

The Foundation of the Islamic Center of Greater Toledo Scholarship Fund Agreement

The _____ Scholarship Fund

This is an agreement between _____ (hereinafter referred to as “**Donor(s)**”) and **The Foundation of the Islamic Center of Greater Toledo Foundation** (hereinafter referred to as “**Foundation**”) to establish a Scholarship Fund to be known as the _____ Fund (hereinafter referred to as “**Fund**”). This Agreement takes effect on _____, 20____ and is subject to the following terms and conditions.

I. Contribution

I/we hereby irrevocably give the assets described in **Schedule A** to this Agreement to the Foundation, a charitable organization described in sections 501(c)(3) of the Internal Revenue Code. The Donor(s) understand that this is an irrevocable gift, which will be used to establish and maintain a charitable fund of the Foundation, subject to the Foundation’s governing documents and bylaws. The Foundation may also receive additional contributions to add to this Fund.

II. Purpose

Consistent with the charitable purposes of the Foundation, distributions from this Fund will be used primarily to provide scholarships in accordance with the program guidelines contained in **Schedule B** to this Agreement.

III. Distributions *(check the box that describes the nature of your donation)*

Option 1: Fund is not intended to be endowed. Distributions from the Fund may be made in any amount not to exceed the balance of the Fund.

Or

Option 2: Endowed¹ funds. Donor intends this Fund to be an endowment. Distributions from the fund shall be limited to the fund’s distributable amount determined in accordance with the Foundation’s spending and investment policy **Schedule C**.

¹ An **endowment** is a fund that holds its principal in perpetuity and only pays out a small portion, about 4 to 5 percent per year, that goes to programs and/or scholarships. **Endowment** investments have two goals: to grow the principal and to generate income.

IV. Variance Power

This Fund is a component fund of the Foundation and its assets are assets of the Foundation. The Fund is subject to the Foundation’s governing instruments including the Foundation’s power to modify any restriction or condition on the distribution of funds for any specified charitable purposes or to specified charitable purposes or to specified organizations if in the sole judgment of the governing body (without the necessity of the approval of any participating trustee, custodian, or agent), such restriction or condition becomes, in effect, unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community or area served.

V. Fees

The Foundation may assess administrative and investment management fees against this Fund in accordance with the Foundation’s spending and investment policy **Schedule C**, as amended from time to time. The Foundation may also assess the fund to cover any unusual expenses incurred in connection with the contributed assets, including the cost of disposing of them, and in the administration of the Fund.

VI. Administration

The Fund will be administered in accordance with the normal and customary policies of the Foundation.

VII. Anonymity/Publicity

To recognize and honor our donors, the Foundation’s policy is to include our donors’ names in publicity about the Foundation unless they wish to remain anonymous. Please check the box below that best describes your wish regarding publicity:

- I have no objection to the inclusion of my name in Foundation publicity
- I do not wish to have my name included in Foundation publicity and I wish to be listed as an anonymous donor
- Other _____

IN WITNESS WHEREOF, the parties have executed this Agreement.

By: _____
Signature, First Donor

Signature, Second Donor

Printed Names of Donors: _____

Address: _____

Phone Number: _____
Email Address: _____

ACCEPTED:

The Foundation of the Islamic Center of Greater Toledo, Inc.

PO Box 350

Perrysburg, Ohio 43551

By: _____
Signature of Foundation Member

Printed Name of Foundation Member

Date: _____

Schedule C

**The Foundation of
the Islamic Center of Greater Toledo
Investment Policy Statement**

Foundation of Islamic Center of Greater Toledo

Investment Policy Statement

January 2013

PURPOSE

The purpose of this Investment Policy Statement is to guide the Financial Advisor in effectively supervising, monitoring and evaluating the management of the Foundation assets so as to achieve their goals. This Policy sets forth the overall investment standards and objectives applicable to the entire portfolio. The Foundation's investment program is defined in the various sections of this Policy Statement by:

1. Stating in a written document the Investment Committee's attitudes, expectations, objectives and guidelines regarding the management of the Foundation assets.
2. Setting forth an investment structure for managing the Foundation's assets. This structure includes various asset classes, investment management styles, asset allocation and acceptable ranges that, in total, are expected to produce an appropriate level of overall diversification and total investment return over the investment time horizon.
3. Encouraging effective communications between Investment Committee, Advisor, and Managers.
4. Complying with all applicable fiduciary, prudence and due diligence requirements that experienced investment professionals would utilize, and with all applicable laws, rules and regulations from various local, state, federal and international political entities that may impact the Foundation's assets.

This Policy is not a contract and it does not amend or rescind any provision of any agreement that may exist between or among the Foundation, the Financial Advisor, and any Fund Manager. It is not intended to direct any Fund Manager to purchase or sell any specific security or effect or refrain from affecting any specific investment transaction.. Fund Managers have full investment discretion, provided such discretion is consistent with this Policy, in investing assets of an Investment Portfolio. This Policy provides a summary of the investment philosophy that will guide the management of each Investment Portfolio.

FOUNDATION PROFILE

The primary purpose of this corporation is to solicit and manage long term contributions and funds for the perpetual trust of the Islamic Center of Greater Toledo, Inc., 25877 Scheider Road, Perrysburg, Ohio 43551 and its goals, as set forth in its Mission Statement adopted October 1996, by funding and supporting the Islamic Center of Greater Toledo, Inc. and its long

term expansion programs. Further purposes of this corporation include funding and supporting other charitable causes that operate for the advancement of Islam or Islamic education.

INVESTMENT STANDARDS & OBJECTIVES

The Portfolio assets should at all times be selected and managed in compliance with the fiduciary standards and appropriate laws. Assets shall be prudently diversified.

The Portfolio's primary investment objectives are:

1. To produce sufficient investment return to achieve the goals of the Foundation.
2. To maintain the purchasing power of the current assets and any future contributions in relation to academic inflation.
3. To maximize return within reasonable and prudent levels of risk.
4. To maintain an appropriate asset allocation that is compatible with a flexible spending policy and still has the potential to produce positive real returns.

The Foundation's investment objective is a balanced portfolio with emphasis on both growth and income. The Foundation believes that the following investment performance objectives are appropriate and consistent with the goals of the portfolio and the Foundation's attitudes and expectations. The time frame that will be used to evaluate the Fund Manager's performance will be a complete market cycle (3-5 years). The Fund Manager will be evaluated on the basis of both absolute and relative measures.

RISK TOLERANCES

The Foundation recognizes and acknowledges that some risk must be assumed in order to achieve the long-term investment objectives of the portfolio and, the goals set forth in this policy, and that there are uncertainties and complexities associated with contemporary investment markets.

In establishing the risk tolerances for this Investment Policy Statement, the Foundation's ability to withstand short and intermediate term variability was considered. The Foundation's prospects for the future, current financial condition and level of funding in the portfolio suggest, collectively, that interim fluctuations in market value and rates of return may be tolerated with the portfolio in order to achieve longer-term objectives.

ASSET ALLOCATION

The Financial Advisor may utilize mutual funds or separately managed accounts based on cost effectiveness and diversification capabilities. From time to time the Financial Advisor may utilize Alternative Investments that will be discussed and allocated on a case by case basis and mutually agreed upon in advance by the Foundation Committee and the Financial Advisor.

After examining the historical relationship between volatility risk and return among the asset categories, the investment objectives for the portfolio, the investment time horizon, the expected return, and the risk tolerance, the Financial Advisor recommends, and the Foundation adopts, the following target asset allocation and the permissible ranges for the target asset allocation.

Asset Allocation and Ranges

<u>Asset Category</u>	<u>Target Allocation</u>	<u>Minimum</u>	<u>Maximum</u>
Fixed Income (Domestic & Global)	30%	20%	40%
Large Cap Value Equity	20%	10%	30%
Large Cap Growth Equity	10%	10%	20%
Mid Cap Equity	5%	3%	8%
Small Cap Equity	5%	3%	8%
International Equity	8%	5%	13%
Alternatives	20%	10%	30%
Cash	2%	0%	5%

These limits are intended to act as thresholds upon which once violated will call for a re-balancing of the portfolio back to the target amounts. It is neither the intent nor the desire of the Investment Committee to participate in Tactical Asset Allocation, which would be a strategy to actively manage the asset allocation based upon capital market forecasts. The Investment Committee will review the asset allocation on a quarterly basis.

DUTIES AND RESPONSIBILITIES

A. Foundation

1. Establish investment objectives and prohibited investments based upon information and advice of the Financial Advisor;
2. Adopt an asset allocation based upon the advice and recommendation of the Financial Advisor which is consistent with the investment objectives, the time horizon, spending policy and the volatility risk tolerance;
3. Select qualified Fund Managers based upon information and advice of the Financial Advisor;
4. Provide the Financial Advisor with all relevant information on financial condition, liability structure, risk tolerances and changes in the portfolio that would affect the investment of assets.
5. When prudent and appropriate, terminate Fund Managers after evaluation and review which includes review of information and advice of the Financial Advisor;
6. Monitor and review the investment performance to evaluate compliance with objectives and guidelines based upon information and advice of the Financial Advisor; and
7. Use the same care, skill, prudence and due diligence under the circumstances then prevailing that experienced professionals acting in a like capacity and fully familiar with such matters would use in like activities, for like organizations, with like aims, in accordance and in compliance with all applicable laws, rules and regulations.

B. Financial Advisor

1. Assist the Foundation in establishing investment objectives and prohibited investments;
2. Recommend appropriate Fund Managers;
3. Assist the Foundation in designating the assets of the portfolio to be managed by each Investment Manager;
4. Provide quarterly analysis of the each Fund Manager and portfolio's performance;
5. Communicate with the Foundation regarding all matters pertaining to the investment of assets.
6. Provide independent and unbiased information;
7. Use the same care, skill, prudence and due diligence under the circumstances then prevailing that experienced professionals acting in a like capacity and fully familiar with such matters would use in like activities, for like organizations, with like aims, in accordance and in compliance with all applicable laws, rules and regulations.

SPENDING POLICY

The Investment Committee for the Foundation has established an annual spending policy. The annual payout percentage is a maximum of 5% and will be applied to the fund's average market value. The average market value is based on the ending balances for the preceding 12 quarters. This methodology should help to stabilize the year-to-year cash distributions that could be influenced, either positively or negatively, by the performance of investments.

EVALUATION AND REVIEW

On a timely basis, as agreed on by the Client and Financial Advisor, performance results will be reviewed for each investment manager. The intent of this review is to ensure that each investment manager has performed satisfactorily when compared to the objectives set forth in this Investment Policy Statement as well as compared to other investment managers within the same asset class. If it is deemed that an investment manager is not achieving the desired results over a market cycle (approximately 3-5 years), the manager will be terminated and replacement opportunities will be presented to the Client. The review of each investment manager should include both absolute and relative performance analysis as well as qualitative reports in regards to the firm and investment team.

CONCLUSION

This Investment Policy Statement serves as a governing document for investment decision making. It should be reviewed periodically by both the Foundation and Financial Advisor to determine if changes are warranted. This Investment Policy Statement is not a binding contract but rather an acknowledgement of the information contained within. It should be considered as an alignment of expectations between the Foundation and Financial Advisor.

I have reviewed the information presented in this Investment Policy Statement and confirm that it accords with my expectations. Moreover, I agree this Investment Policy Statement should guide the management of my investment portfolio.

Foundation of Islamic Center of Greater Toledo

President, Foundation ICGT

Date