

Month XX, 200X

John Doe
XX Street
City, State Zip

Dear John Doe:

The Georgia 4-H Foundation, at your request, agrees to manage \$XX,XXX.00 for the XYZ County 4-H Club per the enclosed agreement.

Please review the enclosed agreement. If you agree to these terms, please sign and return both copies of the agreement to the Georgia 4-H Foundation in the enclosed envelope with a check made payable to the Georgia 4-H Foundation for \$XX,XXX.00. Once we receive both signed copies and the check, we will create a fund and sign both copies of the agreement. We will return one copy with both signatures and the Fund Number for your records to your county office once the fund is established.

Thank you for your interest in establishing the XYZ County Pooled Investment Fund.

Sincerely,

Arch Smith
Executive Director

C: District Head

Enclosures

**Fund Agreement between
XYZ County and the Georgia 4-H Foundation
To Establish the XYZ County Pooled Investment Fund**

The Donor Representative, XYZ County, enters into this agreement with the Georgia 4-H Foundation, hereinafter referred to as the "Foundation," to establish the XYZ County Pooled Investment Fund, hereinafter referred to as the "Invested Funds."

Purpose: To enable County 4-H programs to access a large pool of funds managed by a professional investment firm using the Georgia 4-H Foundation as a conduit thereby increasing the likely net return on investment money over time.

Fund: The Georgia 4-H Foundation operates on a June 30 fiscal year and calculates return on investment for its pool of funds as of that date each year. To simplify accounting procedures, a County may make deposits before December 31st and June 30th of any year. The Foundation is responsible for reporting overall returns or losses to the county at the end of each fiscal year. The Foundation Board will vote annually by majority vote to determine the payout amounts of all invested funds once actual returns for the fiscal year are finalized. (See Exhibit A, Example A for sample illustrations)

In the event that a withdrawal must be made at any time other than June 30th, the Georgia 4-H Foundation will return any requested principal amount, less a 5% amount to be held until final returns are calculated for the fiscal year. This 5% is to serve as a "hedge" against any adverse returns for an individual fiscal year. At the end of the fiscal year, actual returns will be calculated and the 5% "hedge" will be adjusted and returned based on actual investment results for the fiscal year. (See Exhibit A, Examples B and C for sample illustrations)

The county is responsible for solicitation and acknowledgement of all Invested Funds received and then placed in the Foundation pooled fund.

Funds are held by the Georgia 4-H Foundation, a 501(c)(3) non-profit organization. The Georgia 4-H Foundation operates under the direction of its board of trustees and staff.

Donor/Donor Representative: John Doe, XYZ County

Fund Management: The Foundation may commingle the Fund for investment purposes with other restricted or unrestricted funds in its discretion. The Foundation shall have sole discretion over the investment of monies in the Fund and such investments shall be made in a manner consistent with the investment policy of the Foundation as the same may be modified from time to time by the Foundation. In determining the net total investment return of the Fund, the Foundation may deduct all reasonable and necessary expenses incurred in the management and administration of the Fund, including any special fees it may charge for the administration and maintenance of a Fund, in accordance with the Foundation's policies applicable to county invested funds.

Agreement made as of the _____ day of _____, 2007.

Signature, County Extension Coordinator

Signature, Executive Director, Georgia 4-H Foundation

Exhibit A.**Example A. WITHDRAWAL ON VALUE AS OF 6/30 (Net Annual GAIN on Invested Funds)**

Deposit	10,000	7/1/XXXX
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Assuming there was interest income of 8% on the fund for the year. The County would realize investment returns of \$ 800.00 for the year. The county would have the option on 6/30/XXXX to reinvest the investment income for an additional year, request payment of in the investment income and leave the Invested Funds in the Foundation, or, request all or a portion of their Invested Funds be returned to the County (while maintaining a minimum \$3,000.00 balance), without withholding of the 5% hedge for adverse returns.

Example B. EARLY WITHDRAWAL (Net Annual GAIN on Invested Funds)

Deposit	10,000	7/1/XXXX	
Withdraw	9,500	12/31/XXXX	(5%, or in this case \$500 held by Foundation as Hedge)

Assuming an 8% return for the entire year, a total of \$800 would have been realized. Since the money was withdrawn at 6 months, the county would receive a check for \$400 (investment return). As the overall returns for the entire year were positive, the county would receive a 100% return of the 5% hedge (in this case was \$500) for a total of \$900 shortly after 6/30/XXXX.

Example C. EARLY WITHDRAWAL (Net Annual LOSS On Invested Funds)

Deposit	10,000	7/1/XXXX	
Withdraw	9,500	12/31/XXXX	(5%, or in this case \$500 held by Foundation as Hedge)

Assuming there was a loss on the fund for the year of 2% (for a total of \$200 for the entire year), the county would lose \$100 (investment loss). As the overall return for the entire year was negative, the actual loss would be netted from the 5% hedge, for a total check of \$400 shortly after 6/30/XXXX.

**Please note that the Georgia 4-H Foundation recommends that counties invest only those monies that will not be needed (or expect to be needed) within the next 12 months. These funds are typically invested in a more liquid investment such as a money market account or Certificate of Deposit.*