

# TRUST RESETTLEMENT

## MEMORANDUM OF UNDERSTANDING



**Agreement between the Acorn Foundation (the Foundation) and the Trustees of:**

.....(the Trust).

The parties agree to the following points on a binding basis:

1. The Trust will establish a Named Endowment Fund (Fund) with the Foundation.
2. The Foundation will make annual distributions from the Fund in accordance with instructions given by the Trust, as follows:  
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.....  
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3. Although the Foundation will keep a separate accounting record for the amount of money in this Fund, all of the Endowment Funds administered by the Foundation may be pooled and invested accordingly, and the investment income and the changes in capital value shall be shared proportionately.
4. The Trust acknowledges that the Trustees of the Foundation will apply an amount each year toward the Foundation’s administration expenses. The amount will be debited to the capital of the Fund. At this time, the annual donation is set at 1% of the capital in the Fund, but the Trust acknowledges that the percentage may be varied from time to time by the Trustees of the Foundation.
5. It is intended that 3.5 – 5.0% of the average value of an endowment Fund (including investment income) will be distributed annually. This process is in line with the Foundation’s general distribution policy.
6. Any investment income that the Fund earns in excess of the sums attributed to administration and distribution in points 4 and 5 above will be reinvested into the Fund each year.
7. Where a particular beneficiary has been specified, if, in the judgement of the Trustees of the Foundation, that beneficiary ceases to meet the legal tests of being a charitable purpose with tax exempt status, the Foundation shall distribute what would have gone to that beneficiary to another charitable beneficiary (or beneficiaries) which has purposes and objectives similar to those of the intended beneficiary as at the time of signing this Memorandum of Understanding.
8. If in the judgement of the Trustees of the Foundation, circumstances have so changed since the establishment of the Fund that strict compliance with this Memorandum is undesirable, impractical or impossible, the Foundation Trustees may direct the distributions from the Fund to such charitable purpose they think best, taking into account the original wishes.
9. If the Trust has specified a particular beneficiary or activity that does not meet the technical requirements of a charitable purpose, the Foundation shall do what it can to achieve the original objective while still meeting its own legal obligations as a charitable trust.
10. At the end of each financial year to 30 June, the Acorn Foundation will provide the Trustees with an annual summary of investment income and disbursements in that year, for as long as the Trustees wish to receive this. This annual summary will be sent to the following person/people:

Name: ..... Email: .....

Name: ..... Email: .....

### SIGNED FOR THE ACORN FOUNDATION

### SIGNED FOR THE TRUST

Signature: .....

Signature: .....

Full Name (printed): .....

Full Name (printed): .....

Position: .....

Position: .....

Date: .....

Date: .....