



**Private/Family Capital Fund (“CapFund”)
Application and Agreement Form
Information & Declarations
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Name of Person or Family Sponsoring Private/Family CapFund: _____

Number of Trustees for this CapFund/Number of Signatures Required on all Directions: _____

Name of Primary Trustee/Co-Trustee for this Private/Family CapFund: _____

Name of Secondary/Co-Trustee for this Private/Family CapFund [if any]: _____

Primary Contact Address: _____

Postal Code: _____ Phone: (_____) _____ E-mail: _____

Name of Private/Family CapFund: _____

Declarations:

1. If I have designated that this Private or Family Permanent Capital Fund (“Private/Family CapFund”) to be held at and operated by the Ontario Credit Union Charitable Foundation (“the Foundation”) is to have only one trustee on behalf of myself and/or my family, then I declare that I am either acting on my own exclusive authority for my own individual interest or I have been delegated by my family to act exclusively on the family’s behalf with respect to this Private/Family CapFund and I will be solely responsible for all Private/Family CapFund deposits and balances, authorizing disbursements and receiving reports and receipts as applicable.
2. If we have designated that this Private/Family CapFund is to have two trustees, then we both declare that we have been delegated by our family to act jointly on our family’s behalf and to be both jointly and severally responsible for all Private/Family CapFund deposits and balances, authorizing disbursements, and receiving reports and receipts as applicable. **All forms, documents and authorizations with respect to this Private/Family CapFund are to be signed by both of us.** We may **jointly** appoint successor trustees on behalf of the family (see also Section 3).
3. I/we request that the Foundation set up and/or continue to operate a Private/Family CapFund according to the Foundation’s standard terms and conditions for this type of fund as specified in Schedule "B" of this application and agreement form. I/we also acknowledge receipt of a copy of this form and both understanding of and agreement with these terms and conditions.
4. I/we acknowledge, on behalf of myself or my/our family, that all amounts contributed and deposited into the Private/Family CapFund are irrevocably dedicated to the Private/Family CapFund’s purpose. Such funds cannot and will not be returned by the Foundation to me/us or my/our family but may, at my/our direction, be transferred to another organization that is able and willing to continue the operation of the Private/Family CapFund and/or, on termination of the Private/Family CapFund as outlined in this agreement, donated to a qualified recipient.

Signed at _____ on the _____ day of _____, _____
(City or Town, Province) (Month) (Year)

(Signature of Primary Trustee or Co-Trustee)

(Signature of Secondary or Co-Trustee)

SCHEDULE "A": DIRECTIONS RE: RECEIPTS & DISBURSEMENT OF FUND INCOME

Name of Private/Family CapFund: _____

Mission or Objectives of this Private/Family CapFund: _____

DISBURSEMENT OPTIONS: Please select one (place initials in applicable space and provide particulars)

____ 1. Annual disbursement of fixed amount* to specific pre-determined qualified recipient**

Amount: \$ _____ Recipient/Qualified Recipient**: _____

Additional Particulars: _____

____ 2. Regular annual disbursement of total income earned by Private/Family CapFund during year to specific pre-determined recipient/qualified recipient**

Recipient/Qualified Recipient**: _____

Additional Particulars: _____

____ 3. Disbursements to be directed and authorized on an individual, per-case basis, prior to June 30th each year. Trustee(s) for this Private/Family CapFund will notify the Foundation in writing of disbursement amounts*, recipients/qualified recipients**, additional particulars, timing, etc.

NOTE:

*Please also refer to subsections 1e, 1f and 1g of Schedule "B" (Private/Family CapFund Terms and Conditions) regarding instances when income earned by the Private/Family CapFund in one year is more or less than the amount of authorized disbursements.

Please also refer to Section 2 of Schedule "B" regarding charitable donation receipts and the definition of qualified recipients/recipients who may receive Private/Family CapFund disbursements. In summary, Private/Family CapFund disbursements may **not be directed to a specified person or group of persons who are either direct or extended members of the same family, nor to persons or entities not defined as qualified recipients as that term is defined in the Income Tax Act Canada (assuming charitable donation receipts were provided for funds donated or deposited into that Private/Family CapFund).

Signed at _____ on the _____ day of _____, _____
(City or Town, Province) (Month) (Year)

(Signature of Primary Trustee or Co-Trustee)

(Signature of Secondary or Co-Trustee)

SCHEDULE "B": STANDARD TERMS AND CONDITIONS FOR PRIVATE/FAMILY CAPFUNDS

- 1) Private/Family CapFund Parameters, Principal Amount Requirements and Disposition of Income Earned
- a) The Foundation and all Private/Family CapFunds operated by the Foundation operate with the fiscal year ending on December 31st (calendar year).
 - b) The trustee(s) intend(s) to make annual or otherwise regular contributions into the Private/Family CapFund. Once deposited into the Private/Family CapFund, these funds are irrevocably dedicated to the fund’s purposes and cannot and will not be returned to the trustee(s) or family.
 - c) The minimum amount accepted for initial deposit into a Private/Family CapFund is \$1,000. The minimum commitment required of persons or families is to build up the principal balance to no less than \$5,000 over a period not greater than five years from the date of initial deposit.
 - d) Subject to the stated Mission or Objectives of the Private/Family CapFund as specified on Schedule "A" and on the direction of the designated trustee(s), the Foundation will disburse funds from the Private/Family CapFund, in amounts up to but not exceeding the total income earned annually by this individual Private/Family CapFund, to qualified recipients as allowed by the Income Tax Act Canada.
 - e) If the principal balance of the Private/Family CapFund is below \$10,000, and the trustee(s) has/have not authorized or directed disbursement of income earned by the Private/Family CapFund during a given year by the last business day in June of the following year, that income will be added to the principal balance of the Private/Family CapFund.
 - f) If the principal balance of the Private/Family CapFund exceeds \$10,000, and if the income earned by the individual Private/Family CapFund in one year exceeds the total amount authorized and directed by the trustee(s) for disbursement by the last business day in June, then the excess amount may, at the discretion of the Foundation, acting reasonably after consulting with and/or attempting consultation with the trustee(s), be either added to the principal balance of the Private/Family CapFund or transferred to the General Fund of the Foundation. Operation, and disbursements from the General Fund are at the complete discretion of the Foundation.
 - g) If the total amount of requested disbursements from the Private/Family CapFund for one year exceeds the income earned by that Private/Family CapFund during the prior year, the Foundation will contact the trustee(s) and provide the option of either amending the disbursement requests to an amount equal to or less than the Private/Family CapFund income earned during the prior year or providing the additional funds required to fulfil the disbursement requests. In no case will the Foundation make disbursements from a Private/Family CapFund in an amount exceeding the income earned during the prior year except in the case of termination of the Private/Family CapFund (see Section 6 below).

2) Donation Receipts and Acknowledgements, Qualified Recipients and Recipients

- a) Operation of the Private/Family CapFund and disbursements from Private/Family CapFunds are governed by the Foundation’s policies and subject to Canada’s federal Income Tax Act and any other legislation and regulations applicable to charitable organizations and foundations.
- b) The trustee(s) may request a charitable donation receipt or receipts for the amount(s) contributed and deposited into the Private/Family CapFund. If there is more than one receipt requested and receipts are to be issued to individuals other than the trustee(s), the trustee(s) will provide the full name, address and applicable amounts. Assuming charitable donation receipts are issued by the Foundation, there are restrictions on the recipients/recipients who may receive Private/Family CapFund disbursements. In summary, a donor may not direct the disbursement of Private/Family CapFund funds to a specified person or entity that is not considered a qualified recipient when the Foundation has issued a charitable donation receipt for monies deposited into the Private/Family CapFund. Also, the Foundation may not provide a benefit related to such deposit, including, without limitation, promotional or public relations assistance.
- c) Alternately, the Foundation will issue an official letter of acknowledgement of receipt of funds (not considered a charitable donation receipt as per 2b above) for all funds contributed by or through the trustee(s) and deposited into Private/Family CapFund. This letter may be used for accounting, audit, media, public relations and family reporting purposes.

3) Authority and Succession of Trustee(s), Disputes between Trustees

- a) The Foundation will make disbursements from the Private/Family CapFund on the authority of the trustee(s) as evidenced by the signature(s) of such trustee(s) on letters of direction or other forms acceptable to the Foundation. Each direction for disbursement will specify the amount to be disbursed, the desired date of the disbursement and the name and address of the recipient.
- b) The Foundation will maintain a record of the trustee(s) for each Private/Family CapFund and rely on such record for the identity of such trustee(s) until it receives a notification from the person or family, in writing and bearing the signature(s) of the prior trustee(s) of the name(s) of the successor trustee(s) for the Private/Family CapFund. In the event of the death of one of the trustees, either the estate trustee of the deceased may act on their behalf in this regard or the surviving trustee may appoint another person or family member to take the place of the deceased with respect to this Private/Family CapFund and this agreement.
- c) If more than one trustee has been appointed by the family and if there is a dispute between such trustees or if the Foundation receives conflicting instructions from the trustees, the Private/Family Fund cannot be operated. In such case, the Foundation will not make any disbursements from the Private/Family Fund whatsoever and will wait until the trustees have resolved their dispute and issue common instructions or until the Foundation has received appropriate orders issued by a court. If the dispute continues for more than five consecutive years without resolution, then the Foundation will apply the provisions of this agreement the same as if contact with the trustees has been lost (see section 6c of this agreement).

4) Interest Paid on and/or Income Earned by Private/Family CapFund Balances

- a) The Foundation maintains deposit accounts at the Credit Union Central of Ontario ("CUCO") in which it holds all its monetary assets. The balances of all Private/Family CapFunds will be held in such accounts or accounts at any successor organization to CUCO which provides financial services.
- b) Interest is paid on Private/Family CapFund at 1% below the average rate paid by CUCO to the Foundation for its deposits and investments at CUCO (or its successor organization).

5) Statements of Account for Private/Family CapFunds

- a) The Foundation will issue one statement of account, via the Annual Report, each year to the trustee(s) for each Private/Family CapFund, as at December 31st.

6) Termination

- a) The trustee(s) acknowledge(s) that all amounts contributed and deposited into the Private/Family CapFund are irrevocably dedicated to the Private/Family CapFund's purpose. Such monies cannot and will not be returned by the Foundation to the trustee(s) or to the family but may, at the direction of the trustee(s), be transferred to another foundation that is able and willing to continue the operation of the Private/Family CapFund. Such transfer will close the Private/Family CapFund as held by this Foundation and must be authorized in writing, with such document bearing the signature of all the trustee(s) for this Private/Family CapFund.
- b) Alternately, the trustee(s) may direct a one-time final disbursement of all balances in the Private/Family CapFund, including principal plus income earned to that time, to a qualified recipient as defined in the legislation and regulations governing such disbursements. Such final disbursement will close the Private/Family CapFund and must be authorized in writing, such document bearing the signature of all of the trustees.
- c) The trustee(s) agrees that, if the Foundation is unable to make contact with the trustee(s) for five consecutive years, then this particular Private/Family CapFund may, at the option of the Foundation, be closed with the then current principal balance transferred to a Consolidated CapFund operated by the Foundation. The income earned by the Consolidated CapFund may be disbursed at the discretion of the Foundation. The principal balance will be maintained in the Consolidated CapFund and may subsequently be transferred back to a new individual Private/Family CapFund operated for the person or family if, at some future time, contact is re-established between the person or family and the Foundation and if the person or family appoints a new trustee or trustees for the Private/Family CapFund.

7) Notices

- a) Any notice required or permitted to be given under this application and agreement shall be in writing and shall be sufficiently given if:
 - i) Sent to the attention of the trustee(s):
 - (1) at fax phone number (____) _____ - _____
 - (2) or mailed by first class postage or couriered to:
Address: _____
 - ii) sent to the Foundation:
 - (1) by mail to 416 North Service Road E., Suite 100, Oakville, Ontario L6H 5R2
 - (2) or by facsimile to 905-338-9533
Attention: Tony Niessen, Executive Director
- b) Each notice sent in accordance with this section shall be deemed to have been received:
 - i) At the time on the day it was delivered in person, or
 - ii) One (1) hour after it was sent on the same day that it was sent by facsimile or at the start of the first business day thereafter if the facsimile was sent after normal business hours on a business day or on a day not a business day.
- c) Addresses, facsimile numbers and contact person names may be changed by giving notice in writing in accordance with this section and this agreement.