

COMMUNITY  
TRUSTS  
IN  
THE UNITED STATES  
AND CANADA



A SURVEY OF EXISTING  
COMMUNITY TRUSTS, WITH  
SUGGESTIONS FOR ORGAN-  
IZING AND DEVELOPING  
NEW FOUNDATIONS

TRUST COMPANY DIVISION  
AMERICAN BANKERS ASSOCIATION  
NEW YORK

COMMUNITY  
TRUSTS

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## FOREWORD

**F**OR a long time there has existed a definite need for a handbook on the community trust—which should present simply and concretely the principal features of this comparatively new type of foundation, outline a definite procedure for organizing community trusts, and suggest methods for their successful development.

In the following pages an attempt has been made to meet this need. To a large extent the "case method" has been followed. By presenting the high lights of the operation, methods and results of the more active and successful trusts, it is thought that trust officers contemplating the development of this important and far-reaching arm of trust service, might obtain a clear picture of the problems involved and benefit greatly by the experiences of the trail blazers.

The generous assistance of the Directors and Secretaries of the local community trusts in supplying the facts and figures for their respective foundations is hereby gratefully acknowledged.

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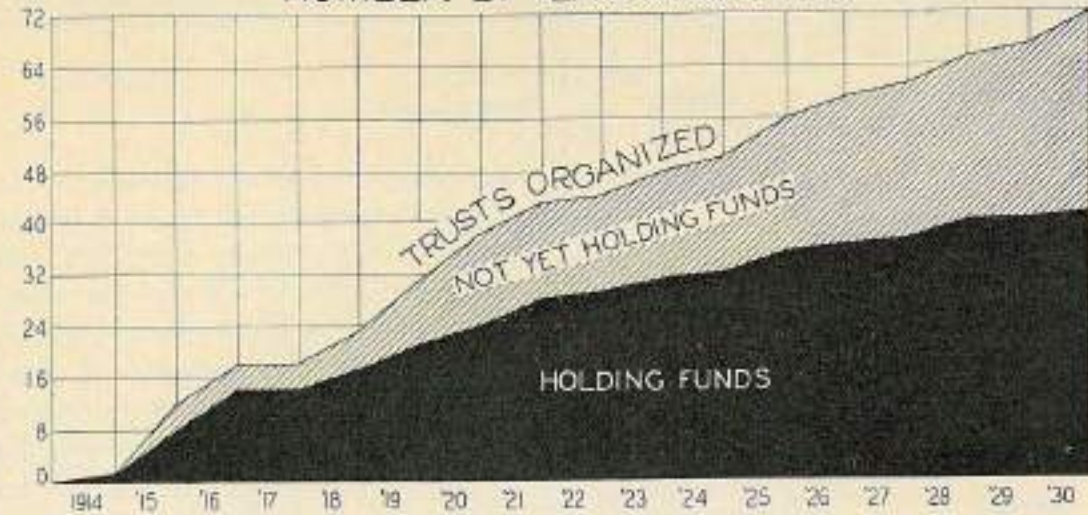
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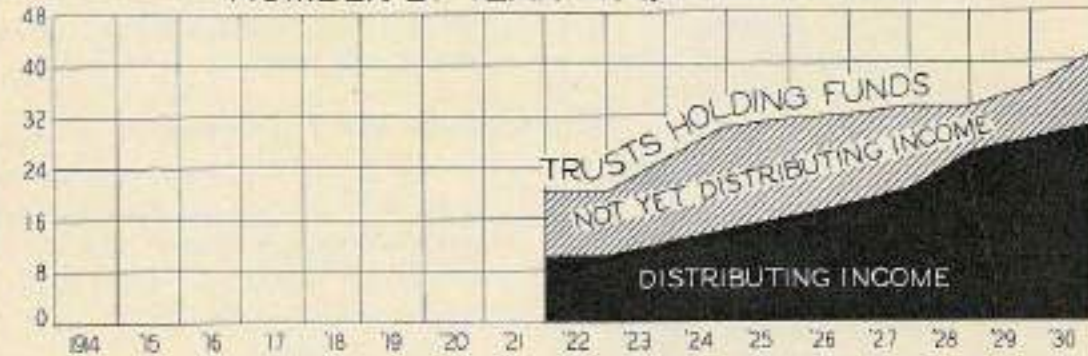
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## GROWTH OF COMMUNITY TRUSTS

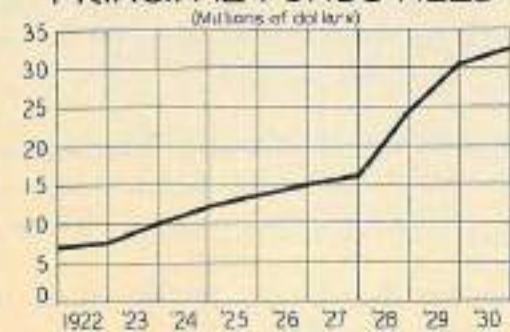
### NUMBER BY YEAR ORGANIZED



### NUMBER BY YEAR ACQUIRING FUNDS



### PRINCIPAL FUNDS HELD



### INCOME DISBURSED



Data from Tables VI and XIII

## Place and Value of the Community Trust in the Field of Philanthropy

THE community trust, as a modern method of effective giving and administration of gifts, has now been in existence 17 years; long enough to enable us to gauge its place and value in the field of philanthropy.

Its friends and advocates do not claim that it offers the sole solution of all of the problems of philanthropy. It is not designed to take the place of or to compete with such agencies as the Community Chest, the Federation of Charities, the City Welfare Council, the Red Cross or individual charitable organizations. But it does occupy a definite place of its own in the social and economic field.

The charitable spirit expresses itself in many different forms and fashions. There are individuals who wish to specify the object of their benefactions, to give direct relief to suffering and to see the immediate results of their generosity. There are others who feel that their contribution to human welfare will do the most good if the principal of their gift is conserved and added to other gifts, and the problem of distinguishing between the innumerable and almost bewildering array of charitable needs is left to the better informed and more experienced judgment of a changing committee of experts. To this latter group, the community trust will have a definite appeal.

Conceived by the late Frederick H. Goff, of Cleveland, who created in that city in 1914 the first community trust, the idea took hold of the imaginations of leading citizens and trust men so forcibly that within the next 2 years 16 other trusts were established. By the close of 1920, 38 foundations were in existence; and 10 years later, by January, 1931, 72 foundations were functioning or prepared to function. By August 1, 1931, the total number had increased to 74. The rapidity of this progress may be more readily apparent by comparing it with the early growth of trust companies themselves. During the past century, trust institutions increased at the rate of 3 every 2 years for the first 63 years; whereas community trusts have been created at the rate of 4 a year for the first 17 years. The progress and development of the community trust movement may be

grasped very quickly by glancing at the graphs shown on the opposite page.

While only 41, or 57 per cent, of the community trusts were administering principal funds by December 31, 1930, it will be noted that the line indicating the creation of these more active trusts slopes steadily upward at the average rate of 2 a year. Of the 41 trusts holding principal funds, 30 made cash distributions in 1930 totalling \$994,382, an increase of 16.6 per cent over the amount distributed in 1929.

The growth in principal funds of these 41 trusts has been almost entirely during the past 10 years, the first 7 years of the movement being mainly a time of organization and incubation. No total figures are available for the years prior to 1920, when the Committee on Community Trusts of the Trust Company Division was created for the purpose of fostering and aiding in the development of these trusts. But in the 10-year period, from 1921, when the principal funds given to the community trusts amounted to upwards of \$7,000,000, to January 1, 1931, when the grand total stood at \$32,318,164—there was an increase of nearly 350 per cent. The 1921 figure of \$7,000,000 was based on the fact that 93 per cent of the aggregate principal funds held by all of the trusts December 31, 1930, was possessed by the 12 largest or most active trusts and that these 12 trusts held \$6,402,883 on December 31, 1921. The 12 largest or most active trusts together reported a 370 per cent increase in principal funds and a 149 per cent increase in cash distributions for the 10-year period of 1921-1930. (See Charts on pages 19, 29, 30 and 31.)

When it is taken into consideration that these figures represent only funds actually in hand, which are small in comparison with known gifts that are to be received in the future, it becomes apparent that future growth will be at a greater rate.

This growth is in itself a testimonial to the fact that the community trust is meeting a real need and is successfully fulfilling the function for which it was created—namely, to provide the machinery by which small and large gifts may be pooled, conserved and used according to the best judgment of each generation for that generation's needs.

## II

# The Community Trust—What It Is

The community trust has been variously defined as "a public trust fund consisting of gifts of money and property from public spirited citizens to be used for such charitable, educational and benevolent purposes as may contribute to the general welfare of mankind, and especially for the health and happiness of the people of the community"; as "a fund created by the union of many gifts held in trust, contributed and managed for the permanent benefit of the community"; as "a sound, safe, modern method of making bequests for charitable and educational purposes with the assurance that the funds will be of lasting benefit"; and as "an agency organized for the permanent administration of funds placed in trust for public, educational or charitable purposes."

The community trust idea was generated largely by the fact that over 20,000 charitable gifts in England and the United States had failed of their pur-

pose and had been rendered useless because of the inability of the donors to foresee or provide against the future obsolescence of the objects of their generosity. On pages 61-67 will be found brief summaries of 50 of the more frequently cited illustrations of this human failing.

As stated by Frank J. Parsons, of New York, the first Chairman of the Committee on Community Trusts,

"the community trust is a recognition of two fundamental facts, first, of the element of certain and constant change which is taking place in our social structure and in our viewpoint with respect to charity; and second, that the charitable problems of each generation can better be solved by the best minds of these generations rather than through the medium of the dead hand of the past."

### 1. ITS MECHANISM

The mechanism of the community trust is simple and, with minor variations in the case of 6 or 7 trusts as described on page 9, consists of:

1. The "Declaration of Trust" by which participating trust companies or banks agree, as trustees, to receive gifts or bequests to the community trust and to administer such property for the benefit of the foundation, and for which they are paid the customary fee for fiduciary service.

2. The "trustee banks and trust companies," whose function is the care and investment of the principal funds of the community trust. The presidents or representatives of these institutions constitute the "Trustees Committee," which stands ready to act as occasion requires.

3. The "Distribution Committee," or "Governing Board" which directs the payment of income available for charitable purposes. This body is composed of from 5 to 15 persons of recognized ability and knowledge of the civic, educational and moral needs of the community. Three members or more are appointed, one by the Probate or Supreme Court Judge, one by the Mayor, one by the

President of the Chamber of Commerce, etc., etc., and usually 2 members by the Trustee Bank or Banks. The members of this Committee serve without pay and for terms of varying length, so that the personnel is, in effect, continuous.

4. Annual financial statements are sometimes required to be filed with the probate court and, in most cases, to be published in the local newspaper. The accounts of the trustees are audited annually by an independent auditor and the records of the trust are at all times open for inspection. The trustee banks are responsible to the Attorney General of the State for the proper execution of their duties.

In cases where the foundation has grown to the point of warranting the expense, there is a paid full-time or part-time Director, a business office, and a staff, the expenses being met from the income of the trust or from funds contributed especially for the purpose. By Dec. 31, 1930, there were 8 foundations maintaining executive offices, each with a paid Director or Secretary. (See page 18.) In most instances, however, an officer of one of the trustee banks serves

### THREE EXCEPTIONS

as Secretary of the foundation, any necessary expenses being contributed by the trust company or banks serving as trustee.

Of the 57 trust agreements examined, 27 specify that the Secretary or Director of the foundation is to be appointed by the trustee or trustees, the appointment in 4 of these cases to be confirmed by the

Distribution Committee; 26 trust agreements, on the other hand, provide for the appointment of the Secretary or Director by the *Distribution Committee or Board of Directors*, the appointment in 4 of the 26 being subject to the approval of the trustee. The remaining 4 agreements supplied were silent on the subject.

### 2. EXCEPTIONS

Exceptions to some features of the above plan of organization are to be found in the case of 7 incorporated trusts and one foundation with an incorporated Distribution Committee; 6 other trusts which have been organized by persons or agencies not connected with the trustee banks or trust companies; and the "Uniform Trust for Public Uses," of which there are reported to be 14.

**Incorporated Trusts.** The incorporated trusts reported to the Committee are those in Baltimore, Md.; Kenosha, Wis.; Minneapolis, Minn.; Richmond, Va.; Syracuse, N. Y.; Watertown, N. Y.; and Winnipeg, Canada. The Boston Permanent Charity Fund was created under a Declaration of Trust, but its Distribution Committee was later incorporated for tax exemption purposes.

The charters of the Kenosha, and the Watertown Foundations provide, respectively, for boards of 5 and 9 directors to conduct the affairs of the corporations. The Baltimore and Richmond Community Foundations each have 7 directors. The members of all of these boards are appointed in the same manner as are the members of the various Distribution Committees of the unincorporated trusts. (See chart on page 16.) In the case of the Kenosha Foundation, the property of the Foundation is in the custody of the Treasurer—a trust company.

The Syracuse Foundation has a board of 30 directors, 20 of whom are appointed by the trust companies and banks of the city and 10 by the Mayor, judges and presidents of local associations. All trust companies are eligible to serve as trustees for the funds of the foundation.

The Minneapolis Foundation has a board of 25 trustees chosen from the boards of directors of the trustee banks and their affiliated institutions. The Board of Trustees selects the Disbursement Committee.

The Winnipeg Foundation is a corporation composed of 5 members who constitute the Advisory Board, one of whom is the Mayor of Winnipeg, *ex officio*. The 5 members of the Board are appointed

by the Lieut. Governor of the Province, by the Mayor of Winnipeg, by the Registrar General of Manitoba, by the Chief Justice of Manitoba and by the Chief Justice of the Court of Kings Bench. An unusual feature is that any of these appointing agents are themselves eligible for membership on the Advisory Board. The terms of office of the appointees may vary so long as no term of any appointee is less than 2 years or more than 5. The Advisory Board determines the distribution of the income, approves all expenses for payment and appoints the Secretary. On receipt of gifts, the corporation appoints one or more trust companies as trustees to have custody and management of property and may revoke such appointments.

The Richmond Community Foundation, as distinguished from the Richmond Foundation created in 1919 under the single trustee plan, was organized in 1931, as a multiple trusteeship. It is incorporated and its charter provides for a board of 7 directors, who are to serve until death or resignation. Funds received are to be apportioned in an equitable manner among the cooperating trustee banks and trust companies, except in instances where gifts come to the foundation from a trustee bank or trust company, in which case that particular bank continues to have the care of those funds.

The relative advantages of incorporating or not incorporating are discussed on pages 11-13, under the heading "Organizing a Community Trust."

#### Trusts Initiated Outside the Trust Companies.

The Baltimore, Indianapolis, Vermont and Winnipeg Foundations differ from the other trusts reporting in that the trustee banks have no voice in the appointment of members of the Distribution Committee or of Directors. The Dayton, the La Crosse, the Dallas, the Martha's Vineyard, the Vermont and the Winnipeg Foundations are unusual in that these 6 trusts were instituted by public spirited citizens not connected with trust companies or banks.

The Dayton Foundation was founded by Mr. John H. Patterson, former President of the National

Cash Register Company. Mr. Patterson, his brother and sister contributed the principal initial funds to the foundation.

The La Crosse Community Trust was organized by the La Crosse Bar Association with the local trust company designated as trustee.

The Dallas Foundation was created in 1930, after several years of public discussion, by the 3 leading newspaper publishers of the city and the Chamber of Commerce who signed a joint agreement as "original sponsors." It is provided in this "Agreement" that gifts for the community trust may be made direct to any bank as trustee, and that with regard to such gift, the "Agreement" shall constitute a contract by and between (1) the Donor during his lifetime, (2) the Trustee to which the gift is made, (3) each member of the Board of Governors, and (4) each of the Sponsors. The functions of the Sponsors are to encourage the making of gifts, to give public recognition to them, and to be ever watchful of the Trustees and Governors, to see that the terms of the trust instrument are followed. In place of the customary Distribution Committee, there is a Board of 7 Governors, 3 to be appointed one each by U. S. and State Judges, 2 by the President of the local Clearing House Association, one by the President of the Public Library Association and one by the President of the Public School Board.

The Martha's Vineyard Foundation was established in February, 1928, through the instrumentality of the Vineyard Gazette. Thirty-seven prominent citizens each deposited \$10, one-half in the Martha's Vineyard National Bank at Vineyard Haven, and one-half in the Edgartown National Bank, stipulating in a deed of trust that the money remain until, with added interest, it shall amount to \$37,000,000. When this sum is attained, the money may be expended for the benefit of the Island of Martha's Vineyard by a committee consisting of the county commissioners of Dukes County, the register of probate, and the representatives of the two banks.

In the case of the Vermont Foundation, the Chairman of the Organization Committee was the Judge of the District Court at Burlington.

The Winnipeg Foundation was founded by Mr. W. F. Alloway who as a young man first went West to Winnipeg from Montreal with the Red River Expedition to settle certain difficulties with the Indians in 1870, when Winnipeg was little more than a trading post. He decided to remain there and, starting with no capital whatever, by 1879 was able to establish the private banking firm of Alloway & Champion, Ltd., which he operated successfully until 1919 when he sold it to the Canadian Bank of

Commerce. From the first, Mr. Alloway interested himself in every worth-while project in the community and he and Mrs. Alloway throughout their lives devoted much thought to the furtherance of the charities of Winnipeg. This culminated in 1921 in the formation of the Winnipeg Foundation, with an initial gift of \$100,000 from Mr. Alloway. This was followed by other substantial gifts at his hands and, on the death of Mrs. Alloway in 1926, it became known that her entire estate of \$750,000 was bequeathed to the Foundation for charitable purposes. Mr. W. F. Alloway died in 1930, bequeathing his estate of \$1,250,000 to the same object, which brought their combined gifts to an amount in excess of \$2,000,000.

**The Uniform Trust for Public Uses.** "The Uniform Trust for Public Uses" is a resolution and declaration of trust under which community or other group trusts or foundations may be created for the following purposes: (1) for the benefit of groups of indefinite beneficiaries, as in the case of trusts for community purposes, for the advancement of religion, for the care of the sick, the promotion of peace, etc. or (2) for the benefit of a definite charitable corporation—college, church, hospital, mission board or similar charity.

This form of trust was prepared by Daniel S. Remsen of the New York Bar and copyrighted by him in 1923.

The trust had by August 1, 1931, been adopted by one or more cooperating banks and trust companies in each of the following fifteen cities:

Springfield, Ill.	Lewiston, Maine	Montclair, N. J.
South Bend, Ind.	Duluth, Minn.	Cincinnati, Ohio
Keokuk, Iowa	St. Louis, Mo.	Lima, Ohio
Sioux City, Iowa	New York, N. Y.	Springfield, Ohio
Boston, Mass.	Yonkers, N. Y.	Portland, Oregon

This plan differs from the community trust in that it is designed to embrace charities in all parts of the world—educational, religious and missionary—whereas, with the exception of 16 trusts (see page 14) the scope of the community trust is limited to the city, county or state; that instead of one local "distribution committee" appointed in a specified manner, power is reserved to the trustee to create new or designate present agencies of distribution, as the purpose of the trust may require, if needed, and when such agency is not already designated by the donor. Being copyrighted, the plan is not susceptible to modification by local attorneys, so is uniform wherever adopted. The machinery for the management of the trust property is substantially the same in both the community trust and the uniform trust.

### III

## Organizing a Community Trust

Before establishing a community trust, considerable thought should be given to the heavy responsibilities involved and the best methods of meeting them. While trust company executives must, from a business standpoint, think in terms of ultimate profit to their institutions, this aspect should be subordinated to the desire to contribute to the permanent welfare of the communities. Returns are

certain to follow, if the movement grows, but this is a question that must be left to the future.

Trusts that are being planned now have the great advantage of being able to draw upon the collective experiences of other trusts established during the past 17 years and may benefit from comments and criticisms of persons both within and without the fiduciary field.

### 1. BY DECLARATION OF TRUST OR BY INCORPORATION?

The vast majority of the community trusts, 67 out of 74, have been created simply by the adoption by one or more trust companies and banks, of a "Declaration of Trust," while 7 trusts are reported to have been incorporated.

The full text of the New York and Cleveland "Declarations" representative of the majority of the community trusts in different sections of the United States, are contained on pages 37-51. The supplementary "Resolution" under which the Detroit Foundation was converted from a single to a multiple trusteeship will be found on page 52. On page 53 is shown the title page to the Declaration of Trust creating the Chicago Community Trust, containing 2 suggested forms of bequest, for use in bequeathing property to "any bank or trust company," in trust for the Chicago Community Trust.

The New York agreement, which was finally adopted in 1920 after many months of study and work by leading New York attorneys, has, together with the Cleveland form, served as a model and guide for many of the trusts in other cities.

When the Cleveland Foundation in 1931 changed from the single to the multiple form of trusteeship, that pioneer trust adopted in substance the New York agreement, making only minor changes to provide for local conditions. For purposes of com-

parison, the text of the new Cleveland and the New York "Declarations of Trust" are printed in parallel columns.

#### Pros and Cons of Incorporation

While the majority of existing trusts are not incorporated and deem it better not to incorporate, the organizers of the incorporated trusts (see page 9) are very strongly in favor of incorporation. Therefore the arguments pro and con should be carefully considered in planning the organization of a community trust, and the form of organization best suited to local conditions adopted.

The advantages claimed for the incorporated form of community trust are as follows: The charter will be perpetual. If there is any merger of the original or subsequent depositories, or if any of them go out of existence, the foundation is unaffected. The charter plan insures uniformity, whereas any resolution now in existence, under which the foundations are operating, might be changed in the case of one institution and not in another. It makes the board of directors the real power and thus avoids creating the impression in the minds of the public that it is a bank or trust company proposition. True, the charter can be changed or amended, but it is re-

garded as inconceivable that any corporation commission would consent to anything that would affect its fundamentals. Another very vital reason, it is claimed, is the possible necessity of reciting in full in the will the conditions of the trust or foundation established by the resolution. This, of course, does not apply in many of the states where it is legally possible to mention the community trust in the will "by reference" only—that is, by referring to the Declaration of Trust on file in the offices of the Secretary of State and the County Clerk, or in the offices of the Probate Court.

#### Disadvantages of Incorporation

The arguments against incorporating a community trust, on the other hand, are stated to be as follows:

Incorporation destroys the balance of power between the trustees and the distribution committee, which is one of the best features of the community trust. The fiscal management of principal and the social application of income or of designated portions of the principal should be entirely separate. Under the Declaration of Trust plan, the former function is performed by a corporate fiduciary and the latter function by a committee composed of persons holding positions of outstanding responsibility in the community, the trustee having the right to resist any improper use of the funds. In this way the financial and the sociological portions of the administration of a charitable trust are kept separate and entrusted to specialized agencies. This form of organization, or dual control, has the advantage of providing, automatically, a double check on the use and application of all funds and tends to encourage confidence on the part of prospective donors.

If, as is provided in the charter of one incorporated foundation, membership on the board of directors is terminable only by death or resignation, another desirable feature of the community trust plan is defeated. This is that the Distribution Committee should be a changing body, one member dropping out each year, and a new member coming in, thus keeping the Distribution Committee truly representative of the community.

The argument that by incorporating, the foundation is unaffected by any merger or closing of the original or subsequent depositories, is met by pointing out that trust funds are segregated from the banking funds of an institution and that it can easily be arranged, in case of a merger or foreclosure, to have the trust funds transferred to a successor trustee.

Moreover, it is claimed, greater safety is obtainable by having title to the foundation's principal funds rest in the trustee institutions rather than in the community trust itself. Trust institutions are surrounded by more Federal and State regulatory safe-

guards than are any other corporations and are the safest depositories yet devised.

It is also pointed out that the machinery of the trust will tend to operate with less friction and more satisfactorily to all concerned, if the donee has the right to name the trust institution which is to be the depository of his gift than if, as under the incorporated plan, the Board of Directors of the foundation attempts to apportion the principal funds of gifts received "in an equitable fashion" among the trustee institutions. This latter arrangement, it is contended, would hardly be fair if, as might frequently happen, some of the trustee institutions exerted much greater effort to obtain gifts for the foundation than did other trustees.

A final argument that has been advanced against incorporating the community trust is that if the movement be successful and the corporation obtains vast sums, there might arise popular objections to such a corporation.

#### Tax Exemption Main Reason

The Permanent Charity Fund of Boston differs from the other incorporated trusts in that it was created under an Agreement and Declaration of Trust with a provision that the Distribution Committee might later be incorporated if that were deemed advisable. The Distribution Committee was subsequently incorporated for tax exemption purposes, there being no provision in the Federal Income Tax Law at that time, 1915, as now, dealing with community trusts; but there was a provision that the income of a fund paid to or permanently set aside for a charitable corporation was exempt from taxation. The tax laws of Massachusetts then, as now, exempted from taxation the personal property of charitable corporations organized under the laws of Massachusetts, and a decision in Massachusetts held that property in trust for a charitable corporation was exempt from taxation on the ground that it was at least in equity the property of the corporation. The incorporation of the Committee thus also brought about exemption from taxation in Massachusetts. Further, the Massachusetts inheritance tax exempts gifts to or in trust for Massachusetts charitable corporations, or for purposes to be carried out exclusively within Massachusetts. As the Permanent Charity Fund income was distributed anywhere, the incorporation of the Committee was necessary in order to obtain this tax exemption.

Mr. Charles M. Rogerson, President of the Boston Safe Deposit & Trust Company, trustee for the Permanent Charity Fund, states that these reasons for incorporating were imperative, but that without them, the Committee might not have been incorporated. Leaving aside tax exemptions, the situation,

as Mr. Rogerson sees it, "is that in case of an unincorporated Distribution Committee, the Committee orders the distributions and the trustee makes them. If, on the other hand, the Committee is incorporated, the trustee's duties are performed by remitting the income to the incorporated committee, which may then not only order the distribution but actually make it. There is some advantage in this, in that it keeps all of the records in one place and perhaps, therefore, accomplishes the double purpose of economy and efficiency. I do not see any objection to the incorporation of the Committee if it does not seek, by virtue of its incorporation, to hold and manage the principal of the fund."

The distinction between the functions performed by the trust institution in the case of the incorporated and the unincorporated community trust is clearly pointed out by Gilbert T. Stephenson, President of the Trust Company Division, in the August, 1931, issue of the American Bankers Association Journal, as follows:

"If the community trust takes the form of an incorporated foundation, the place of the trust in-

stitution is that of agent for the foundation—agent to safekeep its securities and to analyze, review and make recommendations about its investments. If, however, as is usually the case, the community trust is a trust established by a declaration of trust, the function of the trust institutions is that of a trustee to hold, review and, furthermore, on its own responsibility, to make and change investments and, in general, to have the complete, unfettered investment management of the trust estate. In either case, whether as agent or as trustee, it is contemplated that investment management of the foundation will be in the hands of a bank or trust company and that the full responsibility for the distribution of the fund, both as to selecting the objects and causes and allocating the amounts, will be committed to an impartial Distribution Committee selected in such a way as to represent a true cross-section of the charitable interests of the community."

Mr. Stephenson has further stated that even if it should for any reason be deemed desirable to incorporate, it is most important that the charter provide that the investment and financial management of the principal funds of the foundation shall be vested in a corporate fiscal agent.

## 2. SCOPE OF TRUST

In drawing up the resolution and declaration of trust, careful thought should be given as to the proper scope of the foundation in view of the possibility of changing conditions.

On page 14 is given a table showing 62 community trusts classified according to the scope of their activities. Of these trusts, 26 were created to promote the welfare of the city or town in which they are located; 11 include the county; 4 the city and State; 5 the State; and 16 the city and any part of the world.

The community trust was originated to forestall the "dead hand"—to provide a mechanism which would conserve the principal of gifts to charity and at the same time prevent such gifts from later becoming useless or even harmful because of changed economic and social conditions.

For this reason, the scope of every community trust should be as broad as possible and not be limited to any one city, county, State or country. It is impossible to foresee the future, and, though it may not seem at all probable at the present time, it is quite conceivable that some communities for which community trusts have been established, may themselves dwindle in size and eventually cease to exist. It is

also within the realm of possibility that by limiting the objects of a foundation to one community, there might be, far in the future, an undue concentration of charitable gifts in cities, with the result that large sums, some of which might better perhaps be devoted to missions, college endowments, or other nation-wide or world-wide philanthropic interest, will be benefiting to a greater extent than needed, a relatively small group of people.

In recognition of this fact, there are now 16 trusts which are world-wide in scope. For example, the New York Declaration specifies that the income should be used "for such public educational, charitable or benevolent uses and purposes as will, in the absolute and uncontrolled discretion of the Committee, most effectively assist, encourage and promote the *well-being of mankind* and primarily of the community comprising the City of New York and its vicinity, regardless of race, color, or creed."

In 1930, when the name of the Los Angeles Community Trust was changed to the California Community Foundation, the scope of the trust was made world-wide, and the constituency of its Distribution Committee was broadened to include members re-

siding in any part of the State, instead of only in Los Angeles.

The new Richmond Community Foundation, organized in 1931, states its purpose as being to benefit "mankind in general—primarily Richmond and vicinity."

In 1931, the Cleveland Foundation, originally created seventeen years previously, for charitable purposes within the City of Cleveland and vicinity, enlarged its range of activity to include not only the City of Cleveland but the entire State of Ohio, and changed its plan of organization from a single to a multiple trusteeship.

These and other changes in the original conception, are but signposts pointing toward the growing

intelligence and breadth of view in regard to the community trust, that is becoming characteristic of American public opinion toward other aspects of American social, economic and political life. The term "community" is becoming more and more to be used not in the narrower sense of the locality in which one resides, but in the larger sense of the State, the country, the continent, the world.

In the set-up of the 16 foundations whose scope includes the "well-being of mankind," cognizance is taken of the prevailing view that "charity begins at home." Yet, in these trusts, a means is also provided for those who desire a wider range for their charitable inclinations than would be afforded by a foundation with more limited scope.

TABLE I  
SCOPE OF SIXTY-TWO COMMUNITY TRUSTS  
As Specified in Their Declarations of Trust or Charters

CITY OR TOWN	CITY AND COUNTY	CITY AND STATE	ANY PART OF WORLD, BUT PRIMARILY FOR CITY
*Asheville Foundation	Akron Foundation	Baltimore Community Foundation	Beaver Co. Foundation
*Attleboro Foundation	*Atlanta Foundation	Buffalo Foundation	Buffalo Foundation
*Boston Permanent Charity Fund	*Chicago Community Trust	*Cleveland Foundation	California Community Foundation
*Charlotte Foundation	*Community Trust for Newark and Vicinity	Delaware Foundation	Dallas Community Trust
Detroit Community Trust	Fort Wayne Foundation	Hawaiian Foundation	Dartmouth Foundation
Grand Rapids Foundation	Minneapolis Foundation	Maine Charity Foundation	Denver Foundation
High Point Foundation	*Phoenix Community Trust	*Philadelphia Foundation	Hartford Foundation for Public Giving
Indianapolis Foundation	*Plainfield Foundation	*Rhode Island Foundation	Kenosha Foundation
*Louisville Foundation	*Poughkeepsie Community Trust	Syracuse Foundation	La Crosse Community Trust
*Milwaukee Foundation	Sagamont County Foundation	Vermont Foundation	Lancaster Community Trust
*New Orleans Community Trust	Worcester County Charitable Foundation		New Haven Foundation
*Community Trust of Princeton			New York Community Trust
Richmond Foundation			Reading Foundation
*St. Louis Community Trust			Richmond Community Foundation
*Salisbury Foundation			Salem Foundation
*Scarsdale Foundation			Permanent Community Trust Fund (Tulsa)
**Scranton-Dunmore Community Trust			
*Seattle Community Trust			
*Spokane Community Trust			
*Toledo Foundation			
*Washington Foundation			
Watertown Foundation			
** Williamsport Foundation			
Winnipeg Foundation			
*Winston-Salem Foundation			
*Youngstown Foundation			

\* "Without limiting in any way the charitable purposes for which such income may be used."  
\*\* Includes city and immediate vicinity.

### 3. APPOINTMENT OF DISTRIBUTION COMMITTEE OR GOVERNING BOARD

The next feature to be considered after determining the scope of the foundation is the proper method of appointing the Distribution Committee or Governing Board, as it is sometimes called.

**Providing for Flexibility.** In order to insure the desired flexibility in the set-up of the trust, the method of appointment of the Distribution Committee or Governing Board should be carefully planned. It is conceivable that in future generations populations and conditions in the United States might change in a way undreamt of at the present time. For instance, following the World War, when the European City of Danzig, with a largely German population, was added to Poland, its governing body became Polish. Suppose, by some change in the United States several hundred years from now, all of the governing body of a city or State became a particular group of aliens. It is imaginable that all of the billions of dollars that had come down through the generations would then be administered solely for the benefit of that particular alien population in the community.

**Appointing Authorities.** On page 16 is shown a table indicating how the members of the Distribution Committees of 57 community trusts from which copies of trust agreements have been received, are appointed. In the opposite column is a list of appointing authorities grouped according to the frequency with which they are named in the respective charters and trust declarations.

Committees for the trusts reporting, range in size from 5 to 11 members; 68 per cent, or 39 of the 57 trusts listed, having 5 members; one having 6 members; 12 having 7 members; one having 8 members; 3 having 9 members; only one—the New York Community Trust, having 11 members.

In most cases, 2 members are appointed by the trustee banks and trust companies, one member by the United States District Judge, one member by the Probate Judge, and the remaining member or members by a person or persons of prominence in the community, such as the Mayor, the Governor of the State, the President of the Chamber of Commerce, the President of the Clearing House Association, the Attorney General, etc. In a few communities, notably New York, Hartford, New Haven,

Dallas, Reading and Scranton, the educational, social and civic organizations are represented. Individual variations in the methods of appointment of Distribution Committee members in the case of incorporated trusts and foundations formed by individuals outside the trust companies are described on page 9.

Appointments are made for terms varying from 2 to 5 years in the case of 5-member committees, or from one to 6 or 8 years in the case of the larger committees. Thus the personnel changes by one new member each year, and the continuity of the Committee's work is unbroken.

The declarations of trust, in substance, designate that members of the committee shall be outstanding persons of broad experience and possessing a knowledge of the civic, educational, physical or moral

SUMMARY OF TABLE II  
DISTRIBUTION COMMITTEE MEMBERS OF 57 COMMUNITY TRUSTS APPOINTED BY:

	No. Appointed
Trustee Banks and Trust Companies.....	117
Judge (Senior or Chief) of	
U. S. District Court.....	43
Probate Court of County.....	34
Superior Court of State.....	14
Circuit Court or Court of Ordinary.....	8
Superior Court of County.....	7
Chancery Court.....	3
Municipal Court.....	2
	108
Clerk of Superior Court of County.....	4
Mayor or City Manager.....	39
Chamber of Commerce, Pres. or Bd. of Directors of	
Clearing House Association, Pres. of.....	8
Governor of State.....	8
Community Chest or Welfare Federation, Chairman of.....	6
Local University, Pres. of.....	5
County or City Bar Associations, Pres. of.....	5
Attorney General or Registrar General.....	4
Chancellor of State.....	3
Board of Trade, Pres. of.....	3
County Medical Assn. or Academy of Medicine, Pres. of.....	2
Board of Education, Pres. of.....	2
State Bankers Association, Pres. of.....	1
Commissioner of Finance or State Treasurer.....	1
Public Library Association, Pres. of.....	1
Board of Appointment.....	1
Institute of Arts & Sciences, Pres. of.....	1



TABLE II. APPOINTING AUTHORITIES  
Distribution Committee Members of Fifty-Seven Community Trusts

Community Trust Located in	Judge (Senior or Chief) of						Attorney General or Representative General	Pres. Chamber of Commerce	Mayor or City Manager	Trustee Bank and Trust Company	Pres. Local University	Pres. Board of Trade	Pres. County Medical Assn. or Academy of Medicine	Pres. County or City Bar Assn.	Pres. Public Library Assn.	Pres. Board of Education	Commissioner of Finance or State Treasurer	Governor of State	Pres. State Barbers Assn.	Clerk of State	Pres. League of Arts and Sciences	Chairman, Community Club or Welfare Federation	Board of Appointment	Total Number on Committee	
	Chancery Court	Probate Court of County	U. S. District Court	Circuit Court of Court of Ordinary	Superior Court of County	Supreme Court of State																			
Alton		1																						1	
Asheville			1		1c																			2	
Athens			1	1																				2	
Attleboro, Mass.		1	1																					2	
Baltimore						1												1						2	
Beaver Co., Pa.								1																1	
Boston		1	1			1	1																	5	
Buffalo		1	1		1																			4	
California																								0	
Charlotte, N. C.			1										1	1										3	
Chicago		1	1																					2	
Cleveland		1	1																					2	
Dallas						1									1	1								3	
Dayton		1	1																					2	
Delaware						1												1			1			3	
Denver		1	1																					2	
Detroit		1	1																					2	
Fort Wayne			1	1																				2	
Grand Rapids		1	2					1	2															5	
Hartford		1				1																	1	2	
Hawana						1												1						2	
High Point, N. C.			1		1c																			2	
Indianapolis			2	2																				4	
Lancaster		1				1																		2	
La Crosse		1		1										1										2	
Louisville		1	1	1								1				1								4	
Maas		2	1			1																		4	
Milwaukee		1	1																					2	
New Haven		1						1	1	2			1											5	
New Orleans			1			1																		2	
Newark			1			1																		2	
New York City				1				1	1	5			1	1								1		11	
Peoria		1	1	1																				3	
Philadelphia		1	1																	1				2	
Plainfield						1																		1	
Princeton		1								1	2													3	
Poughkeepsie			1		1					1	1		1											4	
Reading		1 <sup>a</sup>								1	1	1												3	
Rhode Island			1			1																		2	
Richmond (Com. F.)		1	1							1	2													3	
Richmond (Fndtn)		1								1	2													3	
St. Louis		1	1							1	2													3	
Salem										1	1			1										3	
Salisbury			1		1c						2													3	
Saugamon Co., Ill.		1		1						1	2													3	
Scranton-Dunmore		1 <sup>a</sup>						2	1		2											2		5	
Seattle						1				1	2													3	
Spokane			1		1						2													3	
Toledo		1	1								2													3	
Tulsa		1	1		1	1					3													5	
Vermont						1												1	1	1				3	
Wash., D. C.						1				1	2													3	
Winnipeg			1		1					1														2	
Williamsport								1		1	2													3	
Winston-Salem			1		1c						2													3	
Worcester		1								1	2		1											4	
Youngstown		1	1							1	2													3	
		3	32	42	8	11	14	2	4	8	12	39	117	5	3	2	5	1	2	1	3	1	6	1	331

c Clerk. <sup>a</sup> Orphans Court. <sup>b</sup> One by the Governor, the Secretary of State and the Attorney-General. <sup>c</sup> One by committee of Presidents of Boards of Trustees of the local Art Museum, Polytechnic Institute, and University.

needs of the community, it being specified that not more than one, or 2 at the most, shall be of the same religious sect or denomination, and that anyone holding or seeking political office is disqualified from serving. Under the terms of the agreement creating the Dallas Community Trust, the "Board shall consist of matured persons outstanding in the community, well travelled, of broad experience with the world, kindly disposed to and sympathetic with all classes and types of people, tolerant of the views of others, of recognized probity, sound judgment and philanthropic disposition."

**A Suggested Method of Appointment.** It is suggested that an ideal arrangement might be: A Committee of 9, 3 of whom should be appointed by public officials, 3 by the presidents of the affiliated trustee banks (who may be organized in a Trustees' Committee) and 3 by representatives of local educational, charitable, and civic interests. Under the last classification the presidents of local universities or colleges might name one, the president of the Community Chest, Council of Social Agencies or other body representing charitable agencies might name one, and the president of the Chamber of Commerce, or similar body representing civic interests might name the third member. If it be considered that the appointing agencies in the last classification are too changeable and may be too interested in particular charities, some other more broadly representative or disinterested authority should be designated.

In addition, it should be provided that if, at any time, in the collective opinion of the respective representatives of the trustee banks and trust companies, constituting the Trustees' Committee, and the Distribution Committee, the method of appointment provided for in the Declaration of Trust was unsatisfactory in view of conditions existing at that time, a new method of appointment should be adopted by the affirmative vote of a majority of the members of the Trustees' Committee and the Distribution Committee. The termination of the trust should be provided for in a similar manner, and in the event of such termination, each of the trustees, respectively, empowered to administer the funds in its care in such manner as will most nearly conform in its judgment, to the charitable intentions and purposes of each donor. (In this connection see Articles X and XI of the New York and Cleveland Declarations on page 50.)

**Prompt Appointment of Distribution Committee Desirable.** As the principal function of the Distribution Committees is to spend the income of the trust, and only 29 of the 41 trusts had reached the point of distributing income by December 31, 1930, it is perhaps understandable why only 43 trusts of the 74 report the appointment of their respective Distribution Committees. Of the 43 which had appointed Distribution Committees, 32 were appointed by trusts with capital funds, and 11 by trusts which had no funds. The 9 trusts with principal funds which have not yet appointed Distribution Committees have so little income that it is being allowed to accumulate for the time being. (See Table III on page 18.)

However, in the opinion of the Committee on Community Trusts, the appointment of the Distribution Committee should proceed as soon as possible after the adoption of the Declaration of Trust, without waiting for any gifts to be received, as was done in the case of all of the more successful trusts. Such appointments not only afford an opportunity for favorable publicity, but prospective donors will be more inclined to give to a community trust that is fully organized and ready to function, and if they know, and have confidence in, the persons who are to be entrusted with the responsibilities of distributing the income.

**Meetings.** Some idea of the functioning of the Distribution Committees of the various trusts is indicated in Table III. It will be noted that in the case of the 27 Committees which held meetings during 1930, the frequency of these meetings varied from one to 12 times.

The respective Committees of the Cleveland and the Indianapolis Foundations led with 12 meetings during 1930; the Chicago, Buffalo and Winnipeg Committees followed with 6 meetings; New York reported "Frequent conferences, periodical mail polls, meetings at intervals of several months." The Dayton Committee held 5 meetings; Boston, New Haven and Rhode Island each held 4 meetings; Lancaster (Pa.), Williamsport (Pa.) and Van Wert (Ohio), 3; California, Denver, Minneapolis, Pendleton (Ore.), Richmond Foundation (Va.), Toledo and Spokane, 2; while the Committees in the following cities held one meeting; Grand Rapids, Milwaukee, Princeton, Syracuse, Tulsa, Watertown (N. Y.), and Winston-Salem.

#### 4. EXECUTIVE OFFICES, DIRECTORS AND STAFF MEMBERS OF EXISTING TRUSTS

Tables III, IV and V show the status of the 41 trusts which had principal funds by December 31, 1930. Eight of these trusts are maintaining executive offices; 6 are each employing a full-time, paid director; 7 have part-time directors. The 13 trusts with full-time or part-time directors in all employ 19 full-time and 5 part-time staff members. The Buffalo Foundation

leads with 8 full-time and one part-time staff members; Chicago, Indianapolis, New York, Cleveland and Boston each have 2 full-time persons on their staffs, Boston and New York having one part-time employee in addition; Richmond Foundation reports 2 part-time employees; and Winnipeg one full-time and one part-time staff member.

TABLE III  
STATUS OF FORTY-ONE COMMUNITY TRUSTS WITH PRINCIPAL FUNDS WITH REGARD TO EXECUTIVE OFFICES, PERSONNEL, APPOINTMENT AND MEETINGS OF DISTRIBUTION COMMITTEES DURING 1930

Name of Trust	Affiliated or Single Trustee	Date Created	Maintaining Executive Office	Full Time Director	Part Time Director	No. on Full Time Staff	No. on Part Time Staff	Distribution Committee Appointed	Number of Times Distribution Committee or Board met in 1930											
									12	6	5	4	3	2	1					
Boston Permanent Charity Fund	S	1915	Yes		Yes	2		Yes												
Buffalo Foundation	M	1920	Yes	Yes		8	1	Yes		X										
Cleveland Foundation	M	1914	Yes	Yes		2		Yes	X											
Chicago Community Trust	M	1915	Yes	Yes		2		Yes	X	X										
Indianapolis Foundation	M	1916	Yes	Yes		2		Yes	X											
California Community Foundation	S	1915	Yes	Yes				Yes												X
New York Community Trust	M	1920	Yes		Yes	2	1	Yes		X										
Winnipeg Foundation	M	1921	Yes	Yes		1	1	Yes		X										
Atlanta Foundation	S	1921			Yes			Yes												
Dayton Foundation	M	1921			Yes			Yes			X									
Richmond Foundation	S	1919			Yes		2	Yes												X
Tulsa Permanent Community Trust	S	1919			Yes			Yes												X
Winston-Salem Foundation	S	1919			Yes			Yes												X
New Haven Foundation	M	1927						Yes				X								
Rhode Island Foundation	S	1916						Yes				X								
Toledo Community Foundation	S	1921						Yes												X
Williamsport Foundation	M	1916						Yes												X
Denver Foundation	M	1925						Yes												X
Spokane Foundation	S	1915						Yes												X
Grand Rapids Foundation	M	1922						Yes												X
Milwaukee Foundation	S	1915						Yes												X
Pendleton Foundation	M	1928						Yes												X
Lancaster Community Trust	M	1924						Yes												X
Kenosha Foundation	S	1926						Yes												X
Princeton Community Trust	S	1925						Yes												X
Alameda County Community Foundation	M	1930						No												
Attleboro Foundation	S	1915						No												
Cambridge Foundation	S	1916						No												
Delaware Foundation	S	1920						Yes												
Detroit Community Trust	M	1915						Yes												
Fort Wayne Foundation	M	1923						No												
Hawaiian Foundation	S	1916						No												
High Point Foundation	S	1919						Yes												
Louisville Foundation	M	1914						No												
Martha's Vineyard Foundation	M	1928						No												
Peoria Community Trust	S	1918						Yes												
Philadelphia Foundation	S	1918						Yes												
Poughkeepsie Community Trust	S	1925						Yes												
Scarsdale Foundation	M	1923						No												
Waterbury Foundation	M	1928						No												
Youngstown Foundation	S	1918						Yes												

#### 5. SINGLE OR MULTIPLE TRUSTEESHIP?

**Inclusion of All Fiduciaries Necessary for Success.** If the foundation is to be a real community trust, and realize its full potentialities, the concerted action of all the trust institutions in the community is essential. The participation of all the banks in the trust will promote a feeling of public confidence in the plan and in the security and impartial administration of gifts made under it. Bar Associations and members of the Bar, newspaper associations, social and civic organizations will tend to be more favorable to the plan than if the trust were organized and controlled by one bank, and the cordial cooperation of such bodies is of great importance in the development of the community trust.

**Distinct Trend Toward Multiple Trusteeship.** While only 3 of the 31 trusts formed prior to

TABLE V  
THIRTY COMMUNITY TRUSTS DISTRIBUTING INCOME 1930-1929  
Grouped by Size of Amount Distributed During 1930

	1930	1929	Increase 1930 Over 1929
Boston Permanent Charity Fund	\$319,473	\$221,148	\$98,325
New York Community Trust	188,975	186,711	2,264
Chicago Community Trust	133,219	107,622	25,597
Indianapolis Foundation	119,925	123,193	-3,268
Cleveland Foundation	99,757	91,016	7,741
Winnipeg Foundation (Canada)	59,100	6,000	44,100
Buffalo Foundation	25,743	21,600	4,143
Youngstown Foundation	10,588	8,457	11,131
Cambridge Foundation	17,865	17,865	
Dayton Foundation	16,024	15,643	381
Kenosha Foundation	13,409	10,439	2,970
Williamsport Foundation	11,841	7,289	4,552
Detroit Community Trust	7,297	9,011	-1,714
New Haven Foundation	6,403	5,559	844
Winston-Salem Foundation	5,269	3,529	1,740
Tulsa Permanent Community Trust	4,900	2,450	2,450
Toledo Community Foundation	4,500	4,500	
California Community Foundation (Los Angeles)	4,200	2,800	1,400
Milwaukee Foundation	3,700	3,700	
Grand Rapids Foundation	3,000		3,000
Scarsdale Foundation	2,500		2,500
Atlanta Foundation	1,795	100	1,695
Waterbury Foundation (Conn.)	1,500	1,500	
Denver Foundation	1,500	1,500	
Spokane Foundation	1,000	1,000	
Hawaiian Foundation	813	900	-87
Philadelphia Foundation	489	468	21
Princeton Community Trust	146	156	-10
Peoria Community Trust	121	121	
Poughkeepsie Community Trust		180	-180
<b>Total</b>	<b>\$994,381</b>	<b>\$852,356</b>	<b>\$142,025 or 16.6%</b>

1920 were created under the multiple trustee plan, in the following 12 years, 28 out of 43 trusts created, or 65 per cent, were organized under the "multiple

TABLE IV  
FORTY-ONE COMMUNITY TRUSTS WITH PRINCIPAL FUNDS HELD 1930-1929  
Grouped by Size of Fund Held in Trust  
December 31, 1930

	1930	1929	Increase 1930 Over 1929
New York Community Trust	\$8,672,382	\$8,585,828	\$86,554
Chicago Community Trust	5,099,000	5,039,000	60,000
Boston Permanent Charity Fund	4,841,884	4,842,380	-506
Cleveland Foundation	2,673,863	2,818,863	-155,000
Winnipeg Foundation (Canada)	2,339,237	1,298,160	1,041,077
Indianapolis Foundation	1,868,694	1,868,694	
Denver Foundation	1,000,000	1,000,000	
Buffalo Foundation	992,456	982,456	10,000
Milwaukee Foundation	725,000	675,000	50,000
Youngstown Foundation	676,009	450,610	245,395
Philadelphia Foundation	622,060	622,060	
Winston-Salem Foundation	365,487	348,500	16,987
California Community Foundation	312,353	300,329	12,024
Dayton Foundation	288,950	288,425	525
Detroit Community Trust	259,181	228,245	1,936
Cambridge Foundation	225,000	225,000	
Williamsport Foundation	150,000	150,000	
Grand Rapids Foundation	100,000		100,000
New Haven Foundation	100,000	100,000	
Tulsa Permanent Community Trust	100,000	50,000	50,000
Richmond Foundation	80,300	77,728	2,572
Toledo Community Foundation	80,000	80,000	
Fort Wayne Foundation	75,000	75,000	
Rhode Island Foundation	73,000	46,000	27,000
Scarsdale Foundation	65,000		65,000
Atlanta Foundation	52,854	13,019	39,835
Alameda Co. Community Foundation (Oakland, Cal.)	50,000		50,000
Kenosha Foundation	38,750	36,000	2,750
Waterbury Foundation (Conn.)	35,000	35,000	
Hawaiian Foundation	25,400	25,400	
Spokane Foundation	25,000	25,000	
Lancaster Community Trust	13,048	13,048	
Louisville Foundation	8,634	8,634	
Pendleton Foundation	4,000		4,000
Princeton Community Trust	3,251	3,251	
Peoria Community Trust	3,000	3,000	
Attleboro Foundation	1,045	1,042	3
Poughkeepsie Community Trust	1,000	1,000	
Delaware Foundation	780		780
Martha's Vineyard Foundation		384	29
High Point Foundation	136	136	
<b>Total</b>	<b>\$32,318,164</b>	<b>\$30,297,092</b>	<b>\$2,021,172 or 6.6%</b>

trusteeship plan," with several or all of the trust institutions in the community jointly adopting the Declaration of Trust. During that period, 5 foundations originally created under single trusteeships were converted into the multiple form. See Table VI shown below.

Of the 20 leading trusts possessing funds of over \$100,000, 13, or 65 per cent, are formed on the multiple trustee plan. The Cleveland Foundation was originally organized with but a single trustee, but was converted into the multiple trusteeship form in

January, 1931, by the adoption by 5 trust companies and banks, of a uniform declaration of trust under which each bank is authorized and empowered to accept funds for the benefit of the Cleveland Foundation. The Detroit Community Trust was similarly converted from the single to the multiple form of trusteeship in 1928, while the Chicago Community Trust operates under a combination form of trusteeship, only the original institution adopting the "Declaration" having the right to appoint representatives on the Distribution Committee, but other insti-

tutions in the city being subsequently authorized to receive funds and to be represented on the "Advisory Council."

**Multiple Trustees Hold Most Funds.** The following table shows the relative percentage of funds held by foundations operating under the multiple and single trusteeship plan. While there are 21 foundations possessing capital funds that are operating under the single trusteeship plan, as against 20 foundations with multiple trustees, it will be noted that the foundations operating under the multiple trustee plan have received nearly 75 per cent of the total amount of capital funds. It would also seem to indicate the growing favor of the multiple trustee plan in that of the amount held by the single trustees, nearly 98 per cent is held by trusts organized prior to 1921, and only 2 per cent by trusts created during

the past decade; whereas in the case of the multiple trusteeships, 83 per cent of the amount credited to the multiple trustees is held by the trusts created prior to 1921, and nearly 17 per cent by the trusts organized since that date.

**Inviting Other Banks to Participate.** Many of the trust companies and banks at present serving as the single trustee of the local community trust, state that they would welcome the participation of other banks in the community trust plan, and, in fact, hesitate to push the community trust idea until all banks and trust companies in the city are cooperating in the movement.

In such cases, it is suggested that the institution originally adopting the "Declaration of Trust," invite all the other banks and trust companies to join with it in developing the trust, that a meeting, attended by

TABLE VI  
COMMUNITY TRUSTS LISTED BY YEARS ORGANIZED, WITH TYPE OF TRUSTEESHIP AND FUNDS HELD, DECEMBER 31, 1930

Year	Foundation	Trustee Single Multiple	Funds Held Dec. 31, 1930
1914	Cleveland Foundation.....	M*	\$2,973,863
1911	St. Louis Community Trust.....	S	25,000
	Spokane Foundation.....	S	112,353
	California Community Foundation.....	S	5,999,000
	Chicago Community Trust.....	M*	725,000
	Milwaukee Foundation.....	S	1,046
	Attleboro Foundation.....	S	
	Mississippi Foundation.....	M*	
	Boston Permanent Charity Fund.....	S	4,341,384
	Detroit Community Trust.....	M*	229,281
	Seattle Community Trust.....	S	
	Sioux City Common Fund.....	S	
1916	Indianapolis Foundation.....	M	1,868,694
	Louisville Foundation.....	M*	8,634
	Rhode Island Foundation.....	S	77,000
	Hawaitan Foundation.....	S	25,400
	Cambridge Foundation.....	S	225,000
	Williamsport Foundation or Community Trust.....	M	150,000
1917			
1918	New Orleans Foundation.....	S	
	Worcester Co. Charitable Foundation.....	M	
	Philadelphia Foundation.....	S	622,060
	Peoria Community Trust.....	S	3,000
	Youngstown Foundation.....	S	676,005
1919	Washington Foundation (D.C.).....	S	
	Richmond Foundation.....	S	80,300
	Salisbury Foundation.....	S	
	High Point Foundation.....	S	136
	Winson-Salem Foundation.....	S	365,467
	Community Trust for Newark and Vicinity.....	S	
	Asheville Foundation.....	S	
	Permanent Community Trust (Tulsa).....	S	100,000
1920	Buffalo Foundation.....	S; M*	992,456
	Delaware Foundation.....	S	780
	New York Community Trust, Baltimore Community Foundation.....	M	8,672,382
	Plainfield Foundation.....	S	
	Haerisburg Foundation.....	M	
	Portland Foundation.....	S	
1921	Maine Charity Foundation.....	S	
	Atlanta Foundation.....	S	32,854
	Dayton Foundation.....	M	288,950
	Tulsa Foundation.....	S	80,000
	Winnipeg Foundation (Canada).....	M	2,339,337
1922	Grand Rapids Foundation.....	M	\$ 180,930
1923	Scarsdale Foundation.....	M	65,000
	Beaver Co. Foundation.....	M	
	Walla Walla Foundation.....	S	
	Fort Wayne Foundation.....	M	72,000
1924	Saugamon Co. Foundation.....	M	
	Lancaster Community Trust.....	M	15,940
1925	Poughkeepsie Community Trust.....	S	1,000
	Community Trust of Princeton.....	S	3,251
	Hartford Foundation for Public Giving.....	M	
	The Denver Foundation.....	M	1,000,000
	Akron Foundation.....	M	
	Van Wert Co. Foundation.....	M	
1926	Oklahoma City Community Trust.....	S	
	New Brunswick Foundation.....	S	38,750
	Kenosha Foundation.....	S	
1927	New Haven Foundation.....	M	100,000
	Syracuse Foundation.....	M	
1928	Pendleton Foundation.....	M	4,000
	Martha's Vineyard Foundation.....	M	413
	Reading Foundation.....	M	
	Waterbury Foundation.....	M	35,000
1929	Watertown Foundation, Inc.....	M	
	Mississippi Foundation.....	S	
1930	Charlotte Foundation.....	M	
	Salem Foundation.....	S	
	Alameda Co. Community Foundation.....	M	50,000
	Dallas Community Trust.....	M	
	La Crosse Community Trust.....	M	
1931	The Vermont Foundation.....	M	
	Richmond Community Foundation.....	M	

\*Originally Single

Note: This list does not include the following trusts which are reported never to have functioned or as having ceased to exist:

Hoxton Foundation (1915)	Orlando, Community Trust
Pittsburgh Community Foundation (1919)	Rochester Foundation
Cincinnati Foundation (1920)	Anaconda, Ill. (no reply)
Zanesville Foundation (1925)	Columbus, Ohio (no reply)
	Scranton, Pa.

TABLE VII  
RELATIVE PERCENTAGE OF FUNDS HELD BY FOUNDATIONS OPERATING UNDER MULTIPLE AND SINGLE TRUSTEESHIPS

Amount Held by Single Trustees			Amount Held by Multiple Trustees		
Place Located	Amount 12/31/30	Date Organized	Place Located	Amount 12/31/30	Date Organized
Boston	\$4,841,884	1915	Cleveland	\$2,973,863	1914
California	312,353	1915	Louisville, Ky.	8,634	1914
Attleboro, Mass.	1,046	1915	Chicago	5,999,000	1915
Milwaukee	725,000	1915	Detroit	299,281	1915
Spokane	25,000	1915	Indianapolis	1,868,694	1916
Rhode Island	77,000	1916	Williamsport, Pa.	150,000	1916
Hawaii	25,400	1916	Buffalo	992,456	1920
Cambridge	225,000	1916	New York	8,672,382	1920
Philadelphia	622,060	1918	Dayton	288,950	1921
Peoria	3,000	1918	Winnipeg	2,339,337	1921
Youngstown	676,005	1918	Grand Rapids	180,930	1922
Richmond Foundation	80,300	1919	Scarsdale, N. Y.	65,000	1923
Winston-Salem	365,487	1919	Fort Wayne	72,000	1923
Tulsa	100,000	1919	Lancaster, Pa.	15,940	1924
High Point, N. C.	136	1919	Denver	1,000,000	1925
Delaware	780	1920	New Haven, Conn.	100,000	1927
Atlanta	51,854	1921	Pendleton, Ore.	4,000	1928
Toledo	80,000	1921	Waterbury, Conn.	35,000	1928
Poughkeepsie	1,000	1925	Martha's Vineyard	413	1928
Princeton, N. J.	3,251	1925	Alameda County, Cal.	50,000	1930
Kenosha, Wis.	38,750	1926			
<b>Total</b>	<b>\$8,252,306</b>	<b>or 25.6%</b>	<b>Total</b>	<b>\$14,065,858</b>	<b>or 74.4%</b>
<i>Amount Held by Single Trustees</i>			<i>Amount Held by Multiple Trustees</i>		
Organized 1914-20	\$8,076,451	or 97.3%	Organized 1914-20	\$19,994,310	or 83.1%
Organized 1921-30	175,855	or 2.1%	Organized 1921-30	4,071,548	or 16.9%
	<b>\$8,252,306</b>			<b>\$24,065,858</b>	
	<b>or</b>			<b>or</b>	
	<b>25.6%</b>			<b>74.4%</b>	
Organized 1914-1920	Funds Held 12/31/30	Organized 1921-1930	Funds Held 12/31/30	Organized 1914-1930	Total Funds 12/31/30
Single Trustees	\$ 8,076,451	Single Trustees	\$ 175,855	Single Trustees	\$ 8,252,306 25.5%
Multiple Trustees	19,994,310	Multiple Trustees	4,071,548	Multiple Trustees	24,065,858 74.5%
	<b>\$28,070,761</b>		<b>\$4,247,403</b>		<b>\$32,318,164 100%</b>
	<b>or 85.8%</b>		<b>or 13.2%</b>		

COMMUNITY TRUSTS IN THE UNITED STATES AND CANADA

representatives of the trust institutions and their attorneys, be held to discuss plans and procedure and to determine whether the Cleveland, the Detroit or the

Chicago plan for including other banks as trustees for community trust property, will best suit the participating banks in achieving their object.

TABLE VIII

STATUS OF THIRTY-THREE TRUSTS REPORTING NO PRINCIPAL FUNDS AS OF DECEMBER 31, 1930

(a) Trusts Named in Wills, or Newly Organized:			(b) Continued		
Conn.	Hartford	Hartford Foundation for Public Giving	N. J.	New Brunswick	New Brunswick Foundation
D. C.	Washington	The Washington Foundation	N. C.	Asheville	Asheville Foundation
Ill.	Springfield	Sangamon County Foundation		Salisbury	Salisbury Foundation
La.	New Orleans	New Orleans Foundation	Ohio	Akron	Akron Foundation
Minn.	Minneapolis	The Minneapolis Foundation	Okla.	Oklahoma	Oklahoma City Community Trust
Miss.	Jackson	Mississippi Foundation	Oregon	Portland	Portland Foundation
Mo.	St. Louis	St. Louis Community Trust	Pa.	Beaver Falls	Beaver County Foundation
N. I.	Newark	Community Trust for Newark and Vicinity		Harrisburg	Harrisburg Foundation
	Plainfield	Plainfield Foundation		Reading	Reading Foundation
New York	Syracuse	Syracuse Foundation	Washington	Seattle	Seattle Community Trust
	Watertown	Watertown Foundation, Inc.			
N. C.	Charlotte	Charlotte Foundation			
Ohio	Van Wert	Van Wert County Foundation			
Oregon	Salem	Salem Foundation			
Texas	Dallas	Dallas Community Trust			
Virginia	Richmond	Richmond Community Foundation			
Vermont	Burlington	The Vermont Foundation			
Washington	Walla Walla	Walla Walla Foundation			
Wisconsin	La Crosse	La Crosse Community Trust			
(b) Trusts Reporting No Funds Nor Knowledge of Any Gifts in Prospect:			(c) Trusts Definitely Stated as Having Ceased to Exist:		
Iowa	Sioux City	Sioux City Common Fund	Fla.	Orlando	Orlando Community Trust
Maine	Portland	Maine Charity Foundation	N. Y.	Rochester	Rochester Foundation (Absorbed by Community Chest)
Maryland	Baltimore	Baltimore Community Foundation	Ohio	Cincinnati	Cincinnati Foundation
Mass.	Worcester	Worcester County Charitable Foundation	Pa.	Pittsburgh	Pittsburgh Community Foundation
			Texas	Houston	Houston Foundation
(d) Trusts Under Contemplation in					
	Alabama	Mobile			
	Illinois	La Salle			

6. ADMINISTRATIVE AND DEVELOPMENT EXPENSES

**Provision for First Expenses.** There must be anticipated in most cases a period of from one to 2 or 3 or more years before income will be available for the general purposes of the trust or for the necessary expenses.

Though there is a growing tendency to create living trusts, the greater number of gifts to community trusts have been and will probably be in the form of bequests under wills. These, of course, do not take effect until the death of the testator and, in many instances, when the principal funds do come into the possession of the trust, the income is payable to a specified beneficiary for life and may not be available for the purposes of the community trust for many years.

Thus, some means must be determined for covering development expenses until the trust is fully established and functioning.

These expenses could, in the case of a multiple trusteeship, be pro-rated among the trustee banks and trust companies, as their respective contributions to the foundation, or borne by the one trust institution in the case of a single trusteeship. An attempt might be made, as was done successfully in Buffalo, to interest residents of the community in sustaining memberships in the foundation, or voluntary subscriptions might be secured, as was done in Cleveland.

**Administrative and Development Expenses of Existing Trusts.** The administrative and development expenses reported by the 41 functioning trusts are negligible. This is due to the fact that such expenses for the greater part are borne by the trustee bank or banks without utilization of any portion of the foundation's income for the purpose.

In the case of the 8 foundations maintaining execu-

tive offices, administrative expenses represent salaries of Director and staff members whose time is spent largely in vocational guidance, health consultations, civic surveys, etc. These activities are considered to be among the outstanding contributions to social service made by the foundation, and their cost may be legitimately included in the total amount spent for charity.

The following table shows administrative and development expense of 12 trusts which reported paying such expenses, from the income of the trust, with per cent of total amount expended, in the case of each trust, for the year 1930, and number of full-time and part-time people employed. The remaining 29 active trusts reported no expenses of this nature or that such items were absorbed by the trustees.

TABLE IX  
ADMINISTRATIVE AND DEVELOPMENT EXPENSES OF TWELVE COMMUNITY TRUSTS FOR 1930

City Located	Development of Total and Admin. Expense of Each Trust	Per Cent of Total	Director No. on Staff	
			Full Time	Part Time
Boston	\$10,145	3.0%	1	1
Buffalo	7,424	28.8%	1	5
Cleveland	14,626	15.1%	1	2
Chicago	14,617	10.7%	1	2
Indianapolis	8,623	6.5%	1	1
Winnipeg, Canada	5,682	6.9%	1	1
Dayton	439	2.6%	1	1
Detroit	1,550	17.7%	1	1
Tulsa	100	2.0%	1	1
Winston-Salem	280	5.0%	1	1
Denver	2,000	66.6%	1	1
Spokane	200	16.6%	1	1

"I am hopeful that in these days of social unrest, when the accumulation of large fortunes is often decried, if it be known that a generous portion of the wealth one accumulates is ultimately to be devoted to community use, it may be deemed honorable, even in the eyes of the professional critic, for men who prefer struggle and achievement to idleness and leisure to continue the pursuit of wealth.

"If the Foundations can measurably fulfill the purposes for which they are organized, they offer an agency for making philanthropy more effective and for cutting off as much as is harmful of the dead past from the living present and the unborn future. Through their operation we may anticipate some degree of relief from the withering, paralyzing, blight of the Dead Hand, through the years when no intellect remains to apply reason and sympathy and discretion to the terms of antiquated fiat."

—F. H. GOFF, former President, the Cleveland Trust Co.

## IV Activities for 1930 of Nine Leading Community Trusts

Some idea of the ways in which the income of the community trusts is being distributed may be obtained from the following summaries of the activities of 9 of the more active foundations—Boston, New York, Chicago, Indianapolis, Cleveland, Winnipeg, Buffalo, Dayton and New Haven—for the year 1930. The wide variation in the policy of the different foundations as to the use of funds will be noted.

**Boston Permanent Charity Fund.** During 1930—the 13th year of its activity—the Permanent Charity Fund has made appropriations totalling \$218,501.88 to 117 different organizations. These were divided among the following fields:

Education	\$ 16,675
Sickness: convalescence, dispensaries, hospitals, community health, social service, relief funds	73,550
Social Welfare: general, family welfare, recreation and character building, employment and industrial conditions, children, maternity, settlement houses, research, relief funds	121,850
Old Age: homes, relief	3,150
Church	311
Special Appropriations	2,965
	\$218,501

It is the aim of the Fund to keep pace with the ever-changing needs of the community, and to distribute the income in the light of these changes—thus enabling the charitable work to be carried on in the directions in which it is most needed at the time when the income is available.

The Fund publishes an annual year book itemizing all expenditures, and containing an alphabetical list of the charitable organizations to which appropriations have been made with a brief statement of the work carried on by each.

One of the most valuable results of the work of the Permanent Charity Fund has been the strengthening of the trend toward closer association and cooperation between the charitable organizations of Boston and its vicinity. Each organization has been brought to consider itself in relation to the whole work of the community and to other organizations doing similar or related work. The accounting methods of each have been brought into uniformity with the best and most economical systems and the great diversity in accounting methods which existed before the foundation began its work, has disappeared.

**The New York Community Trust.** The New York Community Trust, which is one of the 16 community trusts that is world-wide in its scope, paid out \$188,975 during 1930.

While this sum was distributed mainly in New York and vicinity, a substantial portion went to foreign lands.

In the case of each disbursement made, the express desires of the donor concerned were carried out. The chief recipients were as follows:

Salvation Army, New York	\$54,728.41
Visiting Nurse Service, New York	52,131.24
University of Jerusalem, Jerusalem	26,567.72
United Hospital Fund	16,428.54
Association for Improving the Condition of Poor	10,945.71
Charity Organization Society	10,945.71
Research on Military Education	6,498.07
Girl Scouts	5,312.50
Westchester County Children Association	2,827.40
Authors' League	1,065.77
St. Stephens College	414.72
Scholarships for Indian Children	275.00
Brooklyn Association for Improving Condition of Poor	269.41
"Le Lyceum" Society	199.50
Long Island Biological Association	198.28
Junior Red Cross	130.63

**The Chicago Community Trust.** During the year 1930 the income of the Chicago Community Trust was distributed to 73 institutions in the following fields, one additional institution receiving a gift from capital funds:

	No. of Institutions	Amount
Health	22	\$57,684.38
Education	4	24,048.94
Care of Old People	5	16,003.12
Relief	4	10,490.62
Care of Children	14	5,142.08
Shelter, Protection and Special Services	9	4,321.73
Character Building	2	4,051.32
Religious	4	1,604.75
Social Settlements	4	1,271.75
General	2	3,500.00
Unclassified	1	751.73
	74	\$99,770.42
From Capital—		
Character Building	1	18,589.30
		\$118,359.72

**The Indianapolis Foundation.** The Indianapolis Foundation's contributions for 1930—its seventh year of activities with an office and Director—

included \$12,000 to the Indianapolis Employment Bureau and the relief of unemployment, and \$18,000 to the city's community chest; \$5,000 to the Indianapolis Teachers College; \$13,250 to the Indianapolis Orphan Asylum; \$8,219 to the Public Health Nursing Association. Scholarships for 1930 totalled \$12,335 and included 61 high school and 34 college scholarships.

Activities inaugurated and maintained by the Foundation and which it is hoped will be continued by the city or other appropriate agencies, received appropriations as follows: Child Guidance Clinic—\$13,000; Admitting Department, City Hospital—\$4,000; Sunnyside Sanitarium—\$3,000; James E. Roberts School for Crippled Children—\$12,000 (\$9,000 of which was refunded by the State Department of Public Institutions).

Reports of the Hospital Survey and of the Recreation study were published at an expense of \$687 and \$2,200, respectively. Many of the recommendations of the Hospital report are already in operation and those of the Recreation report will be after the industrial depression has passed.

**The Cleveland Foundation.** During the year 1930, the Foundation contributed to the building up of the Graduate School at Western Reserve University, gave scholarship aid to more than two-score young men and women through three scholarship funds aggregating \$15,000 income annually; supported a unique camp for the care of diabetic children; carried on a research study into the behavior problems of boys, under the auspices of the School of Applied Social Sciences of Western Reserve University; gave substantial assistance to a hospital for crippled children; ameliorated certain child welfare needs; published a year book and a directory of civic and social agencies; as well as made recurring appropriations to several well-conducted, private charitable organizations designated by donors.

**The Winnipeg Foundation.** The executive office of the Winnipeg Foundation was opened in August, 1930, upon receipt of the large estates of Mr. and Mrs. Alloway, the founders of the trust. The former general manager of the late donor's private banking business, who was likewise executor of Mr. and Mrs. Alloway's estates, was appointed Secretary of the Foundation.

Out of an annual income of approximately \$75,000, \$50,000 was distributed at the beginning of 1930. The amount was divided as follows: \$23,800 to 15 child caring institutions, \$17,250 to 4 hospitals and nursing services, \$3,000 to the blind, \$3,700 to 3 homes for the aged, and \$2,350 to 4 character building and general welfare institutions. Contributions were also made to the various fresh air camps and other special summer services to under-privileged children.

Since the Foundation entered the field in a larger way, there has been a general improvement brought about in the financial condition of the various local charities. In cooperation with the Federated Budget Board of Winnipeg, which is an organization similar to a Community Chest, the Winnipeg Foundation has succeeded in bringing the larger proportion of institutions into a current position, where they are able to pay their obligations on a monthly basis, with many consequent savings. A monthly financial report is rendered by these institutions in order that any adverse change in their position may be quickly discerned.

Since March 1, 1930, the Foundation has encouraged and will continue to sponsor the establishment, supervision and support of Community Clubs for Boys and Community Clubs for Girls, as a preventive measure. Efforts have been directed towards unifying existing activities, by the creation of a general council made up of representatives from various service clubs and other interested organizations and individuals, to study and carry on the work. The Foundation expects to defray the cost of general supervision of the effort through the agencies who are in a position to provide trainers and workers. The object is to inspire boys and girls with the spirit of fair play, high ideals of honor, clean speaking, clean actions, a respect for law and order, and train them for good Canadian citizenship.

**The Buffalo Foundation.** The Buffalo Foundation conducts a Bureau of Studies and Social Statistics and also a Children's Consultation, with a psychiatrist, a psychologist and psychiatric social worker.

Other activities for the year 1930 include scholarship awards totalling some \$2,000, and loan funds some \$1,000. A study of charitable bequests in the City of Buffalo is being made with a view to stimulating larger contributions.

From time to time, a "Foundation Forum" is published which carries the results of Foundation studies and social welfare discussions and serves as a medium of getting people acquainted with the Foundation. The third edition of the Foundation Directory of Social Service Agencies in Buffalo and Erie County was published and supplied to prospective donors, to individuals serving on the Boards of the Social Agencies and to social workers.

**The Dayton Foundation.** During the year 1930, the amounts given by the Dayton Foundation were distributed as follows:

Research in Civic Affairs	
Dayton Research Association	\$9,972.81
Community Chest Association	4,732.59
	\$13,895.40
Research in Unemployment	650.00

<b>Children's Health and Welfare</b>			
Children's Bureau	\$200.00		
Camp Expense—Girl Scouts	352.00		
Camp Expense—Boy Scouts	330.00		
Camp Expense—Boys of 5th St. Y.M.C.A.	112.00		
Dayton Boys' Club	300.00	\$1,294.00	
<b>Civic Promotion</b>			
Expenses of City Employees in Attending Conventions and Conferences in their lines of work		174.77	
To Principal of Fresh Air Fund		100.00	
<b>Total for Research, Welfare and Civic Betterment</b>			\$16,014.17

**The New Haven Foundation.** The first active work with the cooperation or under the auspices of the New Haven Foundation was undertaken in 1930. About \$12,000 income became available in the last half of 1929 and in 1930 from the trust created by the will of Nettie J. Dayton. This was distributed by the Distribution Committee of the Foundation to help meet the unemployment crisis caused by the industrial depression, and to establish an experimental or demonstration program for the control of cancer. Payments were made as follows:

Family Placement Bureau conducted by the Family Society of New Haven, the Catholic Social Service Bureau, and the Jewish Welfare Society	\$ 1,500
Unemployment Relief:	
Family Society of New Haven	2,000
Catholic Social Service Bureau	2,000

Jewish Welfare Society	\$1,621
Cancer Control Committee	5,028
<b>Total Distribution</b>	\$12,149

The cancer control campaign was decided upon by the Distribution Committee because the Committee felt that it offered possibilities of constructive health work on a problem which had not been attacked in a coordinated and vigorous manner in New Haven. Studies of the death rate over a period of years, of the relative proportion of deaths between women and men, between ages, between the foreign and native born, and between the parts of the body most frequently attacked; newspapers, the radio, leaflets and direct audiences were employed to place before the public the message that cancer may often be cured when discovered early. The newspapers cooperated splendidly, printing 70 stories in nine months; and nearly 27,000 leaflets were distributed; 8 radio talks were given, 11 meetings with a total audience of 645 were addressed; special clinics for the diagnosis of cancer were opened by two hospitals in October, and follow-up service in the homes arranged for. The Distribution Committee hopes and believes that it is paving the way for some permanent organization, either public or private, to continue this work, possibly expanded for the benefit of the entire State of Connecticut.

V

## Methods of Development

In determining how to go about developing a community trust, an inquiry into the manner in which the more successful trusts obtained their first gifts, or "investments in human welfare," as they have been called, may be enlightening.

The Boston, the Chicago, the Winnipeg, the Dayton, the Detroit, the Denver, the Indianapolis, the Milwaukee and the New Haven Foundations received generous initial gifts and in fact the bulk of their principal funds from a single donor or family of donors. Cleveland, Buffalo and New York, on the other hand, owe their growth to gradual accumulation of gifts from a number of donors both large and small.

### 1. SOURCES OF GIFTS

The following table presents very briefly the facts in regard to initial gifts to the leading Foundations:

TABLE X  
TABLE SHOWING DATES AND DONORS OF INITIAL GIFTS TO TWELVE OF THE MORE ACTIVE FOUNDATIONS

Foundation and Date Created	Date Gifts Received	Amount	Donor
Cleveland Foundation 1914			Created by Frederick H. Goff, Pres., Cleveland Trust Co., who pledged the remainder interest of his fortune to the Foundation.
	1914-19		Current activities financed by gifts from interested friends, principally procured through the efforts of F. H. Goff.
	1919	\$ 177,000	Margaret Wilson
		98,235	John W. Shunk
		1,000	Charles Uhl
<b>Total by 12/31/30</b>		<b>\$2,073,863</b>	Total represents 15 donors

Foundation and Date Created	Date Gifts Received	Amount	Donor
Boston Permanent Charity Fund 1915	1917	\$2,800,000	Estate of James Longley, a Director of the Boston Safe Deposit & Trust Co.
	1918	200,000	Estate of James Longley
	1920	1,194,000	Estate of James Longley
<b>Total by 12/31/30</b>		<b>\$4,541,884</b>	
Chicago Community Trust 1915	1915	\$ 200,000	Members of Harris family, officers and Directors of the Harris Trust & Savings Bank, N. W. Harris, President.
	1917	400,000	Norman Waite Harris Memorial Fund.
	1921	65,000	Bernard A. Eckhart who was in the milling business and active in the Board of Trade. He was a member of the Chicago Community Trust Committee from the time of its establishment in 1916 until his death in 1931.
	1924	70,000	James A. Patten, Capitalist, and member of Advisory Council, Chicago Community Trust.
	1924	1,500,000	Mr. and Mrs. James A. Patten.
	1929	1,041,000	Mr. and Mrs. Harry B. Lusch. Mr. Lusch, until his death in 1929, was active in the commercial paper business.
<b>Total by 12/31/30</b>		<b>\$5,099,000</b>	
Milwaukee Foundation 1915	1915	\$ 25,000	Patrick Cudahy, Milwaukee pastor.
	1916	100,000	C. W. LeValley and Helen P. LeValley, his wife—a remainder interest in a trust with income for life to nephews and nieces.
	1917	75,000	Patrick Cudahy.
	1928	500,000	Wm. H. Wasweyler, remainder interest in a trust fund, income to be paid to widow so long as she lives.
<b>Total by 12/31/30</b>		<b>\$ 725,000</b>	
Detroit Community Trust 1915		\$ 139,500	Senator James Couzens fund for disabled ex-service men and others physically handicapped.
		50,008	Theodore D. Buhl Memorial Fund for the upkeep of Theodore D. Buhl Memorial Bldg., Harper Hospital.
		4,204	Joseph Parish Fund for building a public forum or auditorium.
		500	Stephanie Cott Fund for a Settlement Music Department.

Foundation and Date Created	Date Gifts Received	Amount	Donor
<b>Total by 12/31/30 \$ 229,281</b>			
Indianapolis Foundation 1916	1931	\$ 300,000	Bequest of Alphonse P. Pettis who died in Nice, France, at the age of 93, formerly a merchant who had sold his store in Indianapolis 31 years before.
	1922	500,000	James E. Roberts, a wealthy retired business man.
		500,000	Residuary estate of Delavan Smith, for many years publisher of the "Indianapolis News."
<b>Total by 12/31/30</b>		<b>\$1,868,694</b>	
Buffalo Foundation 1920	1920	\$ 150,000	Children of Mr. and Mrs. George F. Rand—"Rand Memorial"
	1923	100,000	Father and husband: Jacob F. Schoellkopf and Jefferson Penn Schoellkopf—Penn Memorial.
		Accumulating (Original Securities \$55,000)	
<b>Total by 12/31/30</b>		<b>\$ 992,456</b>	
New York Community Trust 1920	1924	\$ 1,000	Mrs. Rosebel G. Schiff for making semi-annual school awards.
	1924	500,000	Mrs. Frieda Schiff Warburg in memory of her father—for Henry Street Settlement Nursing Service.
	1925	500,000	Mr. & Mrs. Felix M. Warburg for the University of Jerusalem.
	1926 } 1928 }	2 1/2 acres of land	The City Housing Corporation for a playground—Sunnyside Park.
	1926 } 1930 }	51,280 4,500	Group of friends and Mrs. Giles Whiting as a memorial to Mrs. Edith Carpenter Macy.
	1926	100,000	Group of friends—memorial to Mrs. Edith Carpenter Macy.
	1926	121.72	Unused balance of contributions to campaign on behalf of state constitutional amendment in 1926.
	1927	20,000	Group of friends as a memorial to Eleanor Franklin Egan.
	1927	30,000	Anonymous—irrevocable living trust—to become part of community trust after death of life beneficiary.
	1927	5,000	Dr. Walter B. James, member of the Community Trust's first Distribution Committee and a former President of the New York Academy of Medicine, in support of the Long Island

Foundation and Date Created	Date Gifts Received	Amount	Donor
			Biological Association at Cold Spring Harbor.
1927	10,000		Dr. Walter R. James—for St. Stephen's College at Annandale-on-Hudson, to which periodical payments of income have been made. Since the death of Dr. James, the College has become a part of Columbia University.
1927	3,000		Société des Femmes de France à New York.
1927	5,071		Rollin W. Crowell for Association for Improving the Condition of the Poor of Brooklyn.
1928	2,510		Group of friends of Mrs. Walter Large.
1928	1,000,000		Anonymous—name to be revealed after death of life tenant—principal to be disbursed within a specified term of years.
1928	30,000		Ralph D. Merston fund—principal and income to be expended.
1928	2,500,000		Laura Spelman Rockefeller Memorial—the income of which is distributed among certain charitable organizations.
1929	2,500		Edmund Sinclair as a memorial to his daughter, Alys Sinclair Carreau, to Westchester County Children's Association.
1929	2,000,000		Anonymous living trust—income to be received after death of life tenants.
1930	150		Willard A. Badon Post No. 211, American Legion, for making semi-annual medal awards to students at Public School No. 74.
1930	16,786		Sybil Carter Indian Lane Association.
1930	5,000		Will of Clarence H. Kelsey, Chairman of Trustee's Committee of Community Trust and a member of its Distribution Committee.
1930	50,000		City Housing Corporation for the upkeep of Sunnyside Park.
Total by 12/31/30 \$8,672,384			
Dayton Foundation 1921	\$ 150,000		John H. Patterson, Pres., National Cash Register Co., his brother, Robert, and sister, Mrs. Julie Cannon, who gave a block of stock in National Cash Register valued at \$250,000. In 1926 it was called at 110 with a realization value of \$275,000.
Total by 12/31/30 \$ 288,050			

Foundation and Date Created	Date Gifts Received	Amount	Donor
Winnipeg Foundation 1921	1921	\$ 105,000	W. F. Alloway, one of early Canadian pioneers and settlers of Winnipeg.
	1925	175,000	
	1926	750,000	Mrs. Alloway's estate.
Total by 12/31/30 \$2,310,237			W. F. Alloway's estate.
Denver Foundation 1925	1926	\$ 600,000	Anonymous—remainder interest in a living trust. Income not yet released.
	1927	50,000	
	1928	150,000	
	1929	200,000	
Total by 12/31/30 \$1,000,000			
New Haven Foundation 1927	1929	\$ 100,000	Nettie J. Dayton.
Total by 12/31/30 \$ 100,000			
Youngstown Foundation 1918	1918	\$ 20,000	H. H. Stambaugh.
	1920	50,000	Under Will of H. H. Stambaugh.
		12,500	W. H. Baldwin.
	1925	379,174	Under Will of David Tod Arrel.
Total by 12/31/30 \$ 676,005			

**Has Special Appeal for Successful Business Men.** A study of this table makes it apparent that the community trust idea makes the greatest appeal to persons of moderate wealth who, after providing for their families, wish to dedicate their surplus money to the public welfare and at the same time be sure that the principal will be wisely invested and conserved and the income used for useful purposes whatever future conditions may be.

As was pointed out by the late Colonel F. H. Fries, for many years President of the Wachovia Bank & Trust Company of Winston-Salem, N. C.:

"No man liveth to himself and no man dieth to himself." Each successful business man realizes the extent that he is indebted to his employees, neighbors, friends and fellow-citizens for the success he has attained in a business way, and feels a conviction and has a desire to help them in any and every way to better living and the higher ideals in life. It is not enough to selfishly leave one's estate to one's children alone, who are with him the recipients of the faithful labors of perhaps scores or hundreds of others whose real life has gone to make up the daily success of his business. Their children too should be educated, they too should have the advantage of a good Health Department and ample hospital accommodations where their sick shall have the best attention, they too should have every ad-

TABLE XI  
GROWTH IN PRINCIPAL FUNDS OF TWELVE LARGEST OR MOST ACTIVE COMMUNITY TRUSTS  
Ten Year Period 1921-1930  
(Shows 370% Increase for Period)

Name of Trust	Created	1920	1921	1922	1923	1924	1925	1926	1927	1928	1929	1930
New York Community Trust	1920	\$ 8,672,384	\$ 6,798,013	\$ 1,252,200	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Chicago Community Trust	1915	2,000,000	2,500,000	3,000,000	3,500,000	4,000,000	4,500,000	5,000,000	5,500,000	6,000,000	6,500,000	7,000,000
Boston Permanent Charity Fund	1915	1,500,000	1,800,000	2,100,000	2,400,000	2,700,000	3,000,000	3,300,000	3,600,000	3,900,000	4,200,000	4,500,000
Cleveland Foundation	1914	2,071,803	2,203,517	2,335,231	2,466,945	2,598,659	2,730,373	2,862,087	2,993,801	3,125,515	3,257,229	3,388,943
Winnipeg Foundation	1921	2,310,237	2,310,237	2,310,237	2,310,237	2,310,237	2,310,237	2,310,237	2,310,237	2,310,237	2,310,237	2,310,237
Indianapolis Foundation	1916	1,868,664	1,868,664	1,868,664	1,868,664	1,868,664	1,868,664	1,868,664	1,868,664	1,868,664	1,868,664	1,868,664
Denver Foundation	1925	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Buffalo Foundation	1920	992,456	992,456	992,456	992,456	992,456	992,456	992,456	992,456	992,456	992,456	992,456
Milwaukee Foundation	1915	725,000	725,000	725,000	725,000	725,000	725,000	725,000	725,000	725,000	725,000	725,000
Youngstown Foundation	1918	676,005	676,005	676,005	676,005	676,005	676,005	676,005	676,005	676,005	676,005	676,005
Philadelphia Foundation	1918	622,000	622,000	622,000	622,000	622,000	622,000	622,000	622,000	622,000	622,000	622,000
Dayton Foundation*	1921	288,050	288,050	288,050	288,050	288,050	288,050	288,050	288,050	288,050	288,050	288,050
		\$41,000,511	\$48,451,176	\$58,764,103	\$68,076,723	\$77,389,343	\$86,701,963	\$96,014,583	\$105,327,203	\$114,639,823	\$123,952,443	\$133,265,063

\* Dayton is included among the 12 largest or most active trusts because it ranks 10th in amount of cash distributed for the year 1930. While Winston-Salem Foundation and California Community Foundation report larger principal funds than the Dayton Foundation, their cash distributions for 1930 are each about one-fourth as large as that of Dayton.

vantage for a good education, good libraries should be accessible for their use, parks and playgrounds should gladden their lives, clean and comfortable living conditions should surround them in their homes; the 'city beautiful' should be attainable through a constant and sustained effort to make their city beautiful.

"It is not possible for anyone either in life or after death to do it all, but if each citizen felt sufficient civic pride and was willing through gifts or requests to do his and her part, together it could and would be done.

"Much can be and is done by the city authorities that meets the longing desires of farseeing persons, as we have seen in the magnificent hospitals of our city that have been the consummation of the ideals of the faithful doctors and noble women who began this work by earnest and self-sacrificing efforts many years ago.

"The community trust has been created to fill the need and correct the difficulties of inexperienced givers and to combine and concentrate the income from the many gifts upon first one and then another of the city's needs, so as to accomplish the most good at the time it is most needed."

**Why Three Eminent Americans Chose the Community Trust.** The reasons why three leading Americans selected the community trust as the medium for certain of their gifts to charity are revealed in the following abridged extracts from interviews secured by Carlton K. Matson, formerly Director of the Cleveland Foundation, and published in the Cleveland Press:

"James A. Patten, of Chicago, once known as the 'Wheat King,' gave during his lifetime \$1,500,000 through the Chicago Community Trust, naming 8 institutions to receive the income at once. 'Some of these institutions I'm naming may not be needed—none of us know just what is going to happen years from now,' he said. 'When those institutions are no longer useful or needed, the Community Trust Distribution Committee of that time will turn the income to other uses of a similar nature.'"

"Felix M. Warburg, a partner in Kuhn, Loeb and Company, and long regarded as one of the foremost financiers in America, with Mrs. Warburg, gave to the New York Community Trust its first large gift of \$500,000 and a year later, a second gift of \$500,000. A member of the Distribution Committee of the New York Community Trust and long a friend of F. H. Goff, Mr. Warburg was versed in the theory and practice of the foundation movement.

"Judge Goff's formulation of the community trust," he says, "was a service not alone to Cleveland but to all cities—a contribution not only to his own generation, but to all time. His achievement may remain a landmark when much that this generation wrought has been forgotten."

"Mr. Warburg has seen the tendency of philanthropic funds to grow tired. He has watched them run their course. 'Shortly before Judge Goff's death,' he recalls, 'he described some ancient bequests trusted for once thriving London parishes which dwindled and disappeared as their neighborhoods turned from residential to commercial areas.

"The analogy seemed remote. But last week we discovered that Manhattan's population has decreased a third of a million in five years. What happened in London is happening here. Commercial sections are overrunning their residential fringes. That transforms, of course, the social and civic needs of the locality. These movements of population and changes in the nature of city sections illustrate the undesirability of restricting endowments and permanent trusts to one geographical spot or one narrow purpose.

"We change our minds daily on countless subjects," he said. "The accumulations of evidence and the shifts of circumstances that reform our opinions will continue as long as the world remains. Why, then, should not the founders of perpetual funds leave power with some trusted living agency to act for them when they cannot act for themselves?"

"An army commander must move about his forces to win campaigns; a ship that cannot correct its course will never reach its port. The community trust supplies to the administration of endowments or memorial funds that saving factor of adaptability, elasticity, discretion."

"Senator James Couzens of Michigan, the millionaire Detroitier in the Senate who made his millions

in the Ford enterprises, when asked why he used the Detroit Community Trust in making his gift of \$500,000 for the disabled war veterans, said:

"I used the Detroit Community Trust because I believe it provides an economical means of administering such a fund as I wanted to set up. The trust also provides that the funds will always be kept useful.

"There is no organization in Detroit which is set up to make loans to war veterans or those physically handicapped on a basis which I designated in my deed of trust. And if there were such an organization, there is no reason to believe the need for such loans will be permanent. The Community Trust will make decisions about future use, after I have gone and the original need has disappeared.

"The community trust provides for perpetual use of the fund, but not for the perpetuation of any particular cause or institution which may become useless or even harmful."

"Mr. Couzens added that he made the gift active at once because he wanted the 'fun of seeing it work.'

"I've made a good many of my personal gifts take effect while I am alive, for the same reason. Of course, I'd go much further than most people in making gifts. I'd trust my city government thru the common council, with administration in the case of gifts I wanted to make directly to municipal uses.

"The community trust goes a step in that direction. It provides for a measure of public representation in the handling of funds."

## 2. PERSONAL CONTACTS OF OFFICERS AND DIRECTORS MOST EFFECTIVE METHOD

To reach the class of persons most likely to be interested in the community trust, it would seem that of all the well-known methods of business development, personal contacts will prove most effective.

Before creating a community foundation or attempting to develop it, all the officers and directors of the cooperating institutions should be thoroughly informed as to the fundamentals of the community trust idea and of its value to the community and to the trust companies and banks as another arm of trust service.

The fact that through the community trust, trust companies and banks are enabled to offer a needed service to the public, and without it will be regarded as inadequately equipped, was emphasized as far back as 1919 by F. H. Goff, then President of the Cleveland Trust Company, in an address delivered at the Annual Meeting of the Trust Company Division, American Bankers Association, at St. Louis, Mo., as follows:

"My experience as a lawyer and trust officer in dealing with prospective founders of charitable trusts has led me to believe that where they would dedicate their wealth, they seek the advice of trust officers and counsel, who unfortunately, sometimes are lacking in experience and vision which would enable them to be most helpful. To wisely plan a trust intended to serve an unalterable purpose for all time necessitates the founder seeking out an evil to be corrected and the remedy to be employed. Then means must be devised to secure independent and effective application of his gift for all time to the purpose designated and the withering effect of neglect, waste and fraud must be guarded against and means devised to provide proper stimulus for those who are to administer the trust, for the zeal of the founder cannot be bequeathed with his wealth. These problems require time, patient study, a trained mind and a political wisdom and the hurry and bustle of the banking room and the law office are sometimes ill-adapted to their resolution.

"It will make for the convenience not only of donors but of corporate trustees if a general plan for handling charitable trusts in each community, whether they be large or small, can be finally worked out on lines that are so broad and flexible and so effective as to safeguard every interest and serve every need. It is not improbable that trust companies will be regarded as inadequately equipped for the benevolently disposed unless they have well conceived plans for general use.

"Personally I believe that institutions, as individuals, owe a duty to serve the communities in which

they exist. Trust companies, as I view it, are charged with the responsibility of being helpful in gathering up for the use of the communities they serve the wealth that goes to waste. To serve in this way, without taint of self-seeking (by which I would not wish to be understood to mean without compensation, for gratuitous service soon becomes synonymous with poor service) introduces an elevating and spiritualizing influence in an organization which makes for higher ideals, and the highest ideals are needed in an institution that aims to serve the living and the dead."

The value of the more active and serviceable of the community trusts to the trustees, in good will and publicity, has been reported to be incalculable. The activities of a foundation, gifts, and the yearly distribution of income, constitute real news and the newspapers have been glad to print any interesting facts presented regarding such activities, gifts and distributions.

While the business resulting from gifts to the foundation to a large extent may not materialize for years to come, when it is finally received, it will be long-term business of the most desirable character, with no cost or responsibility whatever to the trustee

TABLE XII  
INCREASE IN CASH DISBURSED BY TWELVE LARGEST OR MOST ACTIVE COMMUNITY TRUSTS LISTED IN TABLE XI

Ten Year Period 1921-1930  
(Shows 149% Increase for Period)

Name of Trust	Created	1920	1925	1928	1927	1926	1925	1924	1923	1922	1921
Boston Permut. Charity Fund	1915	\$249,473	\$221,418	\$216,821	\$202,443	\$199,998	\$210,302	\$215,638	\$198,711	\$192,659	\$223,494
New York Community Trust	1920	188,975	180,711	61,301	56,637	34,014	16,610	20	...	...	...
Chicago Community Trust	1915	133,219	107,621	97,362	81,650	80,916	79,347	49,537	59,979	39,733	35,683
Indianapolis Foundation	1916	119,645	123,193	136,233	135,325	112,667	54,548	20,809	...	...	...
Cleveland Foundation	1914	99,737	91,916	59,953	38,052	27,504	41,107	19,805	20,558	41,836	67,260
Winnipeg Foundation	1921	50,100	6,000	6,000	5,800	5,600	5,950	6,000	5,000	6,000	6,000
Buffalo Foundation	1920	25,743	24,600	20,063	19,591	19,195	17,557	16,913	15,925	17,001	16,444
Youngstown Foundation	1918	19,588	8,457	49,295	5,615	3,961	19,438	7,120	15,678	7,865	12,605
Dayton Foundation	1921	16,024	15,643	14,478	15,338	17,636	...	...	...	...	...
Milwaukee Foundation*	1915	3,700	3,700	3,700	3,700	3,700	3,700	3,700	3,700	3,700	3,700
Denver Foundation*	1925	1,500	1,500	800	...	...	...	...	...	...	...
Philadelphia Foundation*	1916	489	468	411	401	388	487	...	...	...	...
		\$908,493	\$785,227	\$657,617	\$562,452	\$505,779	\$449,046	\$339,636	\$319,542	\$308,774	\$365,186

\*Denver, Milwaukee and Philadelphia are included in this table, because they rank 7th, 9th and 11th, respectively, in list of 12 largest community trusts as regards principal funds shown on Table XI, though they rank 24th, 19th and 27th in amount of cash distributed in 1930 (See Table V).

TABLE XIII  
TABLE SHOWING GROWTH OF ALL COMMUNITY TRUSTS  
Ten Year Period 1921-1930

(Data for 1929-1930 Compiled from Returns to Questionnaire Sent to Individual Community Trusts. Figures for 1921-1928 Estimated on Basis of Figures Reported in Reports of the Committee on Community Trusts, Checked Against Figures Supplied by 12 Largest Trusts)

Year	No. of Trusts	No. Dis-tributing Income	No. With Capital Funds	Total Capital Funds	Total Income Distributed
1921	43*	10	10	\$ 7,000,000	\$375,000
1922	44*	10	20	7,500,000	350,000
1923	48**	12	25	10,000,000	350,000
1924	50***	14	30	12,000,000	400,000
1925	56***	16	31	13,500,000	500,000
1926	59***	18	32	15,000,000	550,000
1927	61***	20	33	16,000,000	600,000
1928	64***	26	33	24,000,000	700,000
1929	69***	28	36	30,297,992	851,767
1930	72***	29	47	32,318,164	994,418

\*Less 2 others that have ceased to exist (Houston, Tex., 1910; Pittsburgh, Pa., 1919; Cincinnati, Ohio, 1920.)

\*\*Less 1 other (Zanesville, Ohio, 1921, which ceased to exist.)

\*\*\*Less 4 other trusts which ceased to exist.



in the distribution of the income. The fact should not be overlooked, moreover, that there is a growing tendency to establish "living trusts" for charitable objects during the life of the donor, and the community trust affords an excellent mechanism for this type of giving.

The directors through their contacts with wealthy persons, and the trust officers and trust solicitors with whom are discussed the personal financial affairs of persons who are planning the final disposition of their estates, are in the best possible position to present the community trust idea to the charitably inclined who are uncertain as to the wisest method of carrying out such inclination. The results of these con-

tacts may for many months, and even years, appear to be meagre, but the cumulative increase over a period of time may prove to be astonishingly large, as is revealed to some extent by the growth in principal funds of the 12 largest or most active trusts for the ten-year period, 1921-1930. (See Table XI on page 29.) There is already ample confirmation of the pronouncement that "the community trust can afford to wait: it is for all time; it has no pressing demands; it can gather up bequests and donations as and when donors desire to give them and translate them into practical, helpful assistance for that portion of the community which at that moment stands most in need of help."

### 3. SUCCESSFUL METHODS OF SECURING GIFTS, USED BY THE MORE ACTIVE FOUNDATIONS

Successful methods of developing present trusts have varied in different cities according to local conditions.

**Cleveland.** The first foundation—created in 1914 in Cleveland—with many millions pledged to be received at an indefinite future date, but with no initial funds, began its work with a series of comprehensive and much needed city surveys: first, of the city's public school system (1915-1916); next of the public parks, playgrounds, places of amusement (1917-1919); and then of the administration of justice (1921). These surveys were financed by voluntary subscriptions; they obtained an enormous amount of publicity both in Cleveland and nationally, and resulted in many city improvements and reforms. While these surveys were being conducted, weekly reports were made at a luncheon where anyone paying \$1 for his plate could come in and learn of the work being accomplished. The attendance at these luncheons grew so fast that they were finally held in the largest dining room in the city to accommodate the crowds that came. Besides performing a useful service to the community, in the years when funds were small, the surveys offered a means of compiling and preserving that sort of information which the foundation itself would need in future years when large sums should be available.

Considerable newspaper publicity was also obtained at one time, by the Director of the Cleveland Foundation by means of a series of interviews with 4 prominent citizens, each a resident of a different city, setting forth their reasons for the selection of the community trust as a vehicle for their gifts to philan-

thropy. Photographic reproductions of the news columns reporting these interviews formed the basis of an effective booklet sent out by the Foundation to its special mailing list.

The change of the Cleveland Foundation from the single to the multiple trusteeship plan was made the occasion for the publication in the local newspapers of a large advertisement 5 columns wide by 18 inches deep. This advertisement announced the names of the members of the Distribution and Trustees' Committees, and of the 5 trustee banks, carried a brief description of the Cleveland Foundation and how it functioned, and concluded with a statement to the effect that the Foundation offered "to civic minded citizens a rare opportunity to bequeath property for charitable or educational purposes with the definite assurance that the principal will be so safeguarded and managed that maximum income, commensurate with safety, will be secured from the trust, and that the income thus secured will be administered in an intelligent and purposeful manner to meet the changing needs of the passing years."

**Chicago.** In Chicago the survey method was pursued with great benefit to the community and wide publicity for the community trust. Comprehensive studies were made and published, over a period of years. These studies included "Americanization in Chicago," "Housing of Non-Family Women in Chicago," "The Cook County Jail Survey," "Pre-Natal Care in Chicago," "Crippled Children in Chicago." The information obtained through such surveys has also been most useful in guiding prospective donors in making gifts.

The Chicago Community Trust has also been one of the few foundations adopting the plan, which has proved most helpful, of having an "Advisory Council" made up of the presidents and directors of all the leading financial institutions.

A joint advertising campaign was conducted by the affiliated banks with satisfactory results. A series of 9 advertisements were run for a 9-weeks' period, beginning in September and ending in October. The total cost was \$4,850, toward which each of the 8 banks paid \$500 each for the 8 smaller advertisements, while one institution paid \$850 for the large advertisement. Each of the smaller advertisements carried a quotation from some statement of one of the presidents or chairmen of the Board of the respective banks, each emphasizing some important feature of the community trust plan. The large advertisement was headed "Let These Men Administer Your Charitable Bequests." At the foot of all of the 9 advertisements appeared the names of the Distribution Committee members and the names of the Advisory Council members.

This campaign attracted considerable attention and increased public knowledge of the community trust. It resulted in half a dozen known prospective gifts named in wills and living trusts, a cash gift of \$10,000, and the placing of a charitable trust of about \$50,000, established many years ago, with one of the trust companies, the fund thereafter to be under the supervision of the Board of the community trust.

Direct mail advertising has been used with very satisfactory results. A classified mailing list of 5,000 names was prepared in the following groups: (a) persons of large wealth; (b) property holders of lesser wealth; (c) leading lawyers; (d) bankers and trust officers; (e) leading physicians; and (f) a miscellaneous group of professional people which included leading writers and newspaper men, ministers, teachers and social workers. Special material has been sent to special groups, while general literature has gone to all. Concentrating on the "a" group of about 1,000 names, frequent form letters have been sent, with enclosures and letters individually written, on Community Trust letterheads, or on the personal or business stationery of members of the Administrative Committee and Advisory Council (of bank presidents) and personally signed by various individuals. The general letters have called attention to various features of the community trust plan and have given accounts of interesting developments. In several instances, personal letters have gone to only a few selected individuals well known to the signer, and these have usually asked or suggested that interviews be granted.

In response to the first letters to the "a" group, about 300 replies were received. One-third of these said that they were not interested at all; another third

expressed interest and approval but unwillingness to take the matter up at that time; while the remaining third proved to be more or less "live prospects" from whom there have come some gifts and promises of gifts and a number of community trust wills have been reported.

A 4-page news bulletin, entitled, "The Community Trust Review," containing information regarding gifts to the Chicago Community Trust and its activities, and items of interest about community trusts in other cities, was also printed and sent to the persons on the mailing list.

Every year, an annual report is published and mailed to about 5,000 people in Chicago, including capitalists, lawyers and bankers.

**New York.** In New York, where the community trust was created in 1920, representatives of 16 trust companies and banks who had agreed to serve as trustees met at a luncheon on July 5, 1923, to arrange for opening the office. At the time of opening the office in the latter part of 1923, no trusts were in hand and no wills designating the trust were known to be in existence. In 1924, there were 9 banks and trust companies that had qualified as trustees, and the first gift of \$1,000 had been received. By 1930, there were 21 banks and trust companies in New York and Westchester County serving as trustees, and the total gifts in hand amounted to \$8,672,382. The community trust's administration budget has been met entirely from grants for that purpose and largely from assessments levied by the trust companies upon themselves.

The development activities of the New York Community Trust have included steady distribution of facts to the newspapers by whom they were given generous publicity. Formal statements endorsing the Community Trust, signed by leading attorneys were printed, and also similar statements by prominent members of the medical profession. Copies of resolutions approving the plan, adopted by such groups as the New York State Board of Charities, the State Charities Aid Association and the Association of Community Chests, evidenced the support of organized social workers to the plan. "Interviews" with the organizers, presidents of trustee banks, members of the Distribution Committee and succeeding Directors of the Community Trust were given generous space in the newspapers.

In addition, the New York Community Trust has prepared and distributed more than 30 different kinds of literature on the subject, including a four-page news bulletin, entitled "The Community Trust Story," which was published occasionally and was followed by a series of interesting leaflets telling the story of the Community Trust.

In New York and the suburbs, 17,000 attorneys have received this literature. All of those who

showed interest in the plan have been constantly kept informed and many of them seen personally. Articles have been published in 50 newspapers and periodicals. Every legitimate opportunity is taken either by direct mail or personal interviews to call to the attention of persons of means the service which the community trust renders.

**Buffalo.** In Buffalo, the most successful method of stimulating interest in the Foundation, it was stated, was by the publication of the "Foundation Forum," and its distribution to a list of about 1,000 selected individuals. Through the Forum, a small paper covered magazine, varying from 24-48 pages, information concerning the activities of the Foundation, the findings and results of surveys of social conditions and needs in Buffalo, have been supplied to the community and preserved as a permanent record. Surveys made and reported upon in the Forum, 73 issues of which had been published by the close of 1930, included "A Study of Infant Mortality," "The Volume and Cost of Social Work in Buffalo," "What It Cost Fifty Families to Live for Five Years in Buffalo," "Present Status of Pre-School Hygiene," "Unmarried Mother," the "Goal of Family of Social Work," "The Negro in Buffalo," "Probation Work."

Other methods employed in Buffalo to bring the community trust more actively to the attention of prospective donors were: the securing of sustaining members to make donations for current expenses; one week's educational advertising paid for by the group of trustees; numerous press articles, public addresses by the secretary and director of the Foundation; printed leaflets for distribution by trustee banks; and the publication of "A Social Service Directory" for the city and country.

Sustaining memberships—unique with the Buffalo Foundation—have been a valuable means used to increase interest in the community trust plan as well as to secure operating funds. The memberships have been kept up through the years without any great effort on the part of the members of the Governing Committee, merely by an annual renewal letter from individual members of the Committee to those sustaining members whom they originally interested.

Not more than \$100 has been given to any one member, the so-called sustaining membership shares having been placed at \$25 each with no more than 4 shares a member. Sustaining members have received all Foundation publications, such as the Forum and annual reports and have on many occasions made use of the Foundation's information service.

**California.** The Los Angeles Community Foundation took on a new lease of life in 1930, when its name was changed to the "California Community Foundation" and its scope enlarged from Los Angeles County to world-wide, provision also being made to permit men and women in the State of California, instead of only Los Angeles County, to serve on the Advisory Committee.

Most of the time and effort of the Secretary, whose salary and expenses are paid by the sole trustee bank, is engaged in promotional activities. The Foundation office has become a clearing house for attorneys and trust officers who are constantly looking to it for information about all kinds of charitable activities and organizations. The cooperation of the California Bar Association, the California Intelligence Bureau and the Social Service Commission has been obtained in publicity work. Two booklets have been published and distributed to 5,000 attorneys, 2,600 physicians, 315 ministers, 100 prominent citizens (Advisory Committee List), 358 Community Chest large givers, 1,000 members Jonathan Club, 160 hospitals and heads of schools, 109 presidents of organizations in the Community Chest, and through branch banks. Talks have been given by the Secretary before upwards of 20 meetings of men's clubs, women's clubs, groups of prominent citizens, chambers of commerce, State conferences of social workers, etc., etc., and over the radio. All of the trust officers, the managers of the branch banks and bank employees in the safe deposit departments, escrow departments and at information desks have been exceedingly cooperative in distributing the Foundation literature and making appointments with individuals for the Secretary.

News items, stories and editorials have appeared in 6 local newspapers. A quarter-page advertisement has been run in 3 newspapers.

"With great force a giant of industry or commerce builds up a fortune. The exercise of doing it gives him strength to handle it. But when he dies the fortune usually passes to weak children—the weaker for having had too much money when young—and they proceed to waste it or have it taken from them.

"What a sorry monument for a strong man to leave behind him!

"It looks as if the community trust idea has scored a bull's-eye. Under it, the surplus money, instead of draining into the sewer, runs into a safe catch-basin and is made available for public purposes. \* \* \* Obviously that is better than having it spoil heirs or galvanize dead or dying charities or pile up power in the hands of entrenched trustees suffering from fatty degeneration of the soul."

—CLEVELAND (O.) PRESS.

TABLE XIV

CHRONOLOGICAL RECORD OF IMPORTANT EVENTS IN COMMUNITY TRUST MOVEMENT

As Revealed by Reports of Committee on Community Trusts and Records of the Trust Division, American Bankers Association

1914	First Community Trust—the Cleveland Foundation—created.	30 with principal funds, 14 distributing income, 5 with known gifts in excess of \$1,000,000.
1916	Indianapolis Foundation, first community trust with multiple trustees, organized.	
1920	Appointment of first Committee on Community Trusts, Trust Company Division, A.B.A.	April 20, 1925 (Committee Report)
Oct. 20, 1920 (Committee Report)	35 trusts in existence.	52 community trusts in existence— 30 with principal funds 26 distributing income amounting to \$441,856.
May 2, 1922 (Committee Report)	New York Community Trust formed—with multiple trustees—and launched with active educational campaign in the newspapers.	June 1925
	Buffalo Foundation reorganized to provide for multiple trusteeship.	Resolution of State Charities Aid Association approving New York Community Trust.
	Counsel for the New York Community Trust and Counsel for the Cleveland Foundation authorized by the Committee on Community Trusts to take the necessary steps for the proper presentation in Congress of an amendment to the Revenue Law of 1918, said amendment providing (a) for the non-taxability of income received by trustees if paid out or permanently set aside for charitable purposes, and (b) for the right of the donor of a gift to a charitable institution to deduct his gift in making his individual return. Fourteen of the 38 existing community trusts pledged their support to the proposed amendment and agreed to share in the reasonable expenses of securing it.	Sept. 26, 1925
Oct. 5, 1921 (Committee Report)	38 trusts in existence.	Conference on Community Trusts held by the Trust Company Division at the American Bankers Association Convention, Atlantic City, N. J. Papers delivered by F. J. Parsons of New York, Col. F. H. Fries of Winston-Salem, Frank D. Loomis of Chicago, Wm. Greenough of New York, Ralph Hayes of New York, Charles M. Rogerson of Boston. (For title of addresses see Dr. Smith's Bibliography referred to on page 36.)
Nov. 23, 1921	10 trusts disbursing income for social welfare, relief of sickness and publicity and conduct of surveys.	May 3, 1925 (Committee Report)
Oct. 2, 1922	President signed amended Revenue Bill, enacted by Congress as the Revenue Act of 1921, covering the situation satisfactorily both from the standpoint of community trusts and charitable gifts to trustees in general. (See Appendix B, page 54).	Remedial legislation in interests of community trusts, New York and Connecticut, enacted, authorizing testators to incorporate in their wills "by reference" the Resolution and Declaration of Trust creating the community trust. (See page 54 for text of Connecticut Statute.)
April 28, 1924	National Conference on Community Trusts held at The Waldorf, New York City, at the time of the A. B. A. Convention. Papers delivered by Charles E. Rogerson of Boston, Leonard P. Ayres of Cleveland, William P. Gest of Philadelphia, and Orrin R. Judd of New York City. (See Dr. Smith's Bibliography referred to on page 36 for titles of addresses).	1928
	Mid-Winter Conference on Community Trusts attended by 50 representatives of community trusts and foundations. 50 trusts in existence—	Resolution endorsing the community trust adopted by Trust Company Division, at the American Bankers Association Convention in Philadelphia, Pa. (See page 59.)
		1929
		Resolution endorsing the community trust adopted by the Association of Community Chests and Councils in convention at Washington, D. C.
		1929
		Resolution approving New York Community Trust adopted by the New York State Board of Charities.
		Dec. 31, 1930
		72 trusts in existence— 41 with principal funds 30 distributing income
		1931
		Cleveland Foundation reorganized to provide for multiple trusteeship.
		Oct. 1931
		"Community Trusts in the United States and Canada—A Survey of Existing Trusts with Suggestions for Organizing and Developing New Foundations," 68 pages, published by Trust Company Division, American Bankers Association.

## Bibliography

The principal sources of material on the subject of Community Trusts are:

1. Semi-annual reports of the Committee on Community Trusts, Trust Company Division, American Bankers Association, in the files of the Association, 1920-1931.
2. Proceedings of the annual meetings of the Trust Company Division, American Bankers Association; and the Proceedings of the 4 annual (Mid-Winter, Mid-Continent, Pacific Coast and Southern) Trust Conferences of the Division.
3. "Trust Companies"; a magazine, published monthly and devoted mainly to subjects of interest to trust institutions.
4. Booklets published by the respective community trusts.

There are no books devoted exclusively to the subject, but a discussion of community trusts will be found in the following three works:

- Herrick, Clay—"Trust Departments in Banks and Trust Companies," pp. 285-296. New York, McGraw-Hill Book Co., Inc., 1925.
- Stephenson, Gilbert T.—"Living Trusts," pp. 298-305. New York, F. S. Crofts & Co., 1926.
- Smith, James G.—"The Development of Trust Companies in the United States," pp. 109-114, 377. New York, Henry Holt & Co., 1928.

As Dr. Smith's book contains an extensive bibliography of articles and addresses on the community trust, dating from January, 1914, to October, 1927, pp. 513-515, these references will not be duplicated here.

Below are listed a few articles not included in Dr. Smith's bibliography, and several others which have appeared since the publication of his book:

- Kelly, Fred C.—"Are We Bossed by the Dead?" *Collier's Weekly* (Dec. 22, 1923) p. 12.
- Greenough, Walter—"The Dead Hand Harnessed," *Scribner's* (Dec. 1923) p. 697.
- Young, James C.—"The Dead Hand in Philanthropy," *Current History* (March 1916) p. 837.

## Appendix A

### Texts of Declarations of Trust Creating Representative Foundations

#### THE NEW YORK DECLARATION

WHEREAS, the history of bequests for educational, charitable and benevolent purposes has demonstrated that the welfare of mankind would have been promoted and greater good accomplished if the terms of such trusts had permitted of change in the particular objects originally chosen or in the channels selected for the application of the funds, for the reasons (1) that the passage of time, the progress of civilization and the increasing concern of the State or governmental authorities in matters affecting public welfare are constantly rendering trusts created for specific objects superfluous and literal compliance with their terms unwise, impracticable or impossible; and (2) that while in some jurisdictions the courts are clothed with power to direct that such trusts shall be administered in a manner most effectual to accomplish their general purpose, without regard to and free from any specific restriction, limitation or direction contained therein, the necessary court proceedings always involve delay and expense and are frequently contested; and

WHEREAS, never in the history of modern times has the welfare of mankind more urgently demanded the encouragement and promotion of gifts for educational, charitable or benevolent uses in accordance with a plan which shall (1) meet the changing needs for such gifts with flexibility in the power of distribution, (2) afford an opportunity alike to persons of wealth and persons of moderate means to make their several gifts to different trustees of their own selection for such purposes more effective by providing for the distribution of the income and/or principal of all of them as if an aggregate fund, (3) provide for the selection of the beneficiaries of such gifts by an impartial and changing committee of persons chosen for their knowledge of the educational, charitable or benevolent needs of the time, and (4) safeguard and provide for the permanent security of the principal of such gifts; and

WHEREAS, it is recognized that public confidence in such a plan and in the security and impartial administration of gifts made under it will be enhanced and assured by the concerted action of the trust companies in the City of New York hereinafter named and such other trust companies or financial institutions authorized by law to accept and execute such trusts as the Trustees' writing, and from time to time permit to join with them by the adoption of the following resolution and declara-

#### THE CLEVELAND DECLARATION

WHEREAS experience has demonstrated that the passage of time and changing conditions often render unnecessary or undesirable the specific objects for which many charitable trusts were created, or make literal compliance with their terms unwise, impracticable or impossible, and it is evident that the public welfare would have been promoted and greater good accomplished if such trusts had provided a flexibility which would have permitted the future employment of income or principal, or both, in a broader and more useful manner to meet changing needs which the donor could not originally anticipate; and

WHEREAS the American people, out of their abundance, have evidenced a marked and increasing tendency to benefit their fellow citizens through bequests and gifts for educational or charitable purposes, and it is believed that such tendency can be encouraged and promoted by providing means whereby such bequests and gifts may be administered in accordance with a plan which shall—

(1) Meet the changing needs for such gifts with flexibility in the application thereof by devoting the same to such public charitable or educational purposes as may be selected from time to time by an impartial and changing committee of persons chosen for their knowledge of the educational or charitable needs of the time and vesting that committee with the duty and power to determine as to the usefulness of any specified charity, object or endeavor as affected by the passage of time, the progress of society or changes in the condition of affairs of the specific beneficiary, and to select or substitute such educational or charitable purposes as will in its opinion more effectually promote the public welfare and assist in the improvement of social conditions;

(2) Afford opportunity alike to persons of wealth and persons of moderate means to make their several gifts more effective by providing for the distribution of the income and/or principal of all of them as if an aggregate fund, and to provide for the proper management and investment of all such gifts; and

WHEREAS such general plan, limited to one trustee, was first introduced in the City of Cleveland and has been acceptably received by its inhabitants as well as adopted by many other communities; and

WHEREAS the resort to and benefits of such plan will be enhanced by the concerted action of the trust companies and banks in the City of Cleveland herein named, and such other trust companies or financial institutions of the State of Ohio located in the City of Cleveland or its vicinity and authorized by law to accept and execute such trusts as the Trustees' Committee herein

*New York Declaration (continued)*

tion and by filing a certified copy thereof with the Director appointed as hereinafter provided:

Now, THEREFORE, in order to accomplish such purpose the Board of Directors of do hereby adopt the following

## RESOLUTION AND DECLARATION:

I.—That the trust hereby provided for shall be known as "The New York Community Trust."

*Acceptance by Trustee. Special desires of donor:*  
II.—That will accept any gift, grant, devise or bequest in trust for public educational, charitable or benevolent uses and purposes contained in any instrument which shall have annexed thereto a copy of this resolution and declaration and/or shall effectually identify and incorporate the same by reference and thereby conclusively assent to and adopt (1) all the provisions herein specified, or (2) all the provisions herein specified, but express a desire of the maker (a) as to the time when and the purpose for which the principal shall be distributed, and/or (b) as to the purpose for which the income shall be used for a definite or indefinite period, or (3) all the provisions herein specified, but express a desire of the maker that the time when and the purposes for which the principal and/or income shall be used shall be determined solely by the members of the Distribution Committee hereinafter referred to, appointed by the Trustees.

Among the provisions so to be adopted shall be the following, viz: that any such expressed desire of the maker shall be respected and observed, subject, however, in every case to the condition that if and whenever it shall appear to the Distribution Committee (or, in the case referred to in sub-paragraph (3) above, to the members thereof appointed by the Trustees) that circumstances have so changed since the execution of the instrument containing any gift, grant, devise or bequest as to render unnecessary, undesirable, impractical or impossible a literal compliance with the terms of such instrument, said Committee, by resolution adopted by affirmative vote of nine members (or, in the case referred to in sub-paragraph (3) above, by a majority of the members appointed by the Trustees) may at any time or from time to time direct the application of such gift, grant, devise or bequest to such other public educational, charitable or benevolent purpose as, in their judgment, will most effectually accomplish the general purpose expressed in subdivision (1) of Paragraph IV, without regard to and free from any specific restriction, limitation or direction contained in such instrument.

*Cleveland Declaration (continued)*

provided for may approve in writing and from time to time permit to join with them by the adoption of the following Resolution and Declaration, and by filing a certified copy thereof with the Director appointed as hereinafter provided; and

WHEREAS such concerted action will enable donors to select any of such institutions as trustee; and

WHEREAS the following named institutions, alphabetically listed, have determined to co-operate in placing such plan in operation, viz:

Central United National Bank;  
The Cleveland Trust Company;  
The Guardian Trust Company;  
The Midland Bank;  
The Union Trust Company.

Now, THEREFORE, in order to accomplish such purposes, the Board of Directors of  
(Corporate name of institution adopting Resolution)  
do hereby adopt the following

## RESOLUTION AND DECLARATION:

ARTICLE I. The trust hereby provided for shall be known as "THE CLEVELAND FOUNDATION."

## ARTICLE II.

(Corporate name of institution adopting Resolution)  
will accept any gift, grant, devise or bequest in trust for public charitable uses and purposes, including in such term all educational or charitable purposes of a public character or for the public welfare, created by any Last Will, conveyance or other instrument which shall provide for a trust upon the terms and conditions of this Resolution and Declaration, either by annexing thereto a copy of this Resolution and Declaration, or by identifying and incorporating the same by reference, and in either such case thereby conclusively assent to and adopt all the provisions herein specified, or assent to and adopt all of the provisions herein specified, and in connection therewith express a desire of the testator or donor of the trust (a) as to the time when and the purpose for which the principal shall be distributed, and/or (b) as to the purpose for which the income shall be used for a definite or indefinite period.

Such assent and adoption of the provisions hereof shall be deemed to include the express assent and direction that any such expressed desire of the testator or donor as to the use and/or disposition of income or principal shall be respected and observed subject, however, in every case, to the condition that if and whenever it shall appear to the Distribution Committee herein provided for that circumstances have so changed since the execution of the instrument containing any gift, grant, devise or bequest as to render unnecessary, undesirable, impractical or impossible a full and direct compliance with the terms of such instrument, or that said circumstances have so changed as to render said expressed desires no longer wise or beneficial, said Committee, by resolution adopted by affirmative vote of four-fifths (4/5ths) of all members, may at any time, or from time to time, direct the application of such gift, grant, devise or bequest to such other public charitable or educational purpose as, in their judgment, will most

*New York Declaration (continued)*

III.—The term Distribution Committee when hereinafter employed shall be taken to mean the persons appointed as provided in Paragraph V, except when employed in connection with a gift, grant, devise or bequest made upon the terms set forth in subdivision (3) of Paragraph II, in which case said term shall be deemed to mean only the members of said Committee appointed by the Trustees.

*Trustees not co-trustees:* All of the trust companies or other financial institutions authorized to accept and execute trusts for the purposes specified in Paragraph IV, whether originally named herein or hereafter permitted to act in concert with them as hereinbefore provided, are sometimes collectively referred to as the Trustees or severally as Trustee or one of the Trustees, but neither their concerted action hereunder nor such collective reference nor anything herein contained shall be deemed to make them or any of them co-trustees, joint tenants, or tenants in common of any estate or property given, granted, devised, or bequeathed for the uses and purposes and upon the conditions herein expressed.

*Each trust an estate in severalty. Trustees have no power to select beneficiaries:* The estate in any property, real or personal, from time to time given, granted, devised or bequeathed to any one of the Trustees for the uses and purposes, upon the conditions and subject to the provisions herein expressed, shall be deemed to be an estate in severalty and shall be held and administered by the Trustee to which such gift, grant, devise or bequest shall be made; but, except as hereinafter in Paragraph IV provided, the Trustees shall have no power of disposition over, or to select or appoint the beneficiaries of the rents, profits and income of any such property or to allot the amount to be paid to any of them, such power of selection, appointment and allotment and the duty to exercise it being conferred and imposed upon the Distribution Committee, except as otherwise stated herein.

IV.—Subject to the particular terms of any gift, grant, devise or bequest as and only to the extent provided in Paragraph II:

*Appropriation of entire net income each year:* (1) The Distribution Committee shall in each calendar year appropriate the entire net income, certified by the Trustees in accordance with the provisions of subdivision (3) of this Paragraph IV as available for distribution, for such public educational, charitable or benevolent uses and purposes as will, in the absolute and uncontrolled discretion of the Committee, most effectively assist, encourage and promote the well-being of mankind and primarily of the inhabitants of the community comprising the City of New York and its vicinity, regardless of race, color or creed, and without in any way enlarging or extending the generality of the foregoing but rather in illustration and explanation thereof, for the following uses and purposes among others:

*Cleveland Declaration (continued)*

effectually accomplish the general purposes expressed in Subdivision (1) of Article IV hereof, without regard to and free from any specific restriction, limitation or direction contained in such instrument, provided, however, that the application of any such gift, grant, devise or bequest to other purposes, free from any such specific restriction, limitation, or direction contained in said instrument, shall not be effective unless and until sanctioned or approved by a two-thirds (2/3rds) vote of the directors present at a duly held meeting of the Board of directors of the trustee institution to which the said gift, grant, devise or bequest may have been committed.

ARTICLE III. The term "Distribution Committee" as herein employed shall be taken to mean the persons appointed as provided in Article V hereof.

*Trustees not Co-Trustees:* All of the trust companies or other financial institutions authorized to accept and execute trusts for the purposes specified in Article IV hereof, whether originally named herein or hereafter permitted to act in concert with them as herein provided, are sometimes collectively referred to as the Trustees or severally as Trustee or one of the Trustees but neither their concerted action hereunder nor such collective reference nor anything herein contained shall be deemed to make them or any of them co-trustees, joint tenants, or tenants in common of any estate or property given, granted, devised or bequeathed for the uses and purposes and upon the conditions herein expressed.

*Each Trust an Estate in Severalty:* The estate in any property, real or personal, from time to time given, granted, devised or bequeathed to any one of the Trustees for the uses and purposes, upon the conditions and subject to the provisions herein expressed, shall be deemed to be a separate trust estate to be held in severalty and shall be held and administered by the Trustee to which such gift, grant, devise or bequest shall be made; but, except as hereinafter in Article IV provided, the Trustees shall have no power of disposition over, or to select or appoint the beneficiaries of the rents, profits and income of any such property or to allot the amount to be paid to any of them, such power of selection, appointment and allotment and the duty to exercise it being conferred and imposed upon the Distribution Committee, except as otherwise stated herein.

ARTICLE IV. Subject to the particular terms of any gift, grant, devise or bequest as and only to the extent provided in Article II:

*Appropriation of Income:* SUBDIVISION (1). The Distribution Committee shall promptly after receipt of certificates from the Trustees, as provided for in Subdivision (3) of this Article IV, appropriate the entire net income so certified, subject to the provisions hereinafter made, to such public charitable or educational uses and purposes as will, in the absolute and uncontrolled discretion of the Committee, most effectively assist and promote the well being of the inhabitants of the community comprising the City of Cleveland and its vicinity, or such other community of the State of

*New York Declaration (continued)*

*Illustrative purposes:* (a) For assisting public educational, charitable, or benevolent institutions, whether supported wholly or in part by private donations or by public taxation;

(b) For promoting scientific research for the advancement of human knowledge and the alleviation of human suffering or the suffering animals;

(c) For the care of the sick, aged and helpless;

(d) For the care of needy men, women and children;

(e) For aiding in the reformation of (1) victims of narcotics, drugs and intoxicating liquors, (2) released inmates of penal and reformatory institutions, and (3) wayward or delinquent persons;

(f) For the improvement of living and working conditions;

(g) For providing facilities for public recreation;

(h) For the encouragement of social and domestic hygiene;

(i) For the encouragement of sanitation and measures for the prevention of disease;

(j) For investigating or promoting the investigation or of research into the causes of ignorance, poverty and vice, preventing the operation of such causes, and remedying or ameliorating the conditions resulting therefrom.

*Appropriation of corpus, when:* (2) The Distribution Committee may by unanimous vote appropriate for distribution for the uses and purposes aforesaid not exceeding two per cent, of the corpus of any trust in any one calendar year, unless otherwise provided by the donor.

*Trustees' Certification of Income:* (3) Each of the Trustees shall, within ten days after the expiration of each quarter in every calendar year, by certificate in writing signed by its President or any Vice-President and delivered to the Director of the Community Trust, certify the amount of income received by such Trustee during the preceding quarter and the amount available for distribution as herein provided.

*Trustees' Disbursement of Income:* (4) Each of the Trustees shall pay and disburse such portions of the net income or of the corpus of the property held by them

*Cleveland Declaration (continued)*

Ohio as may by the terms of any such gift, grant, devise or bequest have been designated as the particular locality to be benefited, regardless of race, color, or creed; and without in any way limiting or restricting the generality of the foregoing nor, on the other hand, intending to enlarge or extend the same or include therein any uses and purposes other than such as are now or may hereafter be considered or held to be of a public charitable nature, but rather in illustration and explanation thereof, for the following uses and purposes among others:

*Illustrative Purposes:* (a) For assisting public charitable or educational institutions within the State of Ohio, whether supported wholly or in part by private endowment or donations or by public taxation;

(b) For promoting scientific research for the advancement of human knowledge and the alleviation of human suffering;

(c) For providing scholarships or otherwise assisting worthy young men or women of slender means in obtaining an education;

(d) For the care of the sick, aged and helpless;

(e) For the care of needy men, women and children;

(f) For the improvement of living and working conditions;

(g) For providing facilities for public recreation;

(h) For the promotion of social and domestic hygiene;

(i) For the promotion of sanitation and measures for the prevention of disease;

(j) For research into the causes of ignorance, poverty, crime and vice, preventing the operation of such causes, and remedying or ameliorating the conditions resulting therefrom.

*Use of Principal:* SUBDIVISION (2). With the approval of the Trustee institution acting as trustee for a specific trust fund had upon a two-thirds (2/3rds) vote of the directors present at a duly held meeting of the Board of directors of such institution, all or any part of the principal of that fund may be used for any purpose within the scope of the Foundation which may have the approval of a majority of the members of said Distribution Committee, providing that not to exceed twenty per cent (20%) of the entire amount held as principal shall be disbursed during any one period of five (5) consecutive years.

*Certification of Income:* SUBDIVISION (3). Each of the Trustees shall, within forty-five (45) days after the expiration of each quarter of every calendar year, by certificate in writing signed by its President, Vice President or other duly authorized officer and delivered to the Director of the Foundation, certify the amount of income received by such Trustee during the preceding quarter and the amount available for distribution as herein provided.

*Trustees' Disbursement of Income:* SUBDIVISION (4). Each of the Trustees shall pay and disburse such portions of the net income or of the principal of the prop-

*New York Declaration (continued)*

respectively at such times and in such amounts as shall from time to time be ordered or directed by the Distribution Committee, and in the distribution and application of funds available for distribution hereunder, payments may be made (a) to individuals, (b) to corporations or associations maintaining institutions for any one or more of the public educational, charitable or benevolent uses or purposes aforesaid, (c) to corporations or associations already formed to distribute and apply such funds to any one or more of such purposes, or (d) to corporations or associations formed for any one or more of such purposes by the Committee; whether located in the City of New York or elsewhere; provided, however, that no funds shall be appropriated by the Distribution Committee or paid by any Trustee to any corporation or association if any officer, private stockholder, individual, member or employee thereof shall receive or may be lawfully entitled to receive any pecuniary profit from the operations thereof, except reasonable compensation for services in effecting one or more of such purposes, or if the organization thereof for any such purposes be a guise or pretense for directly or indirectly making any other pecuniary profit for such corporation or association, or for any of its members or employees or if it be not in good faith organized or conducted exclusively for one or more of such purposes.

The trustees shall be fully protected in acting upon any such order or direction of the Committee and shall not be responsible for any act or omission of the Committee.

(5) If in any year the Distribution Committee shall fail to appropriate, or to order or direct the Trustees to pay and disburse the entire net income of said fund as in said subdivisions (1) and (3) of this Paragraph IV provided, the members of the Distribution Committee appointed by the Trustees, within thirty days after the end of said year, shall have the powers herein conferred upon the Committee, and if they fail to exercise such powers within said period of thirty days, then and in that event, each of the Trustees shall have the power and duty of disposition of the portion of the net income of the fund received by it, including power to select and appoint the beneficiaries subject to the limitations herein imposed and prescribed and allot the amount payable to each, to the end that there shall be no failure to carry out the public educational, charitable or benevolent uses and purposes hereof.

*Cleveland Declaration (continued)*

erty held by them respectively, provided such distribution of principal shall have been approved as provided in Subdivision (2) hereof, at such times and in such amounts as shall from time to time be ordered or directed by the Distribution Committee, and in the distribution and application of funds available for distribution hereunder, payments may be made (a) directly for any such public charitable or educational purposes; (b) to corporations or associations maintaining institutions for any one or more of the public charitable or educational purposes aforesaid, to corporations or associations already formed to distribute and apply such funds to any one or more of such purposes or to corporations or associations formed by the Committee for any one or more of such purposes; whether any of such corporations or associations are located in the City of Cleveland or elsewhere within the State of Ohio; or (c) to the Committee for its own reasonable expenses and reasonable compensation to its agents, employees and attorneys, including in such expense such reasonable amount as the Committee may deem necessary or advisable for investigating the conduct, scope and operation of any of the charitable institutions, organizations, or endeavors of the character set forth in Subdivision (1) of this Article, provided, however, that no funds shall be appropriated by the Distribution Committee or paid by any Trustee to any corporation or association if any officer, private stockholder, individual, member or employee thereof shall receive or may be lawfully entitled to receive any pecuniary profit from the operations thereof, except reasonable compensation for services in effecting one or more of such purposes or as proper beneficiaries of its strictly charitable purposes, or if the organization thereof for any such purposes be a guise or pretense for directly or indirectly making any other pecuniary profit for such corporation or association, or for any of its members or employees or if it be not in good faith organized or conducted exclusively for one or more of such purposes.

The Trustees and the directors and officers thereof, however, shall be fully protected in acting upon any such order or direction of the Distribution Committee and shall not be responsible for any act or omission of the said Committee; and any distribution made by any Trustee upon the order of such Committee, shall be conclusively deemed to be in compliance with the provisions hereof.

*Failure to appropriate income:* SUBDIVISION (5). If the Distribution Committee shall fail, within a reasonable time after receipt of the certificate from a Trustee provided for in Subdivision (3) of this Article IV, to appropriate, or to order or direct such Trustee to pay and disburse the entire net income of said fund so certified to said Committee as in said Subdivision (4) of this Article IV provided, then and in that event, and until the Distribution Committee shall appropriate or order and direct the disposition of said income, such Trustee shall have the power and duty of disposition of the portion of the net income of the fund received by it, including power to select and appoint the beneficiaries subject to the limitations herein im-

*New York Declaration (continued)*

*Constitution appointment and classification of Distribution Committee:* V.—The Distribution Committee shall consist of eleven citizens of the United States and residents of the community defined in Paragraph IV selected for their knowledge of the educational, charitable or benevolent needs of the inhabitants of the community. In no event shall more than three of the members belong to the same religious sect or denomination. No person holding a public office shall be a member of said Committee, and if any member of said Committee shall be appointed or elected to any public office, such member shall thereupon and without further action or proceedings whatever, cease to be a member of the Committee. The Committee shall be constituted, nominated, appointed and classified as follows:

Class (1) One member by the President of the Chamber of Commerce of the State of New York.

Class (2) One member by the Mayor of the City of New York.

Class (3) One member by the President of the New York Academy of Medicine.

Class (4) One member by the President of the Association of the Bar of the City of New York.

Class (5) One member by the President of the Board of Trustees of the Brooklyn Institute of Arts and Sciences.

Class (6) One member by the Senior Circuit Judge of the United States Circuit Court of Appeals for the Second Circuit.

Class (7) Five members by the Trustees' Committee, none of whom shall be executive officers of the Trustees.

In making the appointments of the members of the Distribution Committee the persons upon whom such power of appointment is conferred shall be the incumbents for the time being of the several offices specified, and act solely in their individual capacity and by virtue of the power and authority herein conferred.

*Term of office:* All members shall hold office during a term of six years, ensuing the first day of January succeeding their respective appointments, except those first appointed, whose terms shall begin with the date of their appointment and end with the expiration of the periods ensuing the first day of January succeeding their respective appointments specified as follows:

Class (1), one year;

Class (2), two years;

Class (3), three years;

Class (4), four years;

Classes (5) and (6), five years;

Class (7), six years.

*Filling of vacancies:* In the first instance the Trustees' Committee shall request the persons upon whom power is conferred to appoint the members of the Committee in Class I to Class 6 inclusive to confer in respect of the membership of the Distribution Committee so that the

*Cleveland Declaration (continued)*

posed and prescribed and allot the amount payable to each, to the end that there shall be no failure to carry out the charitable uses and purposes hereof. Every distribution made by any Trustee in good faith, by reason of the failure of the members of the Distribution Committee to direct distribution as hereinabove provided, shall fully protect such Trustee.

*Distribution Committee:* ARTICLE V. The Distribution Committee shall consist of five citizens of the United States, residents of the City of Cleveland or its vicinity, selected for their knowledge of the educational or charitable needs of the community. In no event shall more than two of the members belong to the same religious sect or denomination. No person holding a public office shall be a member of said Committee, and if any member of said Committee shall be elected or appointed to any public office, such member shall thereupon, and without further action or proceedings whatever, cease to be a member of the Committee. The term public office as used herein shall not be intended to include an appointive office of entirely non-political and non-partisan character, nor shall the holding of such purely non-political appointive office preclude the holder from membership on said Committee. The Committee shall be constituted, nominated, appointed and classified as follows:

Class (1) One member by the Trustees Committee provided for in Article VII hereof;

Class (2) One member by the senior or presiding judge of the United States District Court for the Northern District of Ohio, Eastern Division;

Class (3) One member by the Judge of the Probate Court, or the court for the time being having jurisdiction of the settling of estates in Cuyahoga County;

Class (4) One member by the City Manager of the City of Cleveland, or if there be no such office then by the chief executive officer of said City;

Class (5) One member by the Trustees Committee. In making the appointments of the members of the Distribution Committee, the persons upon whom such power of appointment is conferred shall be the incumbents for the time being of the several offices specified, and act solely in their individual capacity and by virtue of the power and authority herein conferred. Without so limiting or restricting the qualifications of members otherwise appointed, no member appointed by the Trustees Committee shall be an executive officer of any Trustee.

*Term of Office:* All members shall hold office during a term of five (5) years, from and after the first day of April succeeding their respective appointments, except those first appointed, whose term shall begin with the date of their appointment, and end with the expiration of the several periods commencing the first day of April succeeding their respective appointments, specified as follows:

Class (1), one year; Class (2), two years; Class (3), three years; Class (4), four years; and Class (5), five years.

*New York Declaration (continued)*

qualifications by this paragraph required of members of said Committee may be observed and duplication of nominees or violation of the restrictions of this paragraph may be avoided and to appoint the six members of said Committee in Classes 1 to 6 inclusive and notify the Trustees' Committee in writing of the persons appointed. The Trustees' Committee shall thereupon appoint five members in Class Seven. Thereafter the persons charged with the nomination of the members of the Distribution Committee in Classes 1 to 6 inclusive shall annually, either on their own motion or upon the request of the Trustees' Committee, confer in regard to the filling of vacancies in the Distribution Committee caused by expiration of term, death, resignation or refusal to serve. All such vacancies shall, nevertheless, be filled by the authority which made the original nomination.

Failure of any member of the Distribution Committee to attend three consecutive meetings of the Committee without excuse shall, in the discretion of the Committee, operate as a resignation from membership on the Committee. In the event that any of the persons herein authorized to appoint members of said Committee shall, for thirty days after request to appoint a member of said Committee, fail to exercise the power of appointment herein conferred, then and in any such event such power of appointment may be exercised by the action of the Trustees' Committee evidenced by instrument in writing filed with the Director appointed as hereinafter provided.

*Designation of new sources of appointment:* In the event that any office, the holder of which is designated to nominate and appoint a member of the Distribution Committee, shall cease to exist, then the Trustees' Committee shall designate the holder of another office with power to nominate and appoint a member of the Committee of the same class.

*Organization meeting of Distribution Committee:* The Distribution Committee first appointed shall organize as soon as may be convenient, and the Committee shall thereafter annually meet upon the anniversary of the date of such first organization meeting or on the first business day hereafter, if such anniversary fall on Sunday or a holiday.

*Chairman, Director:* At the first and subsequent annual organization meetings the Committee shall elect a Chairman from among its members. The Trustees' Committee shall nominate and appoint a Director whose title shall be Director of The New York Community Trust and who shall also be Secretary of both Committees and shall hold office until the expiration of the second calendar year after his appointment and until his successor is appointed. Any successor shall be nominated by the Trustees' Committee and appointed by affirmative vote of nine of the members of the Distribution Committee. The Director shall receive such compensation and perform such duties as the said Trustees' Committee determine and shall keep a complete record of the proceedings of both Committees.

*Cleveland Declaration (continued)*

Provided, however, that any member appointed to fill a vacancy in the Committee caused by death, resignation or any cause other than expiration of term, shall hold office only for the unexpired portion of the term for which the predecessor in office was originally appointed.

*Filling of Vacancies:* In the first instance, the Trustees Committee shall request the persons upon whom power is conferred to appoint the members of the Committee in Class (2) to Class (4), inclusive, to confer in respect to the membership of the Distribution Committee so that the qualifications by this article prescribed for members of said Committee may be observed, and duplication of nominees or violation of the restrictions of this Article may be avoided, and to appoint the three members of said Committee in Classes (2) to (4), inclusive, and notify the Trustees Committee in writing of the persons appointed. The Trustees Committee shall thereupon appoint the two members in Classes (1) and (5). Thereafter the persons charged with the appointment of the members of the Distribution Committee in Classes (2) to (4), inclusive, shall annually, either on their own motion or upon the request of the Trustees Committee, confer in regard to the filling of vacancies in the Distribution Committee caused by expiration of term, death, resignation or refusal to serve. All such vacancies shall, nevertheless, be filled by the authority which made the original appointment.

Failure of any member of the Distribution Committee to attend three (3) consecutive meetings of the Committee, without excuse, or inability to perform his or her duties by reason of incompetency or other cause, shall, in the discretion of the Committee, operate as a resignation from membership on the Committee. In the event that any of the persons herein authorized to appoint members of said Committee shall, for sixty (60) days after request to appoint a member of said Committee, fail to exercise the power of appointment herein conferred, then and in any such event such power of appointment may be exercised by action of the Trustees Committee, evidenced by instrument in writing filed with the Director of The Cleveland Foundation appointed as hereinafter provided.

*Designation of New Sources of Appointment:* In the event that any office, the holder of which is designated to nominate and appoint a member of the Distribution Committee, shall cease to exist, then the Trustees Committee shall designate the holder of another office, of similar functions or jurisdiction, with power to nominate and appoint a member of the Committee of the same class.

*Organization:* The Distribution Committee first appointed shall organize as soon as may be convenient, and the Committee shall thereafter annually meet upon the third Wednesday in January or at such other annual date as may be fixed and provided for in its own regulations. At the first and subsequent annual organization meetings the Committee shall elect a Chairman from

*New York Declaration (continued)*

*Authentication of orders for payment of money:* Any written order or direction to a Trustee for the payment of money made pursuant to a resolution adopted at a meeting of the Distribution Committee shall be deemed sufficiently made and executed if signed by the Chairman and attested by the Director, and the Trustees and each of them shall be protected in acting upon any such written order or direction believed by the one of them to which the same shall be addressed to have been signed by the proper person or persons.

*Quorum. Rule of action:* A majority of the members of the Distribution Committee shall constitute a quorum for the transaction of any business at any meeting of said Committee, but the affirmative votes or action of at least six members of the Committee shall be required for the making of any order or direction for the payment of money. The said Committee shall have power to adopt regulations and by-laws not inconsistent with this resolution and declaration providing for meetings, regular or special, the appointment of sub-committees for special purposes and for the government of its action and may, at pleasure, amend such regulations or by-laws. The said Committee shall, as a rule of action, as far as possible carry on its investigations through existing agencies or through specially appointed temporary committees or agents and shall avoid bureaucracy and complicated machinery and consequent expense.

*Expenses:* The reasonable expenses of the Distribution Committee and the compensation of the Director shall be paid out of the income certified by the Trustees as available for distribution as provided in Section (3) of Paragraph IV or out of funds contributed for the purpose, but the members of the Committee shall serve without compensation.

*Title and powers of Trustees:* VI.—The trustee of each trust made as provided in Paragraph II shall be vested under the terms of this declaration as trustee of an express trust with the legal title to the property given, granted, devised or bequeathed to it for the uses and purposes and upon the conditions herein expressed and shall be entitled to exercise in respect of the property so held by it all right of absolute ownership. Without in

*Cleveland Declaration (continued)*

among its members. The Distribution Committee shall appoint a Director whose title shall be "Director of The Cleveland Foundation" and who shall hold office subject to the will of the Distribution Committee. Such Director and any successor shall be appointed and may be removed at any time by the affirmative vote of three-fifths (3/5ths) of all members of the Distribution Committee. The Director shall receive such compensation and perform such duties as the Distribution Committee determines, and shall keep a complete record of the proceedings of said Committee, which record shall be at all times available and open to the inspection of the Trustees Committee. Such Director shall also serve as Secretary of the Trustees Committee unless otherwise provided by said Committee.

*Authentication of Orders:* Any written order or direction to a Trustee for the payment of money, made pursuant to a resolution adopted at a meeting of the Distribution Committee, shall be deemed sufficiently made and executed if signed by the Chairman, Vice-Chairman, Director or other member, officer or agent duly authorized thereunto by the Committee.

*Quorum:* A majority of the members of the Distribution Committee shall constitute a quorum for the transaction of any business at any meeting of said Committee, but the affirmative votes of action of at least three members of the Committee shall be required for the making of any order or direction for the payment of money. The Committee shall have power to adopt regulations and by-laws not inconsistent with this resolution and declaration, providing for meetings, regular or special, the appointment of sub-committees for special purposes, and for the government of its action, and may, at pleasure, amend such regulations or by-laws. The Committee shall, as a rule of action, as far as possible, carry on its investigations through existing agencies or through specially appointed temporary committees or agents, and shall avoid bureaucracy and complicated machinery, and consequent expense.

*Expenses:* The reasonable expenses of the Distribution Committee, as herein provided, and the compensation of the Director and other employees, agents or attorneys of the Committee, shall be paid out of the income certified by the Trustees as available for distribution, as provided in Subdivision (3) of Article IV, or out of funds contributed for the purpose, but the members of the Committee shall serve without compensation.

*Title and Powers of Trustees:* ARTICLE VI. The Trustee of each trust made as provided in Article II shall be vested under the terms of this declaration as Trustee of an express trust, with the legal title to the property given, granted, devised or bequeathed to it for the uses and purposes and upon the conditions herein expressed, and shall be entitled to exercise in respect of the property so held by it all rights of absolute ownership, provided, however, that all securities and property at any time held by the Trustee shall be

*New York Declaration (continued)*

any way limiting or restricting the generality of the foregoing but rather in enlargement and extension thereof, the Trustee shall have the following powers:

(1) To invest and reinvest any and all moneys received in securities and/or property in which, from time to time, it may be lawful to invest trust funds under the laws of the State of New York, unless the donor shall otherwise provide;

(2) To retain any and all property, real or personal, which may come into its hands in the form and condition in which it may be, notwithstanding the same be not a lawful investment for trust funds under the laws of the State of New York, or, if it shall deem it advisable, from time to time, sell or exchange any or all such property.

(3) To sell, lease (for such periods as it shall deem for the best interests of said fund), convey, transfer, exchange, deliver and dispose of all or any part of the principal or capital of the funds or property from time to time constituting said fund, at such prices and upon such terms and conditions as to it shall seem expedient and proper; no purchaser of any securities or property sold by said Trustee shall be bound to ascertain or inquire into the necessity or propriety of any such sale or shall be bound to see to the application of the purchase moneys paid thereon, and the receipts or receipt in writing of said Trustee for the purchase money of any property sold, or for any moneys, stocks, funds, shares or securities which may be paid or transferred to them shall effectually discharge the purchaser or purchasers or other person or persons paying or transferring the same therefrom or for being answerable for the application or misapplication thereof;

(4) To consent to the extension, refunding or renewal of any such securities and to the extension or renewal of any mortgage or lien securing the same;

(5) To make, execute and deliver all proper receipts, bills of sale, conveyances, assignments, transfers, proxies, powers of attorney and agreements as it shall deem best in the management and control of the securities and property constituting said fund;

(6) To apportion any losses to principal or income as it shall deem best;

(7) To make or join in any plan or plans of reorganization or of readjustment in respect of any corporation of which any of the shares of stocks, bonds or other securities or obligations at any time constitute part of the principal of the fund, and to accept and hold any property or new securities in exchange for or in place of any securities surrendered in accordance with any such plan in the place of the securities so surrendered;

(8) To refrain, in its discretion, from setting aside any part of the income received by it from securities taken or purchased as part of said fund at a premium as a sinking fund to retire or amortize such premium.

(9) To vote upon all stocks held by it, to unite with other owners of the securities of any corporation in carrying out any plan for the reorganization thereof,

*Cleveland Declaration (continued)*

devoted exclusively to the public charitable and educational purposes herein mentioned.

Without in any way limiting or restricting the generality of the foregoing, but rather in enlargement and extension thereof, and except as otherwise expressly restricted or enlarged by such specific provisions, if any, with respect thereto as may be contained in the particular will or trust instrument creating the trust, the Trustee shall have the following powers with respect to the management, investment and control of the trust estate.

Subdivision (1) The Trustee shall have power:

*Investment of Funds:* (A) To invest and reinvest any and all moneys received in securities and/or property in which it is now or may be hereafter lawful, under the laws of the State of Ohio, to invest its own funds or trust funds committed to its care;

(B) To retain any and all property, real or personal, which may come into its hands in the form and condition in which it may be, notwithstanding the same be not a lawful investment for trust funds under the laws of the State of Ohio; or, if it shall deem it advisable, from time to time sell or exchange any or all such property;

(C) To sell, lease (for such periods, irrespective of the time for distribution of principal, as it shall deem for the best interests of said fund), convey, transfer, exchange, deliver and dispose of all or any part of the property, or securities from time to time constituting the trust estate, at such prices and upon such terms and conditions as to it shall seem expedient and proper; no purchaser of any securities or property sold by the Trustee shall be bound to ascertain or inquire into the necessity or propriety of any such sale, or shall be bound to see to the application of the purchase moneys paid thereon, and the receipts or receipt in writing of the Trustee for the purchase money of any property sold, or for any money, stocks, funds, shares or securities, which may be paid or transferred to them, shall effectually discharge the purchaser or purchasers or other person or persons paying or transferring the same therefrom or for being answerable for the application or misapplication thereof;

(D) To consent to the extension, refunding or renewal of any of such securities, and to the extension or renewal of any mortgage or lien securing the same;

(E) To make, execute and deliver all proper receipts, bills of sale, conveyances, assignments transfers, proxies, powers of attorney and agreements as it shall deem best in the management and control of the securities and property constituting the trust estate;

(F) To exercise all voting rights and privileges pertaining to stocks held by it; to make or join in any plan or plans of reorganization or of readjustment in respect of any corporation of which any of the shares of stock, bonds or other securities or obligations are at any time held by it, and to exchange, accept and hold any property or new securities in exchange for or in

*New York Declaration (continued)*

to exchange the securities of any corporation for others issued by the same or by any other corporation upon such terms as said Trustee shall deem proper; to assent to the consolidation or merger of any corporation whose securities are held by it with any other corporation, to the lease by such corporation of its property or any portion thereof to any other corporation, or to the lease by any other corporation of its property to such corporation, and upon any such consolidation, merger, lease or similar arrangement to exchange the securities held by the Trustee for other securities issued in substitution thereof; to pay all such assessments, expenses and sums of money as it may deem expedient for the protection of the interest of the fund as holder of the stocks, bonds, other securities of any corporation or company.

*Limitations and restrictions on powers.* The powers conferred upon the Trustee shall nevertheless be subject to the following limitations and restrictions:

(a) The Trustee, in making investments or reinvestments for said fund, shall in no case be permitted to purchase securities or property from itself;

(b) All securities and property at any time held by the Trustee shall be devoted exclusively to the public educational, charitable and benevolent purposes herein mentioned;

(c) The Trustee shall not have power to mortgage or pledge said securities or property or any part thereof, except as otherwise prescribed by the donor.

*Cleveland Declaration (continued)*

place of any securities surrendered in accordance with any such plan; to assent to the liquidation, consolidation or merger of any corporation whose securities are held by it with any other corporation or to the lease by such corporation of its property, or any portion thereof, to any other corporation, or to the sale or lease by any other corporation of its property to such corporation, and upon any such consolidation, merger, lease or similar arrangement, to exchange the securities held by the Trustee for other securities issued in substitution thereof; to pay all such assessments, expenses and sums of money as it may deem expedient for the protection of the interest of the fund as holder of the stocks, bonds, or other securities of any corporation. The term corporation as used in this paragraph shall be deemed to include any company, association, trust or other entity or organization whose shares, certificates of ownership, bonds, obligations or securities of any character are held by the Trustee;

(G) To set aside, or in its discretion, refrain from setting aside any part of the income received by it from securities taken or purchased as part of the trust estate at a premium, as a sinking fund to retire or amortize such premium; and the Trustee shall have the right and power, in its uncontrolled discretion, to determine, in all trusts subject hereto, what shall be treated as income and what shall be treated as principal as to each respective transaction therein and to charge or apportion any losses or expenses to principal or income as it shall deem best;

(H) To borrow money for the purpose of procuring funds deemed by the Trustee in its discretion to be necessary for the improvement, protection or preservation of the trust estate or any of the assets comprised therein. To realize such funds the Trustee may advance its own funds, having a lien for the payment thereof, with interest, upon the trust estate, or may borrow from others upon such terms and conditions as it deems proper, including the right to secure any such loan by the mortgage or pledge of all or any part of the property or securities of the trust estate, but the Trustee may not otherwise mortgage, pledge or otherwise encumber the assets of the trust;

(I) To compromise, compound and adjust claims in favor of or against the property held or intended to be held by it, upon such terms and conditions as to it may seem just, expedient and proper;

(J) To list for taxation, in its discretion, all or any portion of the property held by it in any trust after the income therefrom becomes devoted solely to the charitable purposes herein provided, notwithstanding any statute exempting all or any part thereof by reason of such application to said charitable purposes.

Although the Trustee in making investments or reinvestments of said funds, shall in no case be permitted to purchase from itself, or to sell to itself, securities or property, or retain to itself any commission from the purchase or sale of any such security or property, it is understood and agreed that the acquisition of real estate mortgage loans theretofore made by the Trustee as its own loans, in the ordinary course of its business, or the

*New York Declaration (continued)*

*Employment of agents, etc. Expenses. Protection of Trustees:* The Trustee of each trust made as provided in Paragraph II may perform any power or duty hereunder, whether discretionary or not, by or through, and may select and employ in and about the execution thereof, attorneys, agents or servants, and may retain reasonable and proper compensation for the services and expenses of such attorneys, agents or servants. The Trustee may also retain reasonable and proper compensation for its services and expenses as trustee not exceeding, however, the compensation allowed to trustees under the laws of the State of New York. No trustee shall be answerable for the acts, receipts, neglects or defaults of any of the other Trustees or of any person employed by it and selected with reasonable care, and no trustee shall be liable for any error of judgment, or for any act done or step taken or omitted under the advice of counsel, nor for any mistakes of fact or of law, nor for anything which it may do or refrain from doing in good faith. Without thereby altering the statutory rule creating a preference in respect of a trust deposit, any moneys received by any Trustee, under the provisions of any gift, grant, devise or bequest may be treated by it until invested or reinvested or paid out conformably herewith, as a general deposit, without any liability for interest save such as, during that time, it allows to general depositors.

No trustee shall be responsible for the validity of any gift, grant, devise or bequest at any time made to any of them for the uses and purposes and upon the conditions expressed in this declaration.

*Trustees' Committee.* VII.—To insure unity of purpose and concert of action among the Trustees, to complete the organization and provide for the continuance of The New York Community Trust and for the other purposes in this paragraph mentioned, the persons who shall be the Presidents for the time being of each of the Trustees shall constitute a committee which shall be known as the Trustees' Committee.

*Powers. Limitation of powers:* The Trustees' Committee shall have such powers as may be necessary to effectuate the foregoing objects including power (1) to select the five members of the Distribution Committee herein provided to be appointed by the Trustees, (2) to nominate the Director of The New York Community Trust and his or her successors, and (3) from time to time to approve in writing and permit other trust companies or financial institutions authorized by law to accept and execute trusts for the purposes specified in Paragraph IV to join The New York Community Trust,

*Cleveland Declaration (continued)*

acquisition of participating interests in such loans, shall not be deemed a purchase prohibited by the provisions hereof or by any principle of equity, if such real estate mortgage loans, or participating shares therein, at the time of their acquisition, are within the standards prescribed by law for the investments of savings banks and trust companies and are so acquired free from any commission or other charges.

*Employment of Agents, Compensation, Etc.: Supervision (2).* (a) The Trustee of each trust may select and employ in and about the execution thereof, attorneys, agents or servants, and may pay reasonable and proper compensation for the services and expenses of such attorneys, agents or servants. The Trustee may also retain, as compensation for its services as Trustee, the compensation for which it may have contracted, or which is stipulated in the instrument of gift, grant, devise or bequest, or, in the absence of such contract or stipulation, then such compensation as may be reasonable, and in addition thereto, its reasonable expenses.

*Protection of Trustees:* (b) No Trustee shall be answerable for the acts, receipts, neglects or defaults of any of the other Trustees, and no Trustee shall be liable for any error of judgment or for any act done or step taken or omitted under the advice of counsel, nor for anything which it may do or refrain from doing in good faith, each Trustee being liable only for its own bad faith or wilful default or neglect.

(c) Any moneys, received by any Trustee, under the provisions of any gift, grant, devise or bequest may be treated by it, until invested or reinvested, or paid out conformably herewith, as a general deposit, without any liability for interest save such as, during that time, it allows to its depositors on similar deposits.

(d) No Trustee shall be responsible for the validity of any gift, grant, devise or bequest at any time made to any of them for the uses and purposes and upon the conditions expressed in this declaration.

*Trustees' Committee:* ARTICLE VII. To insure unity of purpose and concert of action among the Trustees, to complete the organization and provide for the continuance of THE CLEVELAND FOUNDATION, and for the other purposes in this article mentioned, the persons who shall be the Presidents for the time being of each of the Trustees shall constitute a committee which shall be known as the "Trustees' Committee." The Trustees' Committee shall have such powers as may be necessary to effectuate the foregoing objects, including power (1) to select the two members of the Distribution Committee herein provided to be appointed by the Trustees, (2) from time to time to approve in writing and permit other trust companies or financial institutions of the State of Ohio located in the City of Cleveland or its vicinity and authorized by law to accept and execute trusts for the purposes specified in Article IV to join The Cleveland Foundation, (3) in event of any gift, devise, or bequest intended for The Cleveland Foundation but under or in connection with which the par-



*New York Declaration (continued)*

and (4) from time to time to take such other action and perform such duties as are herein provided to be taken or performed by said Committee. The Trustees' Committee shall have no power to interfere with the management or disposition of any property vested in or held by the Trustees or with the distribution of the rents, profits or income thereof.

*Voting power of members:* Each member of the Trustees' Committee shall be entitled to one vote and, in addition, to one vote for each ten thousand dollars (\$10,000) of income of property given, granted, devised or bequeathed to the Trustee represented by such member and available for distribution within the preceding calendar year for the uses and purposes herein set forth, disregarding any fraction of ten thousand dollars (\$10,000).

*Action at meetings or in writing:* The Trustees' Committee may take action at a meeting of the members by resolution adopted by a majority of the votes of all the members, although a majority of the members may not be present at the meeting, or by writing subscribed by all the members of such Committee without a meeting thereof, but no action shall be taken in writing without a meeting except with the unanimous consent of all the members of said Committee. The Trustees' Committee may prescribe such rules and regulations of procedure as it may deem expedient. The board of directors of any Trustee shall have power to appoint one of the Vice-Presidents or other executive officers as alternate for the President, who shall have all the powers and duties and be entitled to all the immunities herein specified in respect of a member of said Committee.

*No compensation:* The members of the Trustees' Committee shall receive no compensation for their services. No member of the Trustees' Committee shall in any event or in any manner be or become liable for any act done or omitted to be done or for any consent or approval given or withheld except only each for his own intentional bad faith, nor shall the Trustees be responsible for any action of the Trustees' Committee or any member thereof.

*Annual audit of Trustees' accounts:* VIII.—The accounts of the Trustees shall be annually audited by an independent auditor to be appointed by the Distribution Committee and paid out of the income of the fund as a part of the expenses of the said Committee. The Committee shall not appoint the same

*Cleveland Declaration (continued)*

ticular Trustee intended to take the title to and management of the property, is not designated, or is incorrectly described, to determine which of the Trustees shall seek the appointment and/or secure the trust assets, to the end that the intended charitable gifts, devises or bequests shall not fail for lack of a Trustee to undertake the control and management thereof; and (4) from time to time to take such other action and perform such duties as are herein provided to be taken or performed by said Committee.

The Trustees Committee shall have no power to interfere with the management or disposition of any property vested in or held by the Trustees, or with the distribution of the rents, profits or income thereof.

Each member of the Trustees Committee shall be entitled to one vote. The Trustees Committee may take action at a meeting of the members, by resolution adopted by a majority of the votes of all the members, or by writing subscribed by all the members of such Committee without a meeting thereof; but no action shall be taken by writing without a meeting, except with the unanimous consent of the members of said Committee. Subject to the foregoing, the Trustees Committee may prescribe such rules and regulations of procedure as it may deem expedient. The Board of Directors of any Trustee shall have power to appoint one of the Vice Presidents or other executive officers as alternate for the President, who shall have all the powers and duties and be entitled to all the immunities herein specified in respect to a member of said Committee. In the event the members of the Trustees Committee are not able by majority action to select the members of the Distribution Committee herein provided to be appointed by the Trustees Committee, or are not able by such majority vote to take action upon any other matter herein provided to be taken or performed by said Committee, excepting only the question of permitting other trust companies or empowered financial institutions to join The Cleveland Foundation, such appointments or such other actions shall be made or undertaken by resolution adopted by a majority vote of all the persons then constituting the members of the Distribution Committee and the Trustees Committee at a meeting of which reasonable notice of the time and place of holding the same shall have been given to all of such persons.

The members of the Trustees Committee shall receive no compensation for their services. No member of the Trustees Committee shall in any event or in any manner be or become liable for any act done or omitted to be done or for any consent or approval given or withheld, except only each for his own intentional bad faith, nor shall the Trustees be responsible for any action of the Trustees Committee or any member thereof.

*Annual Audit:* ARTICLE VIII. The accounts of the several Trustees insofar as the same relate to trusts held hereunder, and the expenses of the Distribution Committee, shall be annually audited by an independent auditor, to be appointed by the Distribution Committee, and paid out of the income of the fund as a part of

*New York Declaration (continued)*

auditor in any two successive years. There shall annually be published in such form and in such newspapers as said Committee may direct, a report of its proceedings during the preceding year which shall state the aggregate of the funds, the disbursements made pursuant to the direction of said Committee and the purposes for which the same were made. The cost of the publication of such report shall be regarded as part of the expenses of said Committee.

*Right of Inspection and Restraint:* The Attorney-General of the State of New York, or such other law officer having similar jurisdiction as may hereafter be appointed with another title, and any representative of the Distribution Committee thereunto duly authorized by resolution adopted by said Committee shall have, at all reasonable times during business hours, the right to inspect the books, vouchers and records of the Trustees and of the Distribution Committee in anywise appertaining to said fund or the management thereof or the distribution and application of the income, rents or profits thereof.

*Successor corporations to become Trustees:* IX.—Any corporation which shall be the successor to or shall acquire the property and assets of any of the Trustees, whether by merger, consolidation or otherwise, shall forthwith be and become one of the Trustees hereunder with all the rights, power and duties vested in the predecessor Trustee by the terms hereof.

*Resignation of Trustees:* Any of the Trustees may at any time resign and surrender the property held by it to such of the other Trustees as the resigning Trustee may, with the consent of the Trustee thus designated, designate and the Trustees' Committee approve and shall thereupon be discharged and released from its obligations under any gift, grant, devise or bequest of such property and hereunder.

*Insolvent Trustees:* Any Trustee which shall become insolvent or bankrupt or of which control shall have been assumed by the State Superintendent of Banks or other analogous officer or authority shall be deemed to have been removed and the Trustees Committee shall have the right to designate, with the consent of the Trustee thus designated, one of the other Trustees to demand and receive the property held by such Trustee.

*Cleveland Declaration (continued)*

the expenses of the said Committee. There shall annually be published, in such form and in such newspaper or newspapers, published and of general circulation in the City of Cleveland, as said Distribution Committee may direct, a report of its proceedings during the preceding year, which shall state the aggregate of the funds, the disbursements made pursuant to the direction of said Committee, and the purposes for which the same were made. The cost of the publication of such report shall be regarded as part of the expenses of said Committee.

*Public Supervision:* Either the Attorney General of the State of Ohio or the law officer of the City of Cleveland, or such other officer having similar jurisdiction as may hereafter be appointed with other titles, and any representative of the Distribution Committee thereunto duly authorized by resolution adopted by said Committee, shall have, at all reasonable times during business hours, the right to inspect the books, vouchers, and records of the several Trustees and of the Distribution Committee in any wise appertaining to said funds or the management thereof or the distribution and application of the income, rents or profits thereof, and shall have the right to institute proper proceedings in any court of competent jurisdiction to restrain, correct or recover for any maladministration of the trust estate by any Trustee or by the Distribution Committee.

*Successor Corporations:* ARTICLE IX. Any corporation which shall be the successor to or shall acquire property and assets of any of the Trustees, whether by merger, consolidation, acquisition of assets, or otherwise, and which shall have adopted or adopt this resolution, shall forthwith be and become one of the Trustees hereunder, with all the rights, titles, interest, powers and duties vested in the predecessor Trustee by the terms hereof and by the terms of the gift, grant, devise or bequest under which the predecessor Trustee claimed.

*Resignation and Appointment of Successor Trustees:* Any of the Trustees may at any time resign as to one or more or all of the trusts held by it hereunder, and surrender the property held by it in such trust or trusts, to such one or more of the other Trustees as the resigning Trustee, with the consent of the Trustee or Trustees thus designated, may designate, and the Trustees Committee approve; or may so resign without designating a successor, in which event the Trustees Committee may designate a successor or successors. In the event of any such resignation and the designation of a successor, as herein provided or otherwise, the resigning Trustee shall thereupon be discharged and released from its obligation under any gift, grant, devise or bequest of such property. Any Trustee which shall become insolvent or bankrupt or of which control shall have been assumed by the State Bank Commissioner or other analogous officer or authority, shall be deemed to have been removed, and the Trustees Committee shall, unless otherwise provided by the terms of the gift, grant, devise or bequest of the donor, have the right to designate, with the consent of the Trustee thus designated, one or more of the other

*New York Declaration (continued)*

*Provisions independent:* X.—To further assure the carrying out of the purposes hereof, each and every of the provisions of this resolution and declaration are to be regarded and construed as independent of every other provision. In the event that the final determination of a court of competent jurisdiction shall adjudge that any of the terms, conditions or provisions of the resolution and declaration are invalid, such adjudication shall in no wise affect the validity of the remaining provisions.

In the event that such determination shall adjudge that the powers hereby in Paragraph IV conferred upon the Distribution Committee are invalid, or in the event that, under the provisions of Paragraph XI, The New York Community Trust and the powers and duties of the Distribution Committee shall be terminated, then and in either event each of the Trustees shall have and may exercise the powers so conferred upon the Distribution Committee in respect of any property given, granted, devised or bequeathed to each Trustee for the uses and purposes herein set forth.

*Amendment modification or termination:* XI.—The maker of any gift, grant, devise or bequest for the uses and purposes herein expressed, and upon and subject to the provisions hereof and all persons claiming by, through or under him and each Trustee by the acceptance thereof shall be conclusively deemed to have agreed that the Distribution Committee may, by resolution adopted by the affirmative vote of nine of its members, when approved by resolution adopted by the affirmative vote of three-fourths of all the members of the Trustees' Committee, from time to time or at any time (1) modify, supplement or restrict the educational, charitable and benevolent uses and purposes to which the funds available for distribution may be applied herein; (2) change the method of appointment of the members or the Distribution Committee or increase or reduce the number of its members; (3) construe any provision of this resolution and declaration, which construction and action thereunder in good faith shall be conclusive; (4) supply any defect or omission herein which said Committees may then deem advisable to carry out the purposes of The New York Community Trust properly and effectively; (5) amend the provisions hereof in any respect which shall be consistent with the application of the entire net income and the principal of any gift, grant, devise or bequest for public educational, charitable or benevolent uses and purposes and for no other use or purpose whatever; (6) terminate The New York Community Trust and all the powers and duties of the Distribution Committee with the effect provided in Paragraph X. A copy of any resolutions so adopted, certified by the Director of The New York Community Trust, shall be delivered to the President of each of the Trustees for the time being, together with a copy or copies of this resolution and declaration as so amended and changed.

*Cleveland Declaration (continued)*

Trustees to demand and receive the property held by such Trustee, and become the successor to such Trustee. All successors in trust receiving property hereunder shall thereupon succeed to all the rights, titles, interest, powers, discretions and duties vested in the predecessor Trustee by the terms hereof, and by the terms of the gift, grant, devise or bequest under which the predecessor Trustee claimed.

*Provisions to be Construed as Independent:* ARTICLE X. To further assure the carrying out of the provisions hereof, each and every of the provisions of this Resolution and Declaration are to be regarded and construed as independent of every other provision. In the event that the final determination of a court of competent jurisdiction shall adjudge that any of the terms, conditions or provisions of the Resolution and Declaration are invalid, such adjudication shall in no wise affect the validity of the remaining provisions.

In event that such determination shall adjudge that the powers hereby in Article IV conferred upon the Distribution Committee are invalid, or in the event that, under the provision of Article XI The Cleveland Foundation and the powers and duties of the Distribution Committee shall be terminated, then and in either such event each of the Trustees respectively shall have and may exercise the powers so conferred upon the Distribution Committee in respect of any property given, granted, devised or bequeathed to such Trustee for the uses and purposes herein set forth, as well as to direct that the administration of the trust be proceeded with in such manner as will most nearly conform, in its judgment, to the charitable intentions and purposes of each donor.

*Amendment and Termination:* ARTICLE XI. The maker of any gift, grant, devise or bequest for the uses and purposes herein expressed, and upon and subject to the provisions hereof, and all persons claiming by, through or under him and each Trustee by the acceptance thereof shall be conclusively deemed to have agreed that the Distribution Committee, by resolution adopted by the affirmative vote of four-fifths (4/5ths) of its members, when approved by resolution adopted by the affirmative vote of three-fourths (3/4ths) of all the members of the Trustees Committee, may, from time to time or at any time (1) modify or supplement the administrative provisions hereof other than those set forth in Article VI, including any change deemed advisable in the number, method of appointment or qualification of the members of the Distribution Committee, provided that any such modification, supplement or change shall be consistent with the general plan and purpose of the Cleveland Foundation as expressed herein and with the application of the entire net income and/or principal of any gift, grant, devise or bequest for the charitable purposes of the Foundation as defined in Articles II and IV hereof, but subject at all times to the provisions of Article II as respects changing the purposes or directions specifically expressed in any particular trust; (2) terminate The Cleveland Foundation and all the powers and duties of the Distribution Committee with the effect provided in Article X. A copy of any resolution so adopted and ap-

*Cleveland Declaration (continued)*

proved, certified by the Director of The Cleveland Foundation, shall be delivered to the President for the time being, of each of the Trustees.

Suggested Forms for Gifts to  
THE CLEVELAND FOUNDATION  
By Will or Trust Agreement

The following suggestions are made to accomplish the incorporation of the Resolution, into the Will or Trust Agreement avoiding the necessity of copying the full text of the Resolution into the document. The attorney drafting the Will or Trust Instrument should use apt words to meet the conditions of each particular gift.

If the Will or Trust Agreement provides for an immediate bequest or gift to The Cleveland Foundation not dependent on any prior trusts, the insertion of the following will provide for such gift and incorporate the Foundation plan without the necessity of setting forth the resolution at length:

"I give and bequeath the sum of \_\_\_\_\_ to (Name of Bank or Trust Company), to be managed, controlled, administered, and disbursed in all respects for the charitable uses and purposes set forth in a Resolution adopted by the Board of Directors of (Name of Bank or Trust Company) on the \_\_\_\_\_ day of \_\_\_\_\_, providing for a community charitable trust, designated in said Resolution as The Cleveland Foundation, said Resolution being set forth at length in the minutes of the meeting of said Board of Directors on the date aforesaid as written in the corporate records of said (Name of Bank or Trust Company), hereby making reference to said Resolution as contained in said corporate records as fully and with like effect as if herein rewritten at length."

A like provision may be used in a living trust agreement with appropriate language for the present gift of money or property in lieu of the words "I give and bequeath" in the above legacy form.

If the Will or Trust Agreement provides for payment of income to family and relatives during life, or other precedent trusts, the following form is suggested:

"Upon the termination of the trusts hereinbefore expressed I direct that the entire net income derived

from the trust estate, with its accumulations as aforesaid, shall be expended or appropriated each year, perpetually, until the principal may have been disbursed, for the charitable uses and purposes set forth in a Resolution adopted by the Board of Directors of (Name of Bank or Trust Company) on the \_\_\_\_\_ day of \_\_\_\_\_, providing for a community charitable trust, designated in said Resolution as The Cleveland Foundation, and to that end I direct that the trust estate, both principal and income shall, at the termination of the aforesaid trusts, vest in (Name of Bank or Trust Company) and be managed, controlled, administered and disbursed in all respects as provided in said Resolution, which is set forth at length in the minutes of the meeting of said Board of Directors on the date aforesaid as written in the corporate records of said (Name of Bank or Trust Company), reference to which Resolution as contained in said corporate records is hereby made as fully and with like effect as if herein rewritten at length."

If in the Will or Trust Agreement it is desired to express a preference as to a particular charitable institution or institutions, or as to the kind of charitable endeavor to be favored, language to the following effect may be added:

"Pursuant to the right reserved to the contributors to said Foundation, I hereby express my desire that the income and/or principal herein bequeathed (or given) for the charitable purposes of said Cleveland Foundation, be distributed, subject to the terms and provisions of said Resolution, to the following charitable institutions: (or for the following charitable purposes:)"

If it is desired that the gift to The Cleveland Foundation, bear a name as a memorial, the following language may be used:

"It is my desire that the foregoing gift be known as the \_\_\_\_\_ MEMORIAL FUND."

The Resolution creating The Cleveland Foundation under the Multiple Trusteeship Plan was adopted by the several trustee institutions co-operating in said plan on the following dates:

The Central United National Bank,	December 24, 1930
The Cleveland Trust Company,	January 5, 1931
The Guardian Trust Company,	January 13, 1931
The Midland Bank,	January 6, 1931
The Union Trust Company	December 23, 1930

## THE DETROIT DECLARATION

WHEREAS the Detroit Community Trust has been in active operation since December 7, 1915, and is recognized as a valuable means for the promotion of charitable and benevolent purposes; and

WHEREAS it is desirable that its efficiency be promoted by the encouragement of gifts for its purposes, and the administration thereof through its methods and practice; and

WHEREAS it is believed that such gifts may be promoted by cooperation of additional trustees with Detroit Trust Company for charitable purposes, in respect to its resolution of December 7, 1915, creating said Detroit Community Trust; and

WHEREAS the present administration committee of said Detroit Community Trust in this connection has suggested the cooperation in these regards of the Union Trust Company, the Security Trust Company and the Guardian Trust Company, all Michigan Corporations of Detroit, Michigan, as trustees of the Detroit Community Trust;

NOW, THEREFORE, for the purpose of assisting in the development and purposes of the Detroit Community Trust in aiding in the administration of property devoted to educational, benevolent, charitable or public purposes by testamentary trusts, or otherwise, and to become a trustee thereof;

It is Hereby Resolved by the Board of Directors of Guardian Trust Company of Detroit, Michigan, as follows:

(1) The Guardian Trust Company will accept gifts, grants, bequests and devises in trust for educational, benevolent, charitable or public purposes and will act as trustee thereof with the powers and duties hereinafter set forth; property so given and accepted by it shall form a part of the funds of Detroit Community Trust in connection with property so held by other trust companies of Detroit, Michigan; the income thereof, less proper charges and expenses, shall be held and used in accordance with the intentions of the donor, subject to the condition that if and when it shall appear to the Distribution Committee, hereinafter mentioned, that changes subsequent to the creation of the trust have rendered impossible, impracticable, undesirable, or unnecessary a literal compliance with its terms, in which event such fund, the income or principal thereof, shall be available for such educational, benevolent, charitable or public purposes as may be decided by the Distribution Committee, which use of income shall be continued in perpetuity unless the principal be distributed, as hereinafter provided.

(2) The Distribution Committee shall consist of two members of the Board of Directors of this Corporation and three others appointed respectively, one by the Senior Judge of the District Court of the United States for the Eastern District of Michigan, one by the Senior Judge of the Probate Court for the County of Wayne in the State of Michigan,

and one by the Mayor of the City of Detroit, which three last named appointees shall be the same as those so appointed for the present administration of said fund, and their successors, so that the Distribution Committee shall always consist of three appointees by the Judges and Mayor, as aforesaid, and two appointees by each of the trustees participating in said fund, provided that the authority of such last two appointees shall not be extended to embrace funds, other than those held by the trustee appointing them; and the Distribution Committee, under this resolution or any other of like tenor, shall have the same controlling nucleus appointed by public authorities in order that there may be no conflict in regard to the administration of specific trusts and that distribution for the purposes of said fund may be made with due judgment and without duplication.

(3) All provisions set forth in said resolution of December 7th, 1915, of Detroit Trust Company shall control the administration of the trusts hereunder, except that where in said resolution the name "Detroit Trust Company" is used to designate the trustee under any trust created, naming it as trustee thereof, it is understood that the name Guardian Trust Company shall be substituted in any trusts hereinafter created in which Guardian Trust Company may be designated as Trustee.

(4) It is the purpose and intention of the Trust Companies of Detroit, Michigan, and other institutions acting in trust capacities, and of other trustees acting in connection with the Detroit Community Trust, to encourage donations for public purposes. It is contemplated that each shall cooperate with the others for such purposes; and that the general distribution of income or other funds for such purposes shall be regulated with judgment and discretion. To further this and to secure proper management, it is contemplated that each trust company or trustee shall have two of its representatives upon the Distribution Committee to provide necessary information as to the administration of its funds, but that such two appointees shall be controlled by the votes of the three public appointees, who shall be the central control of all distributions of the Detroit Community Trust.

(5) WHEREAS, the December 7, 1915, resolution the Detroit Company as original trustee provided for expenses of Committee, Secretary, et cetera as expenses of the income of its trusts, and as under the present resolution provision should be made by each trustee for sharing in such general expenses, such as secretary, advertising, rent or other general costs or expenses.

THEREFORE, be it resolved that Guardian Trust Company, as trustee, will contribute and pay to Detroit Trust Company, as trustee, its proportionate share of such general expenses as same may be reasonably incurred by it under the applicable provisions of December 7, 1915 resolution.

## TITLE PAGE TO CHICAGO DECLARATION OF TRUST

Property of any kind may be given to any Bank or Trust Company having fiduciary powers, in trust for The Chicago Community Trust, for the purposes and upon the conditions named in the within Declaration of Trust. The following forms of bequest are suggested:

## BEQUEST FOR GENERAL PURPOSES

I give and bequeath to (name of bank or trust company) in trust for The Chicago Community Trust, the sum of

Dollars (\$ ) for the purposes and upon the conditions named in that certain Declaration of Trust of May 12, 1915, creating The Chicago Community Trust, recorded October 28, 1924 in Recorder's Office, Cook County, Illinois, as Public Document No. 8647436.

## BEQUEST FOR SPECIFIC PURPOSES

(Same form as above) but add:—provided, however, that the net income therefrom shall be devoted to the support of (name of particular charitable institution or object) with the understanding that when, in the judgment of The Chicago Community Trust, the need for this charity shall cease, the money may be devoted by the Chicago Community Trust to any of the purposes of said Trust.

\* \* \* \* \*

NOTE: The Community Trust does not take title to property directly. All property must be given in trust through some Bank or Trust Company or other corporate fiduciary, preferably one selected by the donor.

## Notice Appended to Declaration of Trust Creating The Buffalo Foundation

Under provisions of Chapters 622 and 623 of the Laws of 1926 it is no longer necessary to sign and attach copies of this resolution to wills making bequests to the Buffalo Foundation. Hereafter it is sufficient in making such a bequest to leave it to the Trustee selected "in trust for the uses and purposes and upon the terms contained in the Resolution and Declaration establishing the Buffalo Foundation

adopted by the Board of Directors of such Trustee, copies of which were filed in the offices of the Secretary of State and the Erie County Clerk pursuant to the provisions of Chapters 622 and 623 of the Laws of 1926". If the donor desires to specify particularly the purposes for which the bequest is made this may readily be done as outlined in the Foundation pamphlet sent upon request.

" \* \* \* I am impressed by the great value which the Community Trust promises for future beneficiaries of public spirited citizens of New York.

"Two points in particular attract my attention; first, the flexibility in administration which is provided for by the change each year of two members, and second, the unique and incalculably valuable publicity. What the New York Community Trust thus voluntarily offers will, with the passage of the years, be required by law of all trusts, foundations and other corporate bodies engaged in the distribution of moneys left by bequest. In both these respects \* \* \* the Trust appears to me to be laying a foundation of such wisdom that other cities will soon be copying it, to their lasting benefit."

—MRS. FLORENCE KELLEY, General Secretary, National Consumers' League.

## Appendix B

### PROVISIONS OF FEDERAL REVENUE ACT OF 1921 (and 1928) RELATING TO COMMUNITY TRUSTS (Text given is that of 1928 Act)

Sec. 103. 1928 Act (Sec. 23L, 1921 Act): That the following organizations shall be exempt from taxation under this title—

\* \* \* \* \*

(6) Corporations, and any community chest, fund, or foundation, organized and operated exclusively for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals, no part of the net earnings of which inures to the benefit of any private shareholder or individual;

Sec. 214a (10) (B) 1921 Act as amended by Sec. 23 (n) 2, 1928 Act: In computing net income there shall be allowed as deductions: \* \* \* (n), Charitable and other contributions.—In the case of an individual, contributions or gifts made within the taxable year to or for the use of: \* \* \* (2) any corporation, or trust or community chest, fund, or foundation, organized and operated exclusively for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals, no part of the net earnings of which inures to the benefit of any private shareholder or individual;

### TEXT OF 1925 ACT MAKING COMMUNITY TRUSTS LEGAL IN STATE OF CONNECTICUT

(Ch. 254, Secs. 4825, 4826 and 4827, pp. 1501 and 1502; Vol. II of the General Statutes of Connecticut, Revision of 1930.)

#### AN ACT CONCERNING CHARITABLE TRUSTS

##### CHARITABLE TRUSTS.

Sec. 4825. Any person may, by will, deed or other instrument, give, devise or bequeath property, real or personal or both, to any trustee or trustees, and may provide in such instrument that such property so given, devised or bequeathed shall be held in trust and the income or principal applied in whole or in part for any charitable purpose. No donor or testator shall be required to designate in such will, deed or other instrument the particular charitable purpose or class of purposes for which such property shall be used or such income applied. Any such gift, devise or bequest shall be valid and operative, provided the donor or testator shall give to the trustee or trustees thereof or to any other person or persons, the power to select, from time to time and in such manner as such donor or testator may direct, the charitable purpose or purposes to which such property or the income thereof shall be applied; and no such gift, devise or bequest, accompanied by such power of selection, shall be void by reason of uncertainty or other cause.

##### GIFTS TO CHARITABLE COMMUNITY TRUST.

Sec. 4826. Any person may incorporate by reference in any will, deed or other instrument, the terms, conditions, trusts, uses or purposes of any existing written or printed resolution, declaration or deed of trust passed by any corporation or executed by any person whereby there shall be established or shall be attempted to be established any charitable community trust, and any gift, devise or bequest so given to any person or corporation, in trust for any use or purpose of such charitable community trust, shall be valid and effectual notwithstanding that the terms, conditions, uses and purposes thereof are not

otherwise recited in such deed, will or other instrument than by such reference, and the property so given to such person or corporation shall be used for the purposes and upon the terms, conditions and trusts contained in such resolution, declaration or deed of trust establishing any such community trust, in so far as the same shall not conflict with the intent of the donor or testator as expressed in such will, deed or other instrument, and no such gift, devise or bequest so made shall be void for uncertainty or invalid because such resolution, declaration or deed of trust establishing such community trust was not executed by the testator or donor in accordance with the statutory provisions, provided such will, deed or other instrument shall be executed in accordance with such provisions.

##### COMMUNITY TRUSTEES TO RENDER ANNUAL ACCOUNTS.

Sec. 4827. The trustee or trustees of any such charitable community trust shall annually render an account under oath to the probate court for the district in which such trust is being administered, which account shall include an inventory of the estate held by such trustee or trustees, and shall state the manner in which the principal of such fund is invested and the items of income and expenditure. Such court of probate shall direct the notice, if any, which shall be given of the hearing upon the adjustment and allowance of any such account, and may adjust and allow the same and make any order necessary to secure the execution of the duties of such trustee or trustees, subject to appeal as provided for appeals from orders of the probate court.

This act shall take effect from its passage.  
Approved June 23, 1925.

## Appendix C

### Directory of Community Trusts and Foundations in the United States, Hawaii and Canada

Giving State and City and Name of Trust or Foundation; Year Established; Trustees, and Name of Director or Secretary of Foundation as of October 1, 1931

#### California

##### Los Angeles

**California Community Foundation** (1915)  
Security First National Bank of Los Angeles  
Miss Ava B. Blank, Secretary, 502 S. Spring Street

##### Oakland

**Alameda County Community Foundation** (1930)  
American Trust Co.  
Bank of America N. T. & S. A.  
Central National Bank  
First National Bank in Oakland  
Ralph T. Fisher, Vice-President American Trust Co.  
14th Street and Broadway

#### Colorado

##### Denver

**The Denver Foundation** (1925)  
American National Bank  
Colorado National Bank  
First National Bank  
The International Trust Co.  
United States National Bank  
Denver National Bank  
Lesoy McWhinney, Vice-President, Trustee Committee  
c/o International Trust Company, Denver

#### Connecticut

##### Hartford

**The Hartford Foundation for Public Giving** (1925)  
Hartford-Connecticut Trust Co.  
Hartford National Bank & Trust Co.  
Bankers Trust Co.  
City Bank & Trust Co.  
Capitol National Bank & Trust Co.  
Phoenix State Bank & Trust Co.  
Travelers Bank & Trust Co.  
First National Bank  
West Hartford Trust Co.  
Maynard T. Hazen, 777 Main Street

##### New Haven

**New Haven Foundation** (1927)  
American Bank & Trust Co.  
Broadway Bank & Trust Co.  
Congress Bank & Trust Co.  
First National Bank & Trust Co.  
Mechanics Bank of New Haven  
Merchants National Bank  
National Tradesmen Bank & Trust Co.  
New Haven Bank, N. B. A.  
Second National Bank  
The Union & New Haven Trust Co.  
Osborne A. Day, Secretary, 205 Church Street

##### Waterbury

**Waterbury Foundation** (1928)  
Citizens & Manufacturers National Bank  
Colonial Trust Co.  
Merchants Trust Co.

#### Connecticut (continued)

Waterbury National Bank  
Waterbury Trust Co.  
E. C. Northern, Secretary, 35 Field Street

#### Delaware

##### Wilmington

**The Delaware Foundation** (1920)  
Equitable Trust Co.  
Francis A. Cooch, Trust Officer, Equitable Trust Co.

#### District of Columbia

##### Washington

**The Washington Foundation** (1919)  
Washington Loan & Trust Co.  
Wm. H. Baden.  
c/o Washington Loan & Trust Co., 900 F Street, N. W.

#### Georgia

##### Atlanta

**Atlanta Foundation** (1921)  
First National Bank of Atlanta  
W. T. Perkerson, First National Bank of Atlanta

#### Illinois

##### Chicago

**Chicago Community Trust** (1925)  
The Harris Trust & Savings Bank  
Northern Trust Co.  
Continental Illinois Bank & Trust Co.  
Peoples National Bank & Trust Co.  
First Union Trust & Savings Bank  
Peoples Trust & Savings Bank  
Chicago Title & Trust Co.  
(Other banks with trust powers may act)  
Frank D. Loomis, Secretary, 10 S. La Salle Street

##### Pecora

**Pecora Community Trust** (1918)  
Commercial Merchants National Bank & Trust Co.  
Albert Sühling, Commercial Merchants National Bank & Trust Co.

##### Springfield

**Sangamon County Foundation** (1924)  
First State Trust & Savings Bank  
Ridgely-Farmers State Bank  
Springfield Marine Bank  
Illinois National Bank  
L. T. Souther, Vice-President,  
First State Trust & Savings Bank

#### Indiana

##### Fort Wayne

**Fort Wayne Foundation** (1923)  
Citizens Trust Co.  
Dime Savings & Trust Co.

*Indiana (continued)*

Peoples Trust & Savings Co.  
First & Tri-State National Bank & Trust Co.  
Old First National Bank & Trust Co.  
Lincoln National Bank & Trust Co.  
J. E. Wiles, Manager and Industrial Commissioner,  
Chamber of Commerce

*Indianapolis*

**Indianapolis Foundation (1916)**  
Fletcher Trust Co.  
Indiana Trust Co.  
Union Trust Co.  
Eugene C. Foster, Director, 1012 Hume-Mansur Building

*Iowa**Sioux City*

**Sioux City Common Fund (1925)**  
Farmers Loan & Trust Co.  
Earl A. Hoffman, Vice-President, Troy National Bank

*Kentucky**Louisville*

**Louisville Foundation (1914)**  
Fidelity & Columbia Trust Co.  
Kentucky Title Trust Co.  
Lincoln Bank & Trust Co.  
United States Trust Co.

*Louisiana**New Orleans*

**New Orleans Foundation (1918)**  
Interstate Trust & Banking Co.  
F. H. Sides, Trust Officer,  
Interstate Trust & Banking Co.

*Maine**Portland*

**Maine Charity Foundation (1921)**  
Fidelity Trust Co.  
Roland E. Clark, Vice-President, Fidelity Trust Co.

*Maryland**Baltimore*

**Baltimore Community Foundation (1920)**  
Union Trust Co. of Maryland  
Title Guarantee & Trust Co.  
First National Bank of Baltimore  
Baltimore Trust Co.  
Colonial Trust Co.  
Maryland Trust Co.  
Equitable Trust Co.  
Mercantile Trust Co. of Baltimore  
Western National Bank of Baltimore  
Alfred R. Riggs, Secretary, 622 Equitable Building

*Massachusetts**Attleboro*

**Attleboro Foundation (1915)**  
Attleboro Trust Co.  
V. R. Gleason, Attleboro Trust Co.

*Boston*

**Permanent Charity Fund (1915)**  
Boston Safe Deposit & Trust Co.  
Charles M. Rogerson, Secretary, 100 Franklin Street

*Cambridge*

**The Cambridge Foundation (1916)**  
Harvard Trust Co.  
W. F. Earle, President, Harvard Trust Co.

*Massachusetts (continued)**Edgartown, Martha's Vineyard*

**Martha's Vineyard Foundation (1928)**  
Martha's Vineyard National Bank of Tisbury, Vineyard Haven  
Edgartown National Bank  
Henry B. Hough, Editor, Vineyard Gazette

*Worcester*

**Worcester Co. Charitable Foundation (1918)**  
Worcester Bank & Trust Co.  
(other banks invited to act as trustee)  
John A. Reid, Worcester Bank & Trust Co.

*Michigan**Detroit*

**Detroit Community Trust (1915)**  
Union Guarantors Trust Co.  
Detroit Trust Co.  
Julius C. Peter, Vice-President, Detroit Trust Co.

*Grand Rapids*

**Grand Rapids Foundation (1922)**  
Michigan Trust Co.  
Grand Rapids Trust Co.  
H. B. Wagner, Secretary, c/o First Securities Corporation

*Minnesota**Minneapolis*

**The Minneapolis Foundation (1915)**  
Minnesota Loan & Trust Co.  
First Minneapolis Trust Co.  
Northwestern National Bank  
First National Bank in Minneapolis  
J. R. Van Derlip, President, 225 S. 5th Street

*Mississippi**Jackson*

**The Mississippi Foundation (1929)**  
Merchants Bank & Trust Co.  
O. B. Taylor, Active Vice-President  
Merchants Bank & Trust Co.

*Missouri**St. Louis*

**St. Louis Community Trust (1915)**  
St. Louis Union Trust Co.  
George M. Pyle, Assistant Vice-President  
St. Louis Union Trust Co.

*New Jersey**Newark*

**Community Trust For Newark & Vicinity (1919)**  
Fidelity Union Trust Co.  
Leslie G. McDouall, Associate Trust Officer,  
Fidelity Union Trust Co.

*New Brunswick*

**New Brunswick Foundation (1926)**  
National Bank of New Jersey  
Albert W. Rohde, Trust Officer  
National Bank of New Jersey

*Plainfield*

**Plainfield Foundation (1920)**  
Plainfield Trust Co.  
H. Douglas Davis, Trust Officer, Plainfield Trust Co.

*Princeton*

**Community Trust of Princeton (1925)**  
First National Bank of Princeton  
E. A. Frohling, Cashier, First National Bank

*New York**Buffalo*

**Buffalo Foundation (1920)**  
Marine Trust Co.  
M & T Trust Co.  
Liberty Bank of Buffalo  
Frances M. Hollingshead, M.D., Director,  
714 Marine Trust Building

*New York*

**New York Community Trust (1920)**  
Bank of America, N. A.  
Bank of Manhattan Trust Co.  
Bankers Trust Co.  
Central Hanover Bank & Trust Co.  
Chase National Bank  
Chatham Phenix National Bank & Trust Co.  
Chemical Bank & Trust Co.  
City Bank Farmers Trust Co.  
Commercial National Bank & Trust Co.  
Corn Exchange Bank Trust Co.  
Fifth Avenue Bank of New York  
Guaranty Trust Co. of New York  
Manufacturers Trust Co.  
Marine Midland Trust Co. of N. Y.  
Tide Guarantee & Trust Co.  
Kings County Trust Co.  
County Trust Co., White Plains  
Larchmont National Bank & Trust Co., Larchmont  
Mt. Vernon Trust Co., Mt. Vernon  
Westchester Title & Trust Co., White Plains  
First National Bank & Trust Co. of Yonkers  
Ralph Hayes, Director,  
c/o Transamerica Corporation, 22 Wall Street

*Poughkeepsie*

**Poughkeepsie Community Trust (1925)**  
Poughkeepsie Trust Co.  
Edw. A. Conger, Secretary, 236 Main Street

*Scarsdale*

**Scarsdale Foundation (1922)**  
Scarsdale National Bank & Trust Co.  
County Trust Co., White Plains  
O. H. Cheney, Chairman,  
c/o Scarsdale National Bank & Trust Co.

*Syracuse*

**Syracuse Foundation (1927)**  
Syracuse Trust Co.  
Merchants National Bank & Trust Co.  
Salt Springs National Bank  
First Trust & Deposit Co.  
F. W. Barker, Jr., Secretary, 201 So. Warren St.

*Watertown*

**Watertown Foundation, Inc. (1929)**  
Watertown National Bank  
Jefferson County National Bank  
Northern New York Trust Co.  
Bernard A. Gray, Northern New York Trust Co.

*North Carolina**Asheville*

**Asheville Foundation (1919)**  
Wachovia Bank & Trust Co.  
C. N. Walker, c/o Wachovia Bank & Trust Co.

*Charlotte*

**Charlotte Foundation (1930)**  
American Trust Co.  
Independence Trust Co.  
Charlotte National Bank  
Commercial National Bank  
S. W. Black, Jr., Director, Box 720

*North Carolina (continued)**High Point*

**High Point Foundation (1910)**  
Wachovia Bank & Trust Co.  
R. A. McPheeters, Assistant Trust Officer,  
Wachovia Bank & Trust Co.

*Salisbury*

**Salisbury Foundation (1919)**  
Wachovia Bank & Trust Co.  
I. L. Fisher, Vice-President, Wachovia Bank & Trust Co.

*Winston-Salem*

**Winston-Salem Foundation (1919)**  
Wachovia Bank & Trust Co.  
R. G. Stockton, Vice-President,  
Wachovia Bank & Trust Co.

*Ohio**Akron*

**Akron Foundation (1925)**  
First-City Trust & Savings Bank  
Central Depositors Bank & Trust Co.  
Commercial Bank & Trust Co.  
Firststone Park Trust & Savings Bank  
L. S. Dudley, Trust Officer,  
First-City Trust & Savings Bank

*Cleveland*

**The Cleveland Foundation (1914)**  
Central United National Bank  
Cleveland Trust Co.  
Guardian Trust Co.  
Midland Bank  
Union Trust Co.  
Lerton E. Carter, Director,  
448 Terminal Tower Building

*Dayton*

**The Dayton Foundation (1921)**  
Union Trust Co.  
Winters National Bank & Trust Co.  
Merchants National Bank & Trust Co.  
Third National Bank & Trust Co.  
Don Butelle, Director, 121 W. Second Street

*Toledo*

**Toledo Foundation (1921)**  
Security-Home Trust Co.  
J. W. Harbaugh, Secretary,  
c/o Security-Home Trust Co.

*Van Wert*

**Van Wert County Foundation (1925)**  
(By-laws provide for administration of the Foundation by reason of there being no trust company located in the city)  
Kerns Wright, Secretary,  
Cosan & Wright, Van Wert, Ohio

*Youngstown*

**Youngstown Foundation (1918)**  
Dollar Savings & Trust Co.  
Carl W. Ullman, c/o Dollar Savings & Trust Co.

*Oklahoma**Oklahoma City*

**Oklahoma City Community Trust (1926)**  
First National Bank & Trust Co.  
Eugene P. Gam, 907 Colcord Building

*Tulsa*

**Permanent Community Trust Fund (1919)**  
Exchange Trust Co.  
E. Fred Johnson, Secretary, c/o Exchange Trust Co.

## Oregon

## Pendleton

**Pendleton Foundation (1928)**  
First National Bank  
Inland Empire Bank  
Geo. C. Baer, Pendleton Commercial Association

## Portland

**Portland Foundation (1920)**  
Title & Trust Co.  
A. L. Grutze, c/o Title & Trust Co.

## Salem

**The Salem Foundation (1930)**  
Ladd & Bush Trust Co.  
Joseph H. Albert, c/o Ladd & Bush Trust Co.

## Pennsylvania

## Beaver Falls

**Beaver Co. Foundation (1923)**  
Federal Title & Trust Co.  
Beaver Co. Trust Co., New Brighton  
Beaver Trust Co., Beaver  
L. G. McIntire, Executive Secretary,  
c/o Beaver Falls Chamber of Commerce

## Harrisburg

**Harrisburg Foundation (1920)**  
Allison Hill Trust Co.  
Central Trust Co.  
Citizens Trust Co.  
Commercial Trust Co.  
Commonwealth Trust Co.  
Dauphin Deposit Trust Co.  
East End Trust Co.  
Harrisburg National Bank  
Harrisburg Trust Co.  
Keystone Trust Co.  
Market Street Trust Co.  
Mechanics Trust Co.  
Security Trust Co.  
Union Trust Co. of Pennsylvania  
Stanley G. Jean, Director, c/o Chamber of Commerce,  
Harrisburg, Pa.

## Lancaster

**Lancaster Community Trust (1924)**  
Farmers Trust Co.  
Fulton National Bank  
Northern Trust & Savings Co.  
Agricultural Trust & Savings Co.  
Lancaster Trust Co.  
Lancaster County National Bank  
Secretary of Chamber of Commerce acts as Director

## Philadelphia

**Philadelphia Foundation (1928)**  
Fidelity-Philadelphia Trust Co.  
Marshall S. Morgan, Secretary, 135 S. Broad Street

## Reading

**Reading Foundation (1928)**  
Berks County Trust Co.  
Colonial Northeastern Trust Co.  
Farmers National Bank & Trust Co.  
Penn National Bank & Trust Co.  
Pennsylvania Trust Co.  
Reading National Bank & Trust Co.  
Reading Trust Co.  
Charles H. Alspach, 526 Washington Street

## Williamsport

**Williamsport Foundation or Community Trust (1926)**  
Lycoming Trust Co.  
All other Williamsport banks having trust powers are qualified to act as trustee  
Dietrick Lamade, Chairman, c/o Lycoming Trust Co.

## Rhode Island

## Providence

**Rhode Island Foundation (1916)**  
Rhode Island Hospital Trust Co.  
Ernest A. Harris, Secretary,  
c/o Rhode Island Hospital Trust Co.

## Texas

## Dallas

**Dallas Community Trust (1930)**  
First National Bank in Dallas  
National Bank of Commerce  
Dallas Bank & Trust Co.  
Mercantile Bank & Trust Co. of Texas  
Republic National Bank & Trust Co.  
Liberty State Bank  
Texas Bank & Trust Co. of Dallas  
Frank L. McNeny, Secretary, Athletic Club Building

## Vermont

## Burlington

**The Vermont Foundation (1921)**  
Any bank in the State having trust powers may act as trustee  
Hon. Clarence P. Cowles,  
The Probate Court, Burlington, Vt.

## Virginia

## Richmond

**Richmond Foundation (1919)**  
Virginia Trust Co.  
P. R. Watt, Secretary, c/o Virginia Trust Co.  
**Richmond Community Foundation (1931)**  
American Bank & Trust Co.  
Bank of Commerce & Trusts  
Broadway Bank & Trust Co.  
Central National Bank  
First & Merchants National Bank  
Richmond Trust Co.  
Savings Bank & Trust Co.  
State-Planters Bank & Trust Co.  
Union Bank & Federal Trust Co.  
R. E. Cunningham, Vice-President,  
State-Planters Bank & Trust Co.

## Washington

## Seattle

**Seattle Community Trust (1915)**  
First Seattle Dexter Horton National Bank  
George T. Peterson,  
c/o First Seattle Dexter Horton National Bank

## Spokane

**Spokane Foundation (1915)**  
Old National Bank & Union Trust Co.  
E. R. Sweeney, Secretary, c/o Old National Bank

## Walla Walla

**Walla Walla Foundation (1923)**  
George E. Kellough, c/o Union Bank & Trust Co.

## Wisconsin

## Kenosha

**Kenosha Foundation (1926)**  
Northwestern Loan & Trust Co.  
J. M. Gehring, Secretary, 5522 Sixth Avenue

## La Crosse

**The La Crosse Community Trust (1930)**  
La Crosse Trust Co.  
A. H. Schubert,  
c/o Schubert, Stevenson & Hanson, Attorneys,  
115 S. 5th Street

## Wisconsin (continued)

## Milwaukee

**Milwaukee Foundation (1915)**  
First Wisconsin Trust Co.  
George Luhman, Secretary, 735 North Water Street

## Canada

## Winnipeg, Manitoba

**Winnipeg Foundation (1921)**  
Royal Trust Co.  
Montreal Trust Co.  
National Trust Co., Ltd.  
Toronto General Trusts Corp.  
Northern Trusts Company

## Canada (continued)

Canada Trust Co.  
Canada Permanent Trust Co.  
Union Trust Co., Ltd.  
London & Western Trust Co., Ltd.  
Osler & Nanton Trust Co.  
Western Trust Co.  
Peter Lowe, Secretary, 701 McArthur Building

## Hawaii

## Honolulu

**Hawaiian Foundation (1916)**  
Hawaiian Trust Co., Ltd.  
Treasurer, Hawaiian Trust Co., Ltd.,  
120 South King Street

## Appendix D

## Resolution

## ENDORISING THE COMMUNITY TRUST

Adopted by the Trust Company Division at the Annual Convention of the  
American Bankers Association, Philadelphia, October 3, 1928

THE operation of Community Trusts has progressed to a point that now warrants the conclusion that these organizations have made available for the administration of trust funds for charitable purposes a more effective procedure than any heretofore devised.

Consistent growth of the movement during the past fourteen years has resulted in the establishment of Community Trusts in upwards of fifty cities located in twenty different commonwealths. In 1925 sixteen of these had begun the annual distribution of income; that number had increased to eighteen in 1926 and to twenty in 1927. The income distributed by Community Trusts had similarly risen from \$441,000 in 1925, to \$492,000 in 1926 and to \$593,000 in 1927. The principal of funds held by Community Trusts in the United States at present is approximately fourteen and three-quarter millions of dollars.

The efficient management of trust funds made possible by this mechanism; the flexible nature of the plan that permanently preserves the utility of each fund from the grip of the dead hand; and the recognition that has been given to the effectiveness of the Community Trust by the legal fraternity, the banking profession and the public at large, demonstrate that we have another example of the ever-widening field of usefulness of our trust companies and other corporate fiduciaries.

We believe that the extension and development of this movement should and will continue to increase.

Therefore, be it

RESOLVED that it is the sense of this Division that the plan of the Community Trust should be commended alike to the financial institutions which may be trustees, and to the public at large, which is the ultimate and perpetual beneficiary of its services.

# Appendix E

## Notable Benefactions in the United States During 1930

Wealthy Americans are becoming increasingly philanthropic according to the 1931 World Almanac, which lists 218 notable benefactions made public in 1930. The total figures for 1930 have not been compiled, but they may be estimated to some extent by noting the steady increase in such gifts from figures compiled by John Price Jones Corporation, of New York, for the years 1921-1929.

Gifts to philanthropy in the United States during 1929 totaled \$2,450,720,000, or an increase of \$120,120,000 over 1928, the previous high year. Estimates for previous years were:

1927	\$1,319,700,000	1924	\$2,000,320,000
1926	2,192,680,000	1923	1,850,310,000
1925	2,068,570,000	1922	2,787,760,000
1921	\$1,719,000,000		

The gifts for 1929 were distributed in the following fields:

Religion	\$996,300,000	Health	\$221,510,000
Education	467,500,000	Foreign Relief	120,000,000
Personal Charity	270,760,000	Fine Arts	40,000,000
Organized Charity	278,710,000	Play & Recreation	20,000,000
Miscellaneous Reform Organization	\$14,040,000		

Below are listed the 34 gifts of \$1,000,000 or over, which appear in the *World Almanac* among the 218 benefactions made public in 1930:

- Anonymous—\$1,000,000 to Phillips Andover Academy, Andover, Mass.
- Max Adler, Chicago, Ill., \$1,000,000 for planetarium to that city.
- George F. Baker, \$1,000,000 to Dartmouth College, Hanover, N. H.
- Louis Bamberger and Mrs. Felix Fuld (sister), Newark, N. J., \$5,000,000 to establish a school for advanced scholarship and research to be known as Institute for Advanced Study.
- Otto T. Bonnard, by will, \$1,721,174 to Yale University, New Haven, Conn.
- Edward W. Bok, by will, \$2,000,000 to the American Foundation, Inc., Philadelphia, Pa.
- Miss Anne Clarkson, \$1,000,000 to Clarkson Memorial College of Technology, Potsdam, N. Y.
- William W. Cook, by will, about \$12,000,000 to University of Michigan, Ann Arbor, Mich.; \$100,000 and real estate to Presbyterian Hospital, Rye, N. Y.
- Martin Dawson, by will, Chicago, Ill., \$1,300,000 to Catholic Bishop of Chicago, to be distributed as he shall direct.
- Maurice Falk, Pittsburgh, Pa., \$10,000,000 for charitable foundation.
- William C. Grunow, Chicago, Ill., \$1,000,000 for a clinical laboratory in Phoenix, Ariz.
- Daniel Guggenheim, by will, \$1,500,000 to the Daniel and Florence Guggenheim Foundation.
- Edward S. Harkness, \$25,000,000 to Great Britain for charities; \$5,000,000 to Yale University; \$500,000 to Columbia University; \$500,000 to Swarthmore College, Pa.; \$500,000 to Deerfield Academy, Mass.
- John H. Harrison, by will, about \$2,000,000 to DePauw University, Greencastle, Ind.
- Miss Mary E. Hawley, by will, about \$4,000,000 to Yale University, New Haven, Conn.; \$300,000 to Bridgeport Hospital; \$200,000 to Newton, Conn.; \$125,000 to Danbury Hospital.
- James Eads How, "millionaire hobo," by will, about \$1,000,000 in trust, for benefit of the "workers of the world."
- Conrad Hubert, by will, \$6,000,000 for charities to be selected by former President Coolidge, former Governor Smith, Julius

- Rosenwald; \$500,000 each to St. Vincent's Hospital and Beckman St. Hospital, New York City; Provident Hospital, Chicago, Ill.; Boy Scouts of America; Girl Scouts of America; \$250,000 to New York University, New York City.
  - James Newbegin Jarvie, Upper Montclair, N. J., by will, \$3,000,000 to Board of National Missions and \$450,000 to Board of Foreign Missions of the Presbyterian Church in the U. S., and \$50,000 to New York Association for Improving Condition of the Poor; trust fund of \$100,000 for maintenance of the Y. M. C. A. Building at Jerusalem in Palestine.
  - Ralph Jonas, \$1,000,000 for merger of New York and Brooklyn Jewish Philanthropic Federations.
  - Mrs. Emma Baker Kennedy, by will, \$1,000,000 to New York University, New York City.
  - Mrs. Walter Graeme Ladd, Far Hills, N. J., \$5,000,000 for establishment of the Josiah Macy, Jr., Foundation.
  - Mary L. Mandelle, Stonington, Conn., \$1,150,000 to Kalamazoo College, Mich.; \$60,000 to University of Michigan, Ann Arbor, Mich.
  - Mrs. Jules Mastbaum, \$2,000,000 to Rodin Museum, Philadelphia, Pa.
  - Harry H. Meyer, by will, \$1,239,610 to Montefiore Hospital, Pittsburgh, Pa., and \$1,239,610 to Mt. Sinai Hospital, New York City.
  - William H. Nichols, by will, \$2,000,000 to New York University, New York City.
  - John D. Rockefeller, Jr. & Sr., \$1,000,000 to the Emergency Employment Committee.
  - Julius Rosenwald, Chicago, Ill., \$2,000,000 to the Academy of Science and Industry, Chicago, Ill. (making a total of \$5,000,000) to be located in rebuilt World's Fair Fine Arts building in Jackson Park; \$500,000 to Jewish Theological Seminary; \$50,000 to Congress for Hebrew books.
  - Morris Schinasi, New York City, \$1,000,000 for a hospital at Magnesia, Constantinople.
  - Lloyd W. Seaman, by will, \$1,000,000 to Roosevelt Hospital, Salvation Army and Charity Organization Society; \$100,000 each to St. John's Guild, Manhattan Eye, Ear & Throat Hospital, all of New York City, and \$50,000 to St. John's Riverside Hospital, Yonkers, N. Y.
  - Eliner A. Sperry, by will, \$1,000,000 to the Brooklyn and Queens Y. M. C. A., New York.
  - John W. Sterling, from estate of, \$7,500,000 to Yale University, New Haven, Conn.
  - Mrs. Charles P. Tait, Cincinnati, Ohio, \$2,000,000 to the University of Cincinnati, Ohio.
  - Col. William Boyce Thompson, of Yonkers, N. Y., \$1,000,000 to Phillips Exeter Academy, Exeter, N. H.; \$100,150 to Columbia University, New York City.
  - Payne Whitney (Additional bequest), \$2,250,000 to Yale University, New Haven, Conn.
- Revealing the fact that the interest of Americans is not limited to their own country, the largest gifts included the following 8 to foreign countries:
- Edward F. Albee, by will, \$50,000 to Variety Artists' Benevolent Fund and Institution, London, England.
  - Henry Ford, 1,000,000 marks (about \$240,000) to Deutsches Museum, Munich, Germany.
  - Edward S. Harkness, \$25,000,000 to Great Britain for charities.
  - John D. Rockefeller, Jr., \$1,500,000 for office buildings to University City, Paris, France (making a total of \$2,500,000).
  - Edward Tuck, of Boston, Mass., his \$5,000,000 art collection to the Petit Palais (Beaux Arts Museum) Paris, France.
  - Dr. Benedict Weissman, \$150,000 to Hebrew University in Jerusalem.
  - James Newbegin Jarvie, Upper Montclair, N. J., trust fund of \$100,000 for maintenance of the Y. M. C. A. Building at Jerusalem, Palestine.
  - Morris Schinasi, New York City, \$1,000,000 for a hospital at Magnesia, Constantinople.

# Appendix F

## Obsolete Gifts in Perpetuity

For hundreds of years trust funds have been established for charitable purposes. Many of these have totally failed to accomplish their object due to the inability of the donor correctly to prophesy the future.

In England, so many trust funds became useless and so many did positive harm, that there was a Parliamentary investigation of obsolete bequests, carried on by four successive Charity Commissions from 1818 to 1837. The reports filled 38 volumes and described 28,888 charities with an aggregate income of \$6,000,000. In 1860, Parliament passed an Act giving the Charity Commissioners concurrent jurisdiction with courts of equity, to appoint and remove trustees and to make cy-pres agreements for charities with limited endowments. It has been said that no other commission has ever proved so completely successful. There is no similar commission in the United States, but the community trust, with its broad powers and flexible mechanism, should prove an even better instrument for foiling attempts of the "Dead Hand" to exert its stranglehold on future generations.

Below are set forth 50 of the more frequently quoted instances of American and English bequests

that have failed of their purpose. Practically all of the English illustrations were cited by Mr. F. H. Goff in his address on "Community Trusts" before the Trust Company Division of the American Bankers Association at the National Convention in St. Louis in 1919 and in his address, entitled "The Dead Hand," delivered before the New York Association of Trust Companies in 1921, and have subsequently appeared in a number of articles, addresses and booklets by others dealing with the community trust. However, the original source of these stories was undoubtedly the "General Digest of Endowed Charities" completed by the British Charity Commissioners in 1876, after 15 years of compilation. This digest was described by Mr. Goff as being "a true Domesday Book of Foundations, replete with priceless material for the historian, the jurist and the politician." Other valuable works on the subject mentioned by Mr. Goff were "Endowed Charities" by Courtney Kenny, "Foundations" by Turgot in the Encyclopedie, and the "Dead Hand" by Sir Arthur Hobhouse. For many of the American instances, we are indebted to booklets published by the New York Community Trust.

## Fifty Typical Examples of the "Dead Hand"

### ENGLISH INSTANCES

**Bell Ringers:** Thomas Nash bequeathed fifty pounds a year in trust to the bell ringers of Abbey Church, Bath, England, on condition that they ring the whole peal of bells with dappers muffled from 8 o'clock in the morning to 8 o'clock in the evening on the 14th of May each year, that being the anniversary of his wedding; and he further requested that on the anniversary of his death each year, they ring merry peals of joyful commemoration of his happy release from domestic tyranny.

**Bridges and Causeways:** The Loughborough Charity was founded in part to repair cause-ways and bridges, because the testator had many times been irritated at having to walk through muddy roads. After some years, all the water was carried off by drains and canals and there was no longer need for such cause-ways and

bridges. Yet the trust to continue them had been created in perpetuity!

**Debtors:** Trusts set up for improvident debtors have been rendered useless by the abolition of imprisonment for debt.

**Lantern Light:** John Wardall, of London, annoyed at having to stumble along in the darkness, on his way to and from the docks, in his will dated August 29, 1656, gave to the Grocers' Company a tenement called the White Bear, in Walbrook, to the intent that they should yearly, within 30 days after Michaelmas, pay to the church wardens of St. Botolph four pounds to provide a good and sufficient iron and glass lantern with a candle for the direction of passengers to go with more security to and from the waterside all night long.

*Leprosy Hospitals:* Many trusts were set up to support leprosy hospitals and have since been rendered useless through the advance in medical science.

*Prisoners:* Legal reforms have superseded ancient foundations created to assist prisoners in gaol, to provide shrouds for those executed on the gallows, and to buy fire-wood to heat county prisons.

*Marriage Portions:* Charities set up to provide marriage portions, at one time thought to be a wise charity, were later found to lead to hasty and improvident unions.

*John Nicholson—To Beavers of His Name:* John Nicholson, of London, bequeathed in 1717 the residue of his estate in charity towards the support and maintenance of such poor persons of the Kingdom of England as should appear to be of the name of Nicholson, being Protestants. He directed that it should be disposed of in the following manner:

100 pounds a year to two such poor persons, men or women, of the name of Nicholson, towards their advancement in marriage.

100 pounds per annum towards putting to apprentice poor boys and girls of the name of Nicholson, or towards setting them up, as his trustees should think fit.

And 100 pounds per annum towards the support and maintenance of such poor men and women of the name of Nicholson, as his trustees should direct; not more than ten pounds a year and not less than five pounds a year to any one person.

He appointed Wm. Nicholson, Lord Bishop of Carlisle; Mr. Nicholson, the Bishop's son; and three other persons of the name of Nicholson, two of whom were resident in London, trustees, and left to them the entire management of this charity and appointed them his executors.

*Pirates' Captives:* In 1626, Henry Smith provided that a portion of the income from a trust fund should be used to redeem captives from pirates. In 1626, the world had no reality more vivid than its pirates, yet since 1723 no captive has been found upon whom the income could be spent.

#### POOR RELIEF

The Moseley Dole in Staffordshire provided that annually a penny apiece should be paid to all the inhabitants of the parishes of Walsall and Rushall.

After the creation of the Charity Commissioners, in one of their first reports they said, "We met with charitable Foundations everywhere in old urban districts and everywhere found their operation to create the misery they were intended to relieve, while they did not relieve all the misery they created." In Spital-field such trusts were found to create a population born in charity, nursed in charity, fed in charity its lifelong, doctored in charity and after a wretched life buried in charity.

Valentine Goodman, of Leicestershire, England, bequeathed in 1684, 800 pounds to be laid out in land,

and the profits given to the "most indigent, poorest, aged, decrepid, miserabest paupers," viz. six from Easton, four from Medbourn, four from Hallaton, and two from Blaston; and if any part of the money was employed for easing town levies, or not according to the intent of the testator, then the gift should cease and the money be employed for the redemption of Turkish captives.

A parish in England possessing an endowment of upwards of 800 pounds a year to provide for care of the poor, had a population in 1877 of 46, only four or five of whom slept within the parish and none of whom could properly be designated as poor.

After vast sums had been given in England to endow almshouses, it was found that the aged could be cared for better and with less expense by granting pensions free from any obligation of residence.

#### RELIGIOUS DOCTRINE

Frances Rebecca Robinson died in England in the early 80's, leaving 1500 pounds to a certain church "for the propagation of sound evangelical doctrine." She wrote many pages explaining just what she meant by sound evangelical doctrine . . . and described in detail the sort of linen cloth that should be on the communion table, prohibited choral singing, also public organ recitals, and, finally, she described minutely the sort of black gown that the minister should wear. The church fulfilled all the requirements except the one about the gown which had been rendered obsolete by the practice of the Church of England. The case was taken to court, and the trustees were finally relieved of the condition.

Joanna Southcote influenced many to believe she was to become, by immaculate conception, the mother of a new Messiah. One of her disciples bequeathed a large sum in trust to perpetuate the teachings of the new Messiah. Joanna died childless and her "disciple's" bequest continues to be useless.

A Foundation attached to the French Walloon Church at Canterbury, provided for the payment of 40 pounds annually for reading a service according to the English Ritual in the French tongue, to a congregation which was paid to listen but which could not understand what was said.

#### SCHOOLS AND SCHOOL BOYS

It is said that over 2,000 endowments given for primary education in England were rendered useless when such schools became supported by Government aid.

A Yorkshireman left a fund in the 16th Century to support, at Leeds, a grammar school which provided courses in Latin and Greek. In 250 years, Leeds had become a great commercial center and merchants were going out from there to all of Europe. That the school might be serviceable to such a community, an effort

was made to modernize its curriculum by adding some French and German courses. The question was taken into the courts and finally carried up to the Lord Chancellor of England. There the judgment was pronounced that it had been the practice of grammar schools when that one was founded to offer only classical instruction; and proceeding upon that assumption—an erroneous one, it later developed—he decreed that "if the charity . . . was for the purpose of carrying on . . . a free grammar school, I am not aware . . . what authority this court has to say (that) . . . filling a school intended for that mode of education with scholars learning the French and German languages . . . and anything except Greek and Latin, is within the power of the court."

John Alleyn directed that the scholars in the school endowed by him should have daily at their breakfast "a cup of beere" and at dinner and supper "beere without stint."

The founder of a free school for boys had noted the inferiority of the sheep then being bred in England and in order that the scholars in his school might be fed upon the best of mutton, he prescribed in utmost detail the size and weight of the carcasses to be bought by the college authorities. But about the time of the American Revolution, some extraordinary accomplishments in Leicestershire were instrumental in revolutionizing sheepbreeding in the British Isles, and thereafter the minute specifications in that old will, instead of procuring the choicest mutton to be had, brought only the culls of the market.

#### AMERICAN INSTANCES

*Bread Lines:* In 1792, John Leake left 1,000 pounds to Trinity Church, N. Y., for the purpose of distributing "six-penny wheaten loaves" to the poor. The loaves are still being distributed from St. Luke's Chapel. Social workers long ago discovered that bread lines, except in emergencies, defeat the aims of charity.

#### CHURCHES

The will of a Rhode Island lady left a fund for the use of a deaf mutes' church in New York. Before her death, that church consolidated with another, taking the name of the second church but without interrupting its own work for deaf mutes. The gift was invalid. The specific church that was named had not existed as a legal entity since its consolidation and the court found no evidence in the will that the testator desired to assist work for deaf mutes rather than the particular—and technically non-existent—church for them, which she mentioned.

Nearly 100 years ago, the Rev. Dr. Van Bunschoten left a legacy of \$20,000 to the Dutch Reformed Church of America on the express condition that his will should be read at all the official sessions of the Church forever. The Church has ever since been reading this document

*Smiths:* Henry Smith, in 1626, established a Foundation to provide for his poor kindred. In 1700 it relieved four; in 1868 at a cost of 6797 pounds a year, 412, one-quarter of whom were his great-great-great-great-great-great-great-nephews and nieces. The inspector reported that "some live upon the gifts, and—he believed—neglected altogether, or followed carelessly occupations by which they might earn a living."

*Snuff:* A tobacconist provided that rent from his lands should be used to purchase snuff for old women residing in the parish. Later, the parish not only ceased to be a residential district, but snuff went out of fashion.

*Soldiers:* A resident of Cork had trustee funds to support in that city "poor old men of the Protestant religion that had been soldiers." Two hundred years later, not only did the principal remain, but with it a large accumulation of unused income had grown up. Expending the proceeds had proven less simple than was anticipated. All Cork had been unable to provide enough indigent Protestant warriors to require the available sums!

#### SPINNING

Mr. William Bower, living in the days when each home was a miniature factory containing a loom, created a trust for teaching children how to card, spin and knit.

A Dr. Richardson directed that the income from his trust should be given in prizes annually for the best pieces of woollen or linen cloth woven within 3 miles of Ripon.

at all its official meetings. The testament is of considerable length and much dryness, and its reading has become an irksome task: the Church finally appealed to the courts of New York to be released from the duty of further reading the will.

Late in the eighteenth century an ardent churchgoer in a small New England town left a fund for the employment of a person who should circulate about the church during the sermon awakening those who slumbered.

#### COLLEGES

*Andover Theological Seminary:* This seminary was founded in 1807 by Moses Brown, John Norris and William Bartlett, to combat the "damnable, irreligious heresies" taught at Harvard. These gentlemen set up a creed which was to "remain entirely and identically the same, without the least alteration, or any addition, or diminution, . . . as the Sun and the Moon, forever." Every professor and member of the Board of Visitors was obliged to recite publicly every 5 years the whole of the Creed from which the following are extracts:

"I believe . . . that in consequence of Adam's disobedience, all his descendants were constituted sinners; that by nature every man is personally de-



praved, destitute of holiness, unlike and opposed to God; . . . that being morally incapable of recovering the image of his Creator . . . every man is justly exposed to Eternal damnation; . . . that God, of His mere good pleasure, from all eternity elected some to everlasting life . . . so that our salvation is wholly of grace; that no means whatever can change the heart of a sinner, and make it holy . . . that by convincing us of our sin and misery . . . the Holy Spirit makes us partakers of the benefits of redemption; . . . that the wicked will . . . with devils be plunged into the lake, that burneth with fire and brimstone forever and ever."

This creed eventually sounded the death knell of the seminary. The seminary could not exist by itself and the Supreme Court of Massachusetts ruled against a proposed merger with Harvard. "The Court has," it was stated, "no concern with the degree of public advantage likely to flow" from the proposed affiliation, since the founders had looked forward to no modification of their immutable views.

*Brown University:* When Brown College was incorporated in 1764, it received substantial gifts from the Providence merchant for whom it was named and from other benefactors. Then, as now, an enlightened seat of liberal learning, its ancient charter, though written when sectarian lines were tightly drawn, contained the generous provision that, while predominantly a Baptist College, its governing board should contain some Congregationalists, some Episcopalians, and 5 Quakers. But in the course of a century and a half, the supply of Quakers began to run short. What had been an emancipating clause became a shackling one, and a capable committee of lawyers, with Charles Evans Hughes a member, was named to remedy the defect in the charter. The committee favored the change, the University desired it, and the legislature of Rhode Island was prepared to approve it. But the lawyers concluded that there was no legal method of correcting the pre-Revolutionary charter! Accepting funds from those colonial contributors, under a definite scheme providing for a board with five Quakers on it had set up a contractual obligation, the committee reported, which a court equity would hold was violated by any attempt to repair the charter without the approval of men two centuries dead.

*Dartmouth College:* Dartmouth developed from a charity school established in 1754 by the Rev. Eleazar Wheelock for the instruction of Indians. Later some contributions came to it from England, including a sum from the Earl of Dartmouth, and a few years before George III lost his grip on this portion of his dominions, he granted it a charter, under the seal of the Province of New Hampshire. The college was undenominational although its trustees were Congregationalists. When President Wheelock died in 1789, he was succeeded by his son John. But John had been to Yale and there were rumors that he had consorted with Presbyterians. For various reasons friction between his trustees and himself increased and finally he was deposed. But

meanwhile the controversy had stirred the state and the Governor of New Hampshire, asserting that the college existed for the good of the state rather than the benefit of its trustees, recommended to the legislature that the state amend the charter, enlarging the number of trustees, which was done. The grandson of Eleazar, in sympathy with the new regime, had the college seal and account books and refused to deliver them up at the demand of the old trustees who thereupon started suit for them. The original court and the New Hampshire Supreme Court upheld the state's action but the United States Supreme Court, after a dramatic reargument and a year's deliberation with two judges dissenting, held that the legislative act violated the provision of the federal constitution that "no state shall . . . pass any . . . law impairing the obligation of contracts." When individuals had given funds to Dartmouth, that decision proclaimed, they were presumed to have done so for precisely the purposes and upon all the conditions set forth in the then charter, and the acceptance of any fund established a perpetual contractual obligation that would be impaired by an alteration of the charter even though, as Chief Justice Marshall said, "the changes may be important for the advantage of this college in particular, and . . . of literature in general."

*Girard College:* Stephen Girard, a merchant and a mariner, who died in 1831, bequeathed \$2,000,000 for the founding of Girard College. He prescribed in detail exactly how the buildings should be built. The results as told by Dr. C. A. Herrick, President of Girard College, were that "the (main) building had not been completed before the architect was well aware of the limitations of his plans . . . The reverberation of sound in these rooms . . . renders them wholly unfit for use . . . They are, however, constructed in exact accordance with the will, and these results were anticipated in the earliest stages of the work, but as Mr. Girard left no discretionary power . . . we were compelled to take the letter of the will as our guide, let the results be what they might." It also was specified in the will that only "legitimate, white, male, orphans" were eligible for enrollment; that practical navigation must be taught to every orphan; and that "no ecclesiastic, missionary or minister of any sect whatsoever shall ever . . . be admitted for any purpose as a visitor, within the premises."

In 1931, the endowment exceeded \$77,000,000, but the hands of the trustees and teachers are tied by a will one hundred years old. And, there is no way in which the college can be brought into line with modern, progressive institutions.

*Polytechnic School:* A philanthropically disposed man in Cleveland decided that the thing most needed in that city was industrial education for boys. He therefore left a large fortune for the establishment of a polytechnic institute, in which likely boys could be taught trades. He provided for some annuities to relatives and some other objects of a temporary character, and his trustees conserved the fund until it was adequate to accomplish the primary purpose he had in mind. In

the interim the public school system of that city had established two or three industrial high schools, the old complete devotion to the academic high school having entirely passed away, and all the things the testator had in his mind were then being done on a far larger scale for the boys of the city than would have been possible even with his large fortune devoted to that object. Those trustees therefore have had to take advantage of a secondary purpose and build, with his fortune, an art gallery, which is a very beautiful thing in the city but an entirely secondary purpose so far as John Huntington was concerned, in the bequest he made to Cleveland.

*Democratic Widows and Orphans:* In 1884 there was filed in Bridgeport, Connecticut, a will leaving a considerable sum of money for the relief of "worthy, deserving, poor, white, American, Protestant, Democratic widows and orphans." One of the first steps that had to be taken was to get a court interpretation to guide the administrators in the selection of Democratic widows and orphans. At that time women did not vote so that there was no absolutely safe rule by which an ordinary man could determine whether widows were Democrats, Socialists or Republicans. The court held that the widow of a man who had been accustomed to vote the Democratic ticket was a Democratic widow and that the orphans of Democrats were Democratic orphans. But what will happen to the legacy in case the Democratic party should ever go out of existence?

*Flag Poles:* In the city of Corinth, N. H., a small sum was left for the purchase of United States flags, so that the city could be appropriately decorated on patriotic gala occasions and national holidays. A question arose as to whether this money could be expended for poles and ropes also, since these were essential for the proper display of the flags. In the will only flags had been mentioned. The court held that the donor of the fund surely must have intended to provide means for the display of the flags and so permitted the purchase of flag poles and ropes as well.

*Franklin's "Folly":* Perhaps the best known example in the United States of the folly of attempting to foresee the future are the trust funds left by Benjamin Franklin, considered one of the wisest men of his time. In his will, Franklin provided for the making of loans to apprentices and for supplying pure water to the City of Philadelphia as follows:

"I have considered, that, among artisans, good apprentices are most likely to make good citizens . . . To this end, I devote 2,000 pounds sterling; 1,000 to the inhabitants of the town of Boston, and the other 1,000 to the inhabitants of the City of Philadelphia, in trust . . ."

"The said sum shall be managed under the direction of the Selectmen, united with the ministers of the oldest Episcopal, Congregational and Presbyterian Churches, who are to let out the sum . . . at 5 per cent . . . to such young married artificers, under the age of twenty-five years, as have served an apprenticeship in the said town, and faithfully fulfilled the duties re-

quired in their indentures, so as to obtain a good moral character from at least two respectable citizens who are willing to become their sureties . . . These loans are . . . not to exceed sixty pounds to any person . . ."

"If this plan is executed without interruption for 100 years, the sum will then be 135,000 pounds; of which I would have the managers of the donation to the town of Boston then lay out, 100,000 pounds in public works, which may be judged of most general utility to the inhabitants, such as fortifications, bridges, aqueducts, public buildings, baths, pavements, or whatever may make living in the town more convenient for its people, and render it more agreeable to strangers resorting thither for health or a temporary residence. The remaining 31,000 pounds I would have continued to be let out on interest, for another 100 years . . . At the end of this second term, if no unfortunate accident has prevented the operation, the sum will be 4,061,000 pounds sterling, of which I leave 1,051,000 pounds to the disposition of the inhabitants of the town of Boston, and 3,000,000 to the disposition of the Government of the State . . ."

"All these directions . . . I would have observed respecting that gift to the inhabitants of Philadelphia . . . And, having considered the covering of a ground plot with buildings and pavements, which carry off most of the rain and prevent its soaking into the earth and renewing and purifying the springs, whence the water of the wells must gradually grow worse, and in time be unfit for use . . . I recommend that at the end of the first 100 years, if not done before, the . . . city employ a part of the 100,000 pounds sterling in bringing, by pipes, the water of Wissahickon Creek into town, so as to supply the inhabitants."

At the end of the first hundred year period, in 1890, the Philadelphia fund amounted to but \$90,000 instead of the \$650,000 that Franklin had anticipated. Indentured apprentices had dropped out of the industrial order, and no borrowers had appeared for some years. The Wissahickon Creek had practically dried up and in any case the City of Philadelphia had provided itself with a water supply long before Franklin's money became available.

*Horse-troughs:* The S. P. C. A. was left a bequest of \$350,000 for establishment of horse-troughs wherever needed in the world. The span of years between the horse-drawn street car and the airplane is short, but during that time horses have practically gone out of existence, and this fund stands idle.

*Library:* Maria Cary of Lexington, Mass., left a sum to found a library and named as its trustees the selectmen, the school committee and the "settled ministers" of the town. The library was established but the form of administration proved cumbersome and after 20 years most of the trustees themselves petitioned the legislature to amend the scheme of management. The legislature authorized by statute the formation of the Cary Library Corp., upon the condition that the town itself voted its approval of the arrangement and upon the further condition that, in the hands of the new corporation the library property would "be held and

applied in the same manners as if held by (the previous) trustees." That law was expunged from the statute books by the Supreme Court of Massachusetts. The State, it held, was powerless to enact such legislation, since it was entirely possible, however inexpedient or undesirable, to leave in effect the exact plan that Maria Cary had penned.

*Library in Tower:* A lady who lived at Tarrytown, N. Y., 25 years ago, built a bell-tower for the church of her native village, and put some books inside the tower to make a library for the village. The tower was so small that two people could not pass each other on its spiral stairs and the aged persons of the village could not climb the winding steps at all. When she died, she left in trust some shares of stock whose income would buy more books, and some other shares "to keep the . . . tower and bells in good condition." These last were 39 shares of N. J. Zinc Company common stock. The World War came. In 1914, the dividends on N. J. Zinc rose to 50%. In 1915, after paying 50% more, it added a stock dividend of 250%. In 1916, it declared dividends of 76% on the whole of the enlarged capital. The income alone in this year was 2½ times the par value of the original principal. Surplus income, ten times the amount of the par value of the trust when made, piled up unused, though books were bought for the library until "no further purchases could be made on account of want of room in which to keep the same." Finally the trustees resorted to court proceedings in an effort to find some lawful method of using their mounting income to provide more library facilities than the confines of the tower would permit. The words of the will were plain—the library was to be "in that tower." Those directions, the court decided, forbade the use of any separate building. The trustees might remodel the tower to hold more books but excess volumes might not be placed in any other structure.

*Maternity Home:* An Oregon man who died in 1914 left a sizable bequest to construct "a maternity home or lying-in hospital for unfortunate or wayward girls." He directed that within three years the control of the institution—to be known as the White Shield of Portland—should be transferred to the representatives of the Christian Science churches of that city. His directions were followed, but requesting Christian Science churches to operate a hospital is comparable to proposing, say, Father Duffy as Rabbi of the Free Synagogue. The committeemen from the churches—whose action throughout the affair was wholly above criticism—came to the only conclusion that was possible, in justice to their convictions. The maintenance of a hospital being incompatible with their beliefs, they were obliged to close it, despite the view of the Supreme Court of Oregon that "there were a large number of persons requiring the services of such an institution." Later, the Salvation Army purchased the property and reopened the hospital. But the court intervened with a judgment that the church representatives had not the power to sell. They might run the hospital or decline to do so, but they could not dispose of it. The sale

to the Salvation Army being nullified, and the Christian Scientists being unwilling to operate the property and unable to sell it, the court itself was compelled to name a fourth set of trustees to take possession of the plant.

## ORPHANS

*Daughters of Railroad Men:* John Edgar Thompson, President of the Pennsylvania Railroad, believing there would always be a heavy loss of life in connection with railroading, left a provision in his will for the establishment of an orphan asylum for girls whose fathers had been killed or fatally injured while on duty operating trains. Railroad accidents have since shown a sharp decline. About four years ago, Mr. Thompson's orphan asylum placed advertisements in many publications in order to find any orphans who might be qualified for admittance to the institution. Twelve were found and admitted.

*Hershey Home for Orphans:* Milton S. Hershey, who made his fortune out of chocolate, set aside almost the whole revenue of a profitable business as a permanent endowment for orphan boys. That endowment in its original form was estimated at \$60,000,000. Under the terms of the gift the larger part of earnings from the Hershey business will be added to the original fund. One year these earnings exceeded \$4,000,000. In a decade the total of the Hershey capital is likely to be \$100,000,000. The Hershey endowment, established in 1923, provides for a home and school in Hershey, Pa., where the white healthy orphan boys of the county may be admitted for care and instruction. The boys of Pennsylvania are next eligible, then the boys of the whole country. Other homes may be erected. But the fundamental provisions will apply, although in future years we may have so few waifs within the Hershey restrictions that the philanthropist's purpose will become impossible of fulfillment.

*Pennsylvania Town:* A trust fund was left for a certain town which town became much larger and eventually divided itself into two towns. The people took it for granted that this fund would also be divided, each taking its share, but the courts held otherwise. The name of the town had been specified, and no town with a different name could have any part of the money.

*Pioneers Stranded in St. Louis:* Byron Mullanphy, once Mayor of St. Louis and a distinguished lawyer, left in 1852 one-third of his fortune to aid "poor emigrants and travellers" stranded in St. Louis while "on their way bona fide to settle in the West." The bequest was in the form of about sixty parcels of real estate. Some of these enhanced greatly in value, while others brought in but a small return or even losses. Administration under the terms of the will proved extremely troublesome. The trust fund is still in existence, but the described beneficiaries have vanished and taxes, repairs and upkeep consume the major portion of its income. The Mullanphy heirs have attempted to have the fund dissolved, claiming that the fund should revert to them as the original purpose of the fund had failed. The Circuit Court, however, in 1930, upheld the con-

## TYPICAL EXAMPLES OF THE "DEAD HAND"

vention of the city that the purpose could be broadened to aid worthy travellers generally. So a Travellers Aid Bureau is maintained in the Union Station in St. Louis.

*Poorhouse:* A Georgia resident left by will a fund to construct a poorhouse. His trustees were faced with the circumstance that the amount left was too small to build an almshouse and, in addition, the community already had one, erected by the municipality itself and fully sufficient for its needs. They therefore proposed, instead of duplicating the existing institution, to construct an adjunct to it or a department of it, namely a technological or manual school, for the instruction both of the inmates of the almshouse and of other citizens of the county who desired such schooling. The courts felt obliged to veto the program. The instructions of the will were plain and it was possible—however inexpedient or wasteful or useless—to execute them. It may be added incidentally—if it be incidental—that a national survey by the federal government disclosed 137 almshouses surrounded by 19,968 acres of land, without an inmate.

*Presbyterian Ministers' Home:* A Pennsylvania woman left funds establishing a home in perpetuity for Presbyterian ministers of 70 years of age and more who did not use tobacco. The trustees earnestly endeavored to carry out her wish, but after 20 years had mustered only twenty-one beneficiaries, of whom five were dead, fifteen remained and one had left of his own accord.

*Prohibition:* A gift was left in trust for the promotion of prohibition, which became superfluous when the 18th Amendment was passed.

*Sailors' "Small Home":* Captain Thomas Randall, in 1801, made provision for a small home for old sailors. He left \$7,000 in cash and a farm of 21 acres containing an orchard and market garden, on Manhattan Island. Today that farm is estimated to be worth about \$25,000,000. Among the public highways that now run through it are Waverly Place, 10th Street, 5th Avenue and 4th Avenue . . . The "Small Home" for the old sailors is maintained on Staten Island, as the will requires. Fortunately, it has been found possible to construe the word "sailor" in its broad sense as including sailormen from steamships.

*Anti-Slavery Bequest:* Churchill Huston, who died in 1845, decreed in his will that a life use of his estate should go to his little daughter, and at her death, should go in part to free black men from bondage. His daughter lived until a few years ago. And now the court finds on its doorstep this anti-slavery bequest, arriving more than three-quarters of a century late. The only thing it can do, the court has decided, is to nullify the proposed charity, and divide the funds among all the descendants of all the legatees of this man who died before the War with Mexico had started.

"One of the latest discoveries of civilization \* \* \* is the idea that the art of giving money away is even more difficult \* \* \* than the art of making money.

"The charitable instinct can easily do more harm than good. It can perpetuate useless institutions, promote beggary, and increase the army of parasites. Endowment funds have undoubtedly prolonged the life of ancient frauds which, left to their own vitality, would long ago have blessedly died. \* \* \*

"By means of the New York Community Trust men of small means with no direct heirs can make sure that their bequests will be intelligently used for the communal welfare.

"Men of large means, after having cared for their own, can provide that the remainder of their estate shall be used for the public good.

"The donor will not have to depend upon his own judgment, but can safely leave his money to this trust, knowing that it will be spent only after the most careful investigation."

—DR. FRANK CRANE, *Editorial Writer for the Associated Newspapers.*

**SPECIFIC REASONS WHY THE COMMUNITY TRUST PLAN  
APPEALS TO PROSPECTIVE DONORS**

1.—A man or woman who desires to give \$10,000 each to 10 charitable institutions, can now establish a fund of \$100,000 in the community trust, which fund takes his or her name as a memorial to his family, and each of the 10 institutions gets the amount as if given in a direct gift without the responsibility and risks of management.

2.—If any one or more of the institutions which the donor selects should go out of existence or be poorly managed, then the community trust acts for the donor, if he himself is unable to speak, and will select some other institution to receive that particular benefit.

3.—If the donor wishes to have the whole income used for some particular purpose, such as boys' work, preventive medicine, or care of the aged, but does not feel competent to name any particular institution, the Distribution Committee or Board of the community trust, selects the particular institution or agency best fitted to carry out the purposes of the donor.

4.—The principal of his gift is in the permanent safekeeping of a trust company whose specialized business is the investment and management of money; while the distribution of the income will be

determined by a changing body representative of the public and always having a vital connection with the institutions and needs of the times in which it lives.

5.—Through the accumulation and conservation of principal, the community is rendered more and better service than was possible under the old method of direct and narrowly limited gifts.

6.—A prospective donor of small means, as well as the individual of great wealth, who believes in the foundation principle can make his gift, knowing that it will have all of the safeguards of conservative and flexible use.

7.—A fund of any size, \$1,000 or \$1,000,000, may be established. Such a fund may carry the donor's name and its benefits may be distributed in his name. The machinery for its management is already established; the cost of administration approaches the vanishing point; competent, high-grade and continuous supervision is assured.

In brief, one need not possess the millions of Rockefeller, Carnegie or Russell Sage, in order to dedicate one's surplus to the permanent well being of mankind.

"We have found in Cleveland that it was not difficult to induce donors to give the portion of the estate remaining unconsumed twenty-one years after the death of all the members of the family living at the time a trust is created, to the Cleveland Foundation. If you are not already of that view, I cannot in a few moments hope to convert you to the theory that we ought to consider ourselves as having a more limited estate in the property we call our own than has been our custom. I can only assure you that there are many people in Cleveland who are coming to recognize this concept of property rights. Personally I believe in it. Entirely aside from my desire to be helpful to charitable endeavors, I believe it is the sounder theory of property rights. I do know that men who have adopted it are happier in their attitude toward their own property, and confident that their children and their children's children will be the better for their having reached this viewpoint of their own trusteeship of their wealth."

—R. T. SAWYER, Counsel, the Cleveland Trust Company.