

How to Document Donor Intent

As a donor, your legacy is about more than what is tangible. “It’s not about who gets the grandfather clock,” notes Tom McMillan, a Denver estate-planning attorney, “but rather who was grandfather?”

How can donors pass along the *intangibles* – their values and beliefs, and what they envision for their foundations over time? At the ASF 2006 National Conference, Doug Bauer, Senior Vice President of Rockefeller Philanthropy Advisors, joined Dan Peters, President of the Ruth & Lovett Peters Foundation, to offer advice on how small foundations can document donor intent.

Donor Intent Matters

Donor intent is a message from a donor to those who will manage the foundation in years to come. It describes why the donor started the foundation, underlying values behind his or her decision to give, and how the donor hopes the foundation will operate over time. Eighty (80) percent of respondents to a recent ASF member survey have written statements of donor intent (*ASF 2005-2006 Foundation Operations and Management Survey* available at www.smallfoundations.org).



While not a legally binding document, a statement of donor intent can be a powerful guiding force for your foundation. For new foundations, donor intent can help the board to create mission and vision statements and determine which areas to fund. For established foundations, donor intent makes it easier for future board members to connect with the heart of the donor and decide which activities, areas, and organizations to support. Children, grandchildren, and other board members may not have memories of the donor to guide them.

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If you are the donor, capturing your intent can be a bit intimidating. Not only must you describe your values, but you must also think about how these values will endure into the future. It's worth the effort, though, as otherwise, your trustees are left to surmise your intent. "If you don't get donor intent down," notes Bauer, "your trustees will have little idea about who you are and what you care about." Are you willing to bet they will get it right?

A Donor Shares His Intent

When I began to realize that I was accumulating and being given the stewardship of more money than I needed, or could reasonably spend, I started to plan to use it to help others. Why? Because of my upbringing - the love, caring, and sharing experience from my family; my church and the Christian way of life and what it teaches about service to others; and people like Mother Moon.

My original intent? To do good - whatever that means...

My intent has evolved from just "doing good" to the creation of our current mission statement:

"To carry on the Leighty family legacy of service and stewardship by leveraging our time, talents, and finances primarily in the areas of science and the environment, education, spirituality, women's interests, human population, peacemaking, and the promotion of philanthropy and volunteerism."

It is my intent that our comparatively small amounts of money be used as leverage - seed money - to attract other givers to the cause or project - the Parable of the Mustard Seed. It is also my intent that we leverage the time, talent, and experience we develop in the members of our family to mentor other potential donors as they discover the joy of giving.

My family is my #1 interest. If at some time in the future, the operation and administration of the foundation should be in danger of splitting the family, it would be my intention that the foundation and the stewardship of its assets be given to an independent agency. I have full confidence in my family's ability to choose wisely regarding the health of the family, and the stewardship of the foundation.

H.D. (Ike) Leighty
The Leighty Foundation
July 1999

Make it easy on your board - and yourself - by putting pen to paper. Here are some ideas to get you (or your donor) started.

Start with Key Questions

Documenting intent doesn't have to be a lengthy or expensive project. You can get started by considering a few questions:

- Why did you start the foundation?
- What values have been most influential in your personal and professional life?
- How do you want to be remembered by your family, friends, and colleagues?
- What motivates you to work in philanthropy?
- What do you hope the foundation will accomplish in 10, 20, 50 years?
- Should the foundation exist forever?
- How important is it to involve your family?
- What parts of your foundation's mission and grantmaking would you like to remain the same?
- What aspects of the foundation have a potential to evolve?

Use these questions as prompts to craft a one- or two-page statement of donor intent. Or if you want to get fancy, some foundations audio- or videotape an interview with the donor (or even senior family members). If you go this route, consider hiring a professional videographer, or look for a volunteer who knows how to use the equipment.

Be Flexible

It's important to include some level of flexibility in your intent, notes Bauer: "Donor intent is a living, breathing thing that can change - because times change, people change." Given some flexibility,

trustees will have the opportunity to respect your values and also keep the foundation's mission relevant to a changing world – and a changing board.

“Being a donor is an awesome responsibility,” notes Bauer. “It provides an opportunity to cultivate your family and others – to educate them about philanthropy and hopefully excite them about joining you in your foundation journey.” Be clear about your hopes, and talk to those affected by your intent. But remember, involvement in the foundation may be right for different people at different times, and for some, not at all. Philanthropy isn't necessarily a calling in all of us.

Additional Resources

Living the Legacy: The Values of a Family's Philanthropy Across Generations, National Center for Family Philanthropy, 2001. A resource for family foundation trustees and staff considering the importance of donor legacy. www.ncfp.org.

Our thanks to Elaine Gast, Four Winds Writing, Inc., for this article.

From the Editor

I'm delighted to introduce *Essentials*, the new quarterly newsletter of the Association of Small Foundations.

But where's my old newsletter, you ask?

It's still here, just with a new look. We gave the newsletter a facelift, adding more color, more member photos, and more content to capture the spirit of our small foundation community. Not to mention the new name! We chose *Essentials* to reflect our goal as your association – to provide what you need, when you need it, in a format that works for you. The essentials, without unnecessary extras.

As always, we'll work hard to fill *Essentials* with straightforward information and advice from small foundation leaders and other experts in the field. We'll profile members, answer frequently asked questions, and include samples and checklists that you can apply to back home.

Let us know how we're doing! What do you think of *Essentials*, and how can we make it even more useful for you?

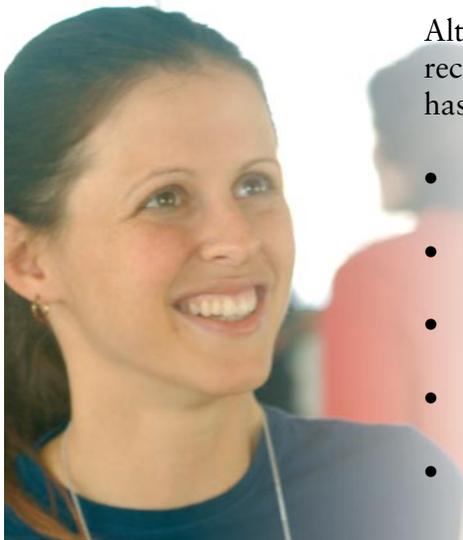
We're also hoping that you'll share your stories with us. What makes your foundation work rewarding? How do you tackle challenges? Sandy Jerstad of Sioux Falls, South Dakota, inspired us all with her story on page 5. We know that many of you have stories like hers – invaluable to others in your shoes.

We look forward to hearing from you.



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how to INFER INTENT WHEN A DONOR IS NOT WITH US



Although statements of donor intent are ideally written or recorded by the donor in his or her lifetime, not every foundation has that luxury. Don't despair!

- Look at the donor's history of charitable gifts or volunteer work.
- Ask family, friends, or colleagues to share stories and tell you about the donor's values, interests, and passions.
- Review foundation board minutes, correspondence, and archives, if available.
- Piece together a timeline of the foundation's history. Look for “aha!” entries.
- Check your local historical society for records on the founder, the family, or the foundation.