

# THE LEGACY SPECTRUM



## Post-Death Philanthropy Plan

Date: \_\_\_\_\_

Dear Children,

As you know, your mother and I have left each of you a significant financial inheritance in our estate plan. It is our hope this will provide you financial security in your retirement years. Another part of our legacy is the ability to involve you in the distribution of funds we have earmarked for our community.

Currently, we have a charitable fund in place from which we make annual gifts. Specifically, it is a Donor Advised Fund (“DAF”) at our local Community Foundation. We have been contributors for many years. It is a worthy organization in which we have a lot of confidence.

Upon our deaths, we have asked our Community Foundation to allow you to “step into our shoes” and make recommendations regarding the recipients’ use of the funds. The purpose of this letter is to spell out our intentions.

While we could have simply made specific charitable bequests upon our deaths, we decided not to do that. Instead, we want to give you the opportunity to work together to make the final decisions. By allowing you to make the ultimate decisions, you can work as a family unit to learn from the organizations about their most pressing needs. You can compare their work to our values and make what you believe to be decisions consistent with our family’s values.

As of this writing, we have a significant amount in our DAF. We anticipate the amount will remain relatively level during our lifetimes. Whatever is left in our qualified retirement plans upon our deaths will be added to our DAF. Depending on investment performance and how long we live, this could be a sizable amount.

During our lifetime, we have been members of the “Heritage Society” of several nonprofits and committed to leave them funds upon our deaths. While not legally binding, we have given them our word. We anticipate you will honor our commitment. They are as follows:

\$ \_\_\_\_\_ (name of organization)

\$ \_\_\_\_\_ (name of organization)

\$ \_\_\_\_\_ (name of organization)

Consider whatever amount is left after these bequests in three separate “buckets.”

**Bucket 1:** *Fifty percent* should be distributed within 36 months of the date of death of the survivor of us to the following organizations in our memories:

50% ABC Charity

30% DEF Charity

10% GHI Charity

5% JKL Charity

5% MNO Charity

Rather than taking these percentages literally, use them as an indication of the percentages we would likely apply were we making the gifts today. You can decide if you wish to leave a gift to the organization's general, unrestricted fund or alternatively, you can decide if there is a certain project(s) you wish to support. You can make a single distribution or spread out the distributions so long as they are completed within the three years.

**Bucket 2:** *Twenty-five percent* should be distributed within 20 years of the date of death of the survivor of us. It can be done in equal annual payments or in chunks, as you determine. We would like you to work together, with input from our Community Foundation, and distribute the funds as you deem appropriate within the following parameters:

- The organization must be located in Our City and the funds spent in the Our City's area.
- The gifts should be consistent with our values and life's work. For example: We value: health, religion, education and development of leadership and good citizenship within youth.
- The distributions can be made anonymously or in the name of the fund. You can decide what you feel works best.

**Bucket 3:** *Twenty-five percent* should be segregated into as many donor advised funds (at our Community Foundation or in a donor advised fund you designate so long as it is approved by our Community Foundation) as there are of you who survive us and want to participate. Each child can have total freedom (within the legal restrictions of a donor advised fund) to distribute the funds to charities of your choice. You are free to, and we encourage you to, use donor advised funds as a teaching tool with your own children. We believe being able to give away money to help others less fortunate is an honor and can bring as much joy to the giver as the recipient. If at any time you feel this is a burden, please simply resign and let those siblings who derive joy and meaning from the process take your place.

We have intentionally set "sunset" provisions to provide you a sense of urgency and to make each distribution more significant.

If this plan is executed as we intend, we hope we will have accomplished the following:

- Given back to our community through organizations that have been important to us.
- Provided you an opportunity to meet in person annually (hopefully in Our City) to fulfill this "obligation" and grow closer as you work together for a common cause.
- Passed on some of our values and helped you identify those values we share as a family.
- Shared with you both the joy and responsibility of helping others.

Thank you for your thoughtful attention to helping us fulfill our Legacy Plan. It is an expression of our gratitude to our community as well as our faith and trust in you. Best of luck.

Love,

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(Mom and Dad)