 - i. An annual written report detailing how much was distributed and to whom, while we are living.
 - ii. After our deaths, an annual written report to our executors (or anyone nominated by our executors) detailing how much was distributed and to whom, for as long as they want to receive this.

7. Fund Management

- a. We reserve the right to change the name of the Named Fund if we wish.
- b. Our intention regarding the intended beneficiaries may change in the future. We therefore reserve the right to notify the Foundation from time to time of any such changes.
- c. When “the Taranaki area” is used, we understand it to mean the area within the jurisdiction of the New Plymouth, Stratford and South Taranaki District Councils (or their successors), at the time each distribution is made.
- d. *[Living Giving Funds only - delete if not applicable]* We understand that if we do not donate a minimum of \$50,000 to our fund within 10 years of this Memorandum being signed, our donations will not qualify for a Named Fund. In this situation, the Foundation and we (or if we are no longer living, our executors) will agree:
 - i. To transfer the balance of the Fund into another fund or funds with charitable purposes and objectives similar to those outlined in Section 3 above; OR
 - ii. If no funds with charitable purposes and objectives similar to those outlined in Section 3 currently exist, to transfer the balance of the fund to the Foundation’s Taranaki Fund ².
- e. We acknowledge that where we have made reference to the distribution of income, this refers to that part of the fund that the Foundation decides to distribute in a year, whether that be income from Fund income or capital, in accordance with the Foundation’s distribution policy. We understand that a minimum balance of \$50,000 must be retained in our Fund in order for the Foundation to make distributions from our fund.
- f. Where we have specified a particular charity to benefit, and in the judgement of the Foundation that beneficiary ceases to meet the legal tests of being a charitable purpose with tax exempt status, the Foundation may distribute to another charitable beneficiary (or beneficiaries) which has purposes and objectives similar to those of the intended beneficiary at the date of this Memorandum of Understanding (“Memorandum”).
- g. At the end of the Foundation’s financial year, the Foundation will provide us with an annual summary of all donations received, investment income and disbursements for the Fund.
- h. We will meet with the Foundation at least once annually to discuss the Fund performance.
- i. All individual donations to the Fund, if any, will be issued with a tax receipt.
- j. If in the judgement of the Foundation, circumstances have changed so that strict compliance with this Memorandum is no longer desirable, practical or possible, we agree that the Foundation may direct the distributions from the Fund to such charitable purpose they think best, taking into account our wishes given the changed circumstances.
- k. We acknowledge that although the Foundation will keep a separate accounting record of the amount in the Fund, all funds administered by the Foundation may be pooled and invested accordingly, with the income and changes in capital value shared proportionately.

² Taranaki Foundation Fund is a general-purpose fund to support the Taranaki community, with grants allocated each year by the Foundation’s Distribution Committee.

- l. Investment income that the Fund earns in excess of the sums attributed to administration and distribution will be reinvested into the Fund each year.
- m. We acknowledge that the Foundation may withhold an amount each year from the capital value of the Fund to be applied towards the Foundation’s operating expenses. At the date of this Memorandum that amount of this annual donation is limited to 1% of the capital value of the Fund per annum, and acknowledge this may be varied from time to time by the Foundation and upon notice to us.

8. General

- a. This Memorandum may only be varied by the agreement of both parties in writing.
- b. Both parties agree to act in good faith and use their best endeavours to meet their respective obligations set out in this Memorandum in the spirit within which the Memorandum is entered.

9. Authorisation for Name Disclosure

The Foundation appreciates being able to list the names of donors and creators of the Fund, in order to acknowledge their generosity, and encourage support in the community. The Foundation will only list your name where you have given express authority to do so.

- Yes, we are happy for our name(s) to be listed in marketing promoting the Foundation and disclosed to the recipients of grants from our Fund.
- We are happy for our name(s) to be disclosed to the recipients of grants made from our Fund but DO NOT wish to be recognised publicly.
- No, we wish to remain anonymous to the public and recipients.

Special instructions (if any): _____

10. Donor Signatures

Signed:		
Name:		
Date:		

Notice Regarding Privacy

The Foundation takes your privacy seriously and is committed to protecting your personal information.

The Foundation has very strict privacy policies and strives to keep your personal information secure. The information collected in this Memorandum is only used in relation to the establishment and ongoing management of your Fund. Any personal information you provide is held and processed in accordance with the Privacy Act 1993.

Access to your information is to authorised persons only. You have the right to access your information and request incorrect information be corrected. The Foundation will take all reasonable steps to ensure that your information is accurate, up to date and relevant, and stored and processed in accordance with sound practices of record keeping and information systems management.



Accepted with thanks by the Foundation.

<i>Signed:</i>		
<i>Name:</i>	Josh Hickford Chief Executive josh@taranakifoundation.org.nz 027 462 1412	Bryce Barnett Chair bryce@taranakifoundation.org.nz 027 492 0419
<i>Date:</i>		

Taranaki Foundation | info@taranakifoundation.org.nz | PO Box 719, New Plymouth

SAMPLE

