



Foundation Agreement

*Institute for Science and Health
300 Hunter Avenue, Suite 110
Saint Louis, Missouri 63124*

RE: The _____ Foundation at
the Institute for Science and Health

A gift of _____
(insert monetary amount, number of shares of stock, or description of other property)
has been received for the aforementioned Foundation at the Institute for Science and Health from
the undersigned Donor(s).

Delivery of said property constitutes an irrevocable gift to the Foundation at the Institute for
Science and Health and is subject to the following terms and conditions:

1. A Foundation shall be established on the books of the Institute for Science and Health (“the
Institute”), which shall be known as the _____
Foundation (“the Foundation”);
2. The Foundation is established primarily to benefit the following program area(s):
_____,
(insert Institute Program Initiative(s) of interest)
through grants made to deserving and qualified entities (public or private research institutions,
research contractors, program delivery contractors, etc.). Additional beneficiary programs
may be specified in Section 5 below;
3. The Foundation shall include: 1) the property received; 2) such property as has been or as may
be, from time to time, transferred to the Institute for inclusion in the Foundation; 3) such
property as may, from time to time, be received by the Institute from any other source and
accepted by it for inclusion in the Foundation; and 4) all income from the foregoing property;
4. The Foundation shall be maintained and operated by the Institute and held by it in its normal
corporate capacity, subject to its governing documents (letter of determination, bylaws, etc.),
as may from time to time be amended, and administered by the Institute staff in accordance

with governance provided by the Institute's Board of Directors. The Foundation shall not be deemed a trust fund held by the Institute in a trustee capacity;

5. The Foundation assets, both principle and income, shall be used to support the programs areas via grants as specified in Section 2 and/or _____ as indicated by the Foundation principals. The Institute offers Foundation principals the "power of choice" to designate or specify the Research Program Initiative to which they wish to benefit from the Foundation assets. Designation of a Program Initiative can change over time at the discretion of the Foundation principals provided that any and all funds previously committed to research projects remain committed to those projects for the duration of their grant awards;
6. Should a Foundation be established as an endowment for the Institute, the principle of the Foundation will be maintained and any and all investment returns will be designated and transferred to the Institute's general operating budget;
7. The Institute will provide all necessary accounting and related financial management services associated with the Foundation. The Foundation will be assessed an administrative fee to be determined according to the Foundation Administrative Fee Schedule (Attachment A). The Foundation may be assessed additional investment fees should such fees be incurred by use of alternative investment policies as described in the Foundation Administrative Fee Schedule;
8. The Institute maintains a high level of transparency for all of its programs, activities, grants, and Foundations. Thus, pursuant to the terms and conditions set forth in this agreement, a general accounting of Foundation activities will be available to the Foundation principals and the public (via Annual Reports, Institute website, etc.);
9. It is intended that the Foundation shall be a component part of the Institute and not a separate entity and nothing in this agreement shall affect the status of the Institute as an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986. This agreement shall be interpreted in a manner consistent with the foregoing intention, governed by federal laws and the laws of Missouri, and so as to conform to the requirement of the foregoing provisions of federal tax laws and regulations issued pursuant thereto. The Institute is authorized to amend this agreement to conform to the provisions of any applicable law or government regulation in order to carry out the foregoing intention. References herein to provisions of the Internal Revenue Code of 1986 shall be deemed references to the corresponding provisions of any future Internal Revenue Law.

Kindly indicate below your acceptance of the foregoing terms and conditions.

DONOR (print name)

WITNESS (print name)

DONOR (signature)

WITNESS (signature)

Institute for Science and Health

By:

OFFICER (print name)

WITNESS (print name)

OFFICER (signature)

WITNESS (signature)

Accepted as of this _____ day of _____, 20__.
Receipt of the above-described property is acknowledged.

The Foundation Administrative Fee Schedule represents fees charged for account maintenance and management services provided by the Institute. These fees are applicable to all Foundations.

Balance	Annual Fee*
\$10,000 or less	No fee
\$10,001 - \$75,000	\$500 flat fee
\$75,001 - \$1 million	1%
Next \$4 million (incremental)	0.75%
Balances above \$5 million	Determined on an individual basis [†]

* Fees are based on the average balance of the account calculated on the number of months held and payable at the end of the Institute fiscal year.

[†] By Foundation principals and Institute Financial Advisory Council

Accounts of \$1 million or less will utilize an Institute Board-approved zero risk investment policy.

Accounts in excess of \$1 million can utilize alternative investment policies to be recommended by Foundation principals and the Institute's Financial Advisory Council and approved by the Institute Board. Any additional fees incurred for alternative investment strategies will be paid from the Foundation balance.



Foundation Commitment to Institute Research Program Initiatives

Background

The Institute for Science and Health is pleased to offer the opportunity for individuals, families, or other entities to establish a Foundation within the Institute, taking advantage of the Institute's 501(c)(3) non-profit umbrella. Each Foundation established at the Institute will have its own mission, a portion of which must be synergistic with the overall mission, vision, and operations of the Institute. Paramount to this synergy, a portion of each Foundation's activities must be supportive of the research and education mission of the Institute, to preserve human life by empowering research to forge a healthier tomorrow, via the Institute's Research Program Initiatives.

The Institute welcomes the opportunity to work with the Foundation principals in targeting all or a portion of the Foundation assets to one of the Institute's existing Program Initiatives or to new Program Initiatives involving health issues that are of interest to the Foundation's principals, yet fall within the scope of the Institute's mission.

Commitment

In order for such synergy to be effective and achieve the goals set forth in the missions of the Foundation and the Institute for the betterment of human health, the Institute requires that a minimum of 30% of all incoming assets (see example below) be designated for Institute managed research programs through one or more of the Institute's Research Program Initiatives as determined by the Foundation principals on the Foundation Agreement. The remaining 70% of assets can be used to augment the aforementioned assets designated for the Research Program Initiative(s) of choice, or designated for other causes or activities as indicated by the Foundation principals.

Example of asset commitment to Institute Research Program Initiative(s) –

\$50,000	total net income from fundraising event, donation(s), gift(s), etc.
<u>- \$15,000</u>	minimum amount obligated for Institute research Program activities
\$35,000	remaining funds available for use as designated by Foundation principals

30% rule applies for each and every income stream and will be calculated based on total net income. The calculated amount (or more) will be transferred to an Institute account for use in Program Initiative area as designated by the Foundation principals.

The Foundation Operations Fee represents fees charged for management of research programs associated with Institute Research Program Initiatives that are supported by the Foundation asset designated for that purpose. These fees are vital for the implementation and continued performance of the research process as part of the Institute’s proprietary Rubicon model.

The Operations Fee is determined relative to the resources made available to the Institute Research Program Initiatives according to the following schedule.

Resources made Available*	Operations Fee
\$500,000 or less	10% (of total) [†]
Above \$500,000	10% or less [‡]

* Represents total amount of financial resources designated for application to Institute Research Program Initiatives.

[†] Fees are deducted from the initial designated amount and the remaining assets are applied to appropriate research project(s).

<i>For example –</i>	
\$500,000	designated for the Degenerative Eye Diseases Program Initiative
<u>- \$50,000</u>	Operations Fees applied
\$450,000	available for outgoing grants to independent research investigators

[‡] Determination of actual Operations Fee assessed will be based on negotiations between the Foundation principals and Institute’s Financial Advisory Council and relevant staff.