



Have you documented your wishes following your lifetime?

If you have a donor advised fund with the Community Foundation of Northern Colorado please consider documenting your wishes for the fund after your lifetime. The two primary questions to consider are: 1) How long after your lifetime do you want your fund to continue? and 2) How will grantmaking be determined? Here are several options to consider, all of which can be easily documented through an addendum to your fund agreement.

First, determine the length of time you would like to see your fund continue.

You may convert your fund to a permanent **endowment** upon your death. Most donor advised funds are not endowed, meaning advisors may spend the fund down to zero and close it out at any time. If you would like your fund to be a permanent community asset you can add a clause that will limit annual distributions after your lifetime to a sustainable amount, as defined by our Board of Trustees (currently a 4.5% annual distribution). This allows your fund to go on in perpetuity. You may also include a “**sunset clause**” that sets a limited lifetime for the fund, perhaps 25 or 50 years after your lifetime.

Second, determine how grantmaking decisions will take place after your lifetime.

1. Name “successor advisors.” This will allow the fund to continue just as it is now, but with your children, family members, or friends acting as “successor advisors.” Likewise, your successor advisors can also name successors, allowing the fund to continue on for multiple generations. If you don’t tell us otherwise, your successor advisors will have complete discretion regarding how they wish to approach grantmaking from the fund. Or, you may define parameters that limit grantmaking to geographic areas or fields of interest, such as “arts” or “human services.” You can be very specific or very broad in how you define these parameters.

2. Convert your fund to “designated” or “field of interest.” A simple addendum to your fund agreement can convert your donor advised fund upon your death so your specified wishes are carried out. Converting to a designated fund means that you list specific organizations you wish to benefit after your lifetime. Converting to a field of interest fund means that you define a specific “field” such as education, human services, arts, etc. You can define the field of interest very narrowly or very broadly.

3. Make changes at any time. You are not locked in to the plans you make and can add a new addendum at any point in your lifetime. The beauty of listing your fund at the Community Foundation as a beneficiary in your will, trust, or other estate documents is that these documents do not need to specify how the fund will operate after your lifetime. An addendum to the fund agreement spells out your plans and can be updated without modifying your estate documents.

Our staff makes it very easy to document your wishes for your fund after your lifetime. Please call, email, or schedule a time to visit with us about your plans.