

**Multi-School Fossil Fuel Divestment Fund:
*A fossil fuel-free fund leveraging donations in support of
the climate action divestment campaign***

Donor Acknowledgement and Gift

The undersigned (the “Donor”), identified by the Donor’s name below, hereby acknowledges and accepts the following terms and conditions of a gift (the “Gift”) made by the Donor to the Multi-School Fossil Fuel Divestment Fund (the “Divestment Fund”) described below and transmits Donor’s donation totaling the amount of the Gift, all in accordance with the payment instructions set forth at the foot of this document.

1. **Purpose.** By diverting the Gift ultimately intended for the institution or institutions indicated to the Divestment Fund, the Donor intends to join other donors (students, faculty, staff, spouses, parents, and alumni of the Institution(s), and unaffiliated members of the general public) in encouraging all participating institutions, listed in the “Where Would You Like Your Gift to go?” Table below (the “Participating Institutions”), to divest from their endowments investments in fossil fuel companies.
2. **Impact Assets, Inc.** The Divestment Fund has been established and is operated by Impact Assets, Inc. (“IA”), a non-profit financial services firm that enjoys both tax-exempt status under Section 501(c)(3) and public charity status under Section 509 of the Internal Revenue Code.

See here for brief description of IA and its Board and senior officers:

http://impactassets.org/files/ImpactAssets_Exec.pdf

See here for IA’s Form 990 as filed with IRS for 2012:

[http://impactassets.org/files/12.31.12_IMPACT_Form_990_-_Public_Disclosure_\(1\).pdf](http://impactassets.org/files/12.31.12_IMPACT_Form_990_-_Public_Disclosure_(1).pdf)

3. **Nature of Gift.** The Gift is made in cash, by check or wire transfer, to the Divestment Fund, a customized donor-advised fund of IA. The Gift constitutes an irrevocable donation qualifying for tax deduction by the Donor (subject to the Donor’s tax circumstances) and is a non-refundable asset of IA to be held, invested and disposed of by IA in accordance with the terms and conditions set forth herein, subject, however, as required by law for all donor-advised funds, to the sole discretion of IA, as the legal owner of all assets held by the Divestment Fund.
4. **Treatment of Gift.** The Gift and all investment returns thereon will be accounted for in a subaccount (the “Subaccount”)/Subaccounts of the Divestment Fund identified by the name/names of the Institution/Institutions, will be commingled for investment purposes with other subaccounts of the Divestment Fund identified by the names of the other Participating Institutions, and will be distributed in accordance with the provisions of paragraph 7 below, subject at all times to the overriding discretion of IA.

5. **Timing of Gift.** In the case of any Gift committed to by a Donor prior receiving sufficient Gifts for investment into the funds specified in paragraph 8, all assets in the Divestment Fund shall initially be invested in the following global equity and debt funds, in the respective percentages indicated beside their names:

Calvert Fossil Free Funds	75%
Fidelity Cash Reserves Money Market Fund	25%

See here for description of the Calvert and Fidelity funds:

<https://divestfund.org/investments/>

6. **Divestment Fund Advisory Council.** Prior to acceptance by IA of gifts to the Divestment Fund, there shall be established a Divestment Fund Advisory Council (the “AC”) to be the sole representative of the interests of all contributing donors to the Divestment Fund and all interactions with IA, including, in particular, but without limitation, (a) recommendation that IA distribute funds held within one or more subaccounts to the respective institution/institutions at a time determined according to the provisions of paragraph 7, (b) ongoing assessment of the performance and management of the Divestment Fund, (c) recommendations for changes in allocation of investment assets and selection of investment managers for the Divestment Fund, (d) limited power to modify the conditions to distribution of gifts described in paragraph 7 below, as specified in paragraph 11 below, and (e) if and when needed extend the date of fund termination in paragraph 7.

The AC shall at all times number at least five persons, who may represent any Participating Institution whether or not it has divested. Each Participating Institution may appoint zero, one, or two people to represent it on the AC. If an institution is represented by two representatives on the AC, each representative must have different affiliations from the given institution. Irrespective of each Participating Institution’s representation on the AC, each Participating Institution retains one (and only one) vote in decision-making processes, including but not limited to those decisions detailed in paragraph 7. The AC has complete authority and discretion to establish governance procedures for performing its responsibilities, including the designation of spokespersons for interactions with IA. Service on the AC shall be *pro bono publico* and without compensation.

7. **Distribution of Gift.** In respect of the Subaccount(s), all funds held therein shall be distributed to the Institution(s) forthwith upon the AC’s determination that the Institution(s) has/have taken and committed to sufficient action to warrant the funds’ release. In every case, this determination shall be made by a vote of the AC. Each Participating Institution must record a Yes, No, or Abstain vote. Failure to vote in a timely fashion will be recorded as an abstention. Funds will only be released upon the affirmative (Yes) vote of at least two-thirds of the non-abstaining Participating Institutions at that time. Prior to every vote, the AC must compare the actions and commitments to action of the Institution(s) with the following criteria:
1. Immediately freeze any new investment in fossil fuel companies (the “Fossil Fuel Companies”, defined in the following paragraph), and
 2. Divest within five years from current holding in these Fossil Fuel Companies.

If the actions and commitments to action of the Institution(s) precisely adhere to these criteria, it is expected that the AC will unanimously vote in favor of distribution of the gift to the Institution(s). In addition, prior to every vote, the representative on the AC of each institution in question reserves

the right to directly address the AC to argue in favor of or in objection to the release of funds to that institution. "Fossil Fuel Companies" consist of the 200 companies listed in the most recently published version of The Carbon Underground 200 report; a quarterly-updated list of the 200 companies possessing the largest fossil fuel reserves in the world (in terms of carbon content), conducted by Fossil Free Indexes LLC (www.fossilfreeindexes.com).

If, by December 31, 2017, subaccount funds for any of the Participating Institutions have not been distributed (because those institutions have failed to take actions and commitments to action that warrant the release of funds, as determined by the AC according to provisions above), then all funds held in the subaccount(s) will be equally distributed to Participating Institutions who have previously been granted the funds' release by the AC, thus terminating Divestment Fund. One year extensions will be granted by the AC until one or more Participating Institutions have met the criteria for fund release.

8. **Investment of Divestment Fund Assets.** Investment of all assets held in the Divestment Fund shall be with a view to liquidity, diversification of risk, preservation of capital, generation of income, and asset growth. All assets in the Divestment Fund shall initially be invested in the following global equity and debt funds, in the respective percentages indicated beside their names:

Custom Divestment Fund	75%
Vanguard Intermediate Term Treasury Fund (Admiral Shares)	25%

The all-in management fees for the two managers are 35 basis points (0.35%) for custom Divestment Fund and 10 basis points (0.10%) for the Vanguard Intermediate Term Treasury Fund (Admiral Shares, Symbol VFIUX). The custom Divestment fund is a global index fund that tracks with very low tracking error the MSCI ACWI Index.

The Divestment Fund will be negatively screened from being invested in the follow industries per environmental, social and governance (ESG) practices:

- Fossil Fuels
- Adult Entertainment
- Alcohol
- Casinos and Gambling
- Defense/Armaments
- Tobacco

The Divestment Fund will be positively screened for investment in the follow industries per environmental, social and governance (ESG) practices:

- Renewable Electricity

See here for description of the custom divestment fund:

<https://divestfund.org/investments/>

See here for description of the Vanguard Treasury Fund:

<https://personalp.vanguard.com/us/funds/snapshot?FundId=0535&FundIntExt=INT>

9. **Fees of IA.** So long as the Divestment Fund is in effect, IA will be paid out of the Divestment Fund a comprehensive administrative fee for all of its services, including bookkeeping, accounting, operations and management, equal to a percentage of the market value of the Divestment Fund determined on the basis of the average daily net assets in the Divestment Fund, as follows:

<u>Market Value</u>	<u>Annual Fee</u>
First \$100,000	1.00%
Next \$400,000	0.75%
Next \$500,000	0.50%
Next \$9 million	0.25%
Amounts above \$10 million	0.125%

The fee is billed and payable on a monthly basis.

10. **Limited Power of AC to Modify Conditions to Gift Distribution.** Recognizing the extended period of time that could elapse before any institution sought to meet the conditions set forth in paragraph 7 above for distribution of its gifts held by IA, and the possibility of changing circumstances that are unpredictable, the AC shall have the power at any time, but only upon the affirmative vote of at least two-thirds of its full membership at such time (all Participating Institutions must vote), to modify such conditions as they pertain only to such institution or to all institutions. Any such decision by the AC shall be given effect by IA.

Donor Signature and Information

By its signature below, the Donor agrees to the foregoing terms and conditions of the Multi-School Fossil Free Divestment Fund (Divest Fund) Donor Acknowledgement and Gift:

Donor Information.

Name (please print): _____

Mailing Address: _____

Phone: _____ Email: _____

Undergraduate Institution: _____ Graduation Year: _____

Graduate Institution(s) and Year(s): _____

Other Institution Affiliations (e.g. faculty, staff): _____

Gift Information.

Where would you like your Gift to go? _____
(see divestfund.org for an up to date list of schools)

Gift Enclosed: \$ _____ Online Check Wire Securities/mutual funds

Comments:

Note your comment may be anonymously made public.

Signature

Date