Leaving a Legacy of Liberty

A resource for understanding your planned and estate giving options

What's Inside

Please note: *The content provided in this booklet is offered for informational purposes only. It should not be construed as legal or tax advice. Please consult your tax or estate planning attorney to address your personal situation.*

Section 1:
Understanding Donor Intent

> "If you intend to dedicate large sums of money to charity, you should think hard about what purpose you want that money to serve. If you intend to have others collaborate in your philanthropic giving, especially after your death, you should not assume that your successors will instinctively understand your wishes [or] that they will necessarily want to be constrained by them. If your intentions as a donor are to be respected, you need to clarify what you want your assets to accomplish and create safeguards that help ensure their intended disposition....You ignore donor intent at your peril."
>
> – Jeffery Cain, *Protecting Donor Intent*

You likely have a vision for your charitable giving.

Do those around you share that same vision? When you are gone, will your charitable legacy remain intact or succumb to the whims of future generations?

Sadly, it is all too common for charitable capital to stray from the original donor's wishes and the principles of liberty. This drift away from the donor's intent can come from a number of sources:

Most commonly, the donor simply did not put his or her charitable intentions in a way that could be followed after his death. This is what happened to so many of the big foundations, such as the Ford and Rockefeller Foundations.

Sometimes, a donor's charitable dollars are entrusted to a group that changes over time or, through growth, decides there are other opportunities that could be funded with a donor's dollars while still ostensibly following the donor's wishes. You can see this in the Robertson case at Princeton University.

And sometimes, a donor's wishes can be clear, but future generations simply make a decision about what is "best" for those charitable dollars. Howard Pew clearly intended for his Freedom Trust to extol the free market and inform people of "the paralyzing effects of government controls on the lives and activities of people," but those principles have eroded from the giving philosophy of the Pew Charitable Trusts over time.

Protecting Your Intent Starts Now

We often think of donor intent being a problem after one's lifetime, though institutions can fail to meet a donor's wishes even in life, particularly if the donor does not have the time, energy, or ability to keep close watch on the way an organization uses a gift, or if the donor simply doesn't know that an organization he or she funds because of one project is separately engaged in many things that he or she opposes.

Established in 1999, DonorsTrust serves as a check against its client's charitable dollars drifting into areas of which they would disapprove. DonorsTrust is the sole donor-advised fund dedicated to safeguarding the charitable intentions of donors who are committed to promoting a free society through the ideals of limited government, personal responsibility, and free enterprise. We differentiate ourselves from other community foundations and donor-advised funds by providing a safe, efficient, and principled philanthropic vehicle.

8 Steps to Securing Your **Donor Intent**

Have you ensured your charitable giving vision is secure? Do the people you'll entrust to carry out your charitable legacy understand what matters to you? This question of donor intent is significant. Many big foundations—Rockefeller, Ford, and others—promote ideals today far different from those of their founding benefactors.

You don't have to leave behind a Rockefeller-sized fortune to experience the pitfalls of unsecured donor intent.

Follow the eight steps below to begin to safeguard your principles.

1. Be clear in your purpose. It is essential to have a clear, focused mission and vision for your giving. What causes do you care about? What societal challenges are you most passionate about? What tactics do you like to support? Do you want to give in a public way or more privately? Not only will this safeguard your intent, but it will also lead to more disciplined, measurable, and satisfactory giving.

2. Leave a list of favorites. Create a list of favorite groups, those that you currently fund as well as those you might one day support with the right project. Rank or tier them so it is obvious which groups are most impotant to you.

3. Explain what you don't like. You probably have groups you intentionally don't support. Perhaps they treated you poorly when you donated in the past, or you disagree with the organization's tactics or ideology. This list could also include whole swaths of organizations that work against your principles or work in philanthropic areas that you aren't keen on. Without putting it in writing, your heirs would be forgiven for funding groups you once liked but no longer do.

4. Drive the right vehicle. Just like trying choosing between a car, plane, or bus to get from point A to point B, you have choices in the vehicle driving your charitable legacy. These include a private foundation, donor-advised account, charitable lead trusts, charitable remainder trusts, or a bequest in your will. Each has its own advantages, drawbacks, and tax implications. It is important to remember, too, that, like any complex journey, you might need multiple vehicles to fully protect your intent.

5. Set the pace. Supporting a group after your lifetime doesn't require you to give all available funds given immediately. Design a plan for how and when you want your charitable dollars disbursed. If you have a foundation, do you want future foundation leaders to only grant out the required 5% each year or do you want them going above that? Setting this pace is particularly important with a donor-advised account, which has no mandated payout requirements.

6. Bind it in writing. Once you've established guidelines stating your charitable intent, work with your attorney and/or financial advisor to put it in writing. Decide whether you want to share the appropriate document—all or in part—with relevant parties, be they heirs, trusted friends, or charitable beneficiaries. At a minimum, ensure the right people know that you have outlined your intent and expect it to be followed.

7. Flexible now, then fixed forever. Things change. After you codify your estate plan, you may discover a passion for new charities or may lose interest in once-favored groups. Changes in wealth, family make-up, or even tax law could prompt you to rethink your strategy. Revisit your plan annually and set it up so you can easily make adjustments, allowing you to keep your intent current.

8. Shut it down. This may be the most important step to head off eventual drift away from your donor intent: Limit the life of the charitable vehicle you establish. Spending your charitable capital within 25 years of your death diminishes the chance your money will support causes with which you disagree. Not only will your donor intent be protected, but your money will be making an impact with the causes you hold dear even sooner.

Section 2:
Bequest Giving

Strictly speaking, a charitable bequest is a gift to a tax-exempt entity contained within your will. An example of a bequest is: “I leave $5,000.00 to Charity ABC, an AnyState nonprofit corporation, EIN:12-345678, with principal place of business at 123 Main Street, AnyTown, AnyState 12345-1111.”

Bequests can take a variety of forms. The example above is a bequest of a specific amount. Bequests may also be worded as a percent of your estate (“I leave x% of my estate to Charity ABC . . . ”), a residuary bequest (“I leave the remainder of my estate to Charity ABC . . . ”), or of specific property (“I leave all stock I own in Company XYZ at the time of my death to Charity ABC . . . ”).

Conditional Bequests

Any one of the different types of bequests may be conditional: “Provided that I survive my spouse, I leave the entirety of my estate to Charity ABC . . .”

Property passes at the time of death in a number of ways. One way is through the probate process. But property also passes by operation of law and by contract (and should you die without a Last Will and Testament, your estate property will be subject to intestate administration, since you left no will for the probate process).

Asset Transfer By Contract

Life insurance proceeds are an example of an asset passing by contract. After your death, the insurance company will make a payment to the beneficiaries named in the insurance contract. The amount paid is paid by reason of the contract between you and the insurance company – not as a result of provisions contained in your will. The payment is never part of your probate estate, and passes to the life insurance beneficiaries by contract.

Asset Transfers by Operation of Law

A residence held jointly with your spouse or another person most likely will pass by operation of law, rather than as a bequest. If your deed includes language stating that the residence is held jointly “with right of survivorship” with a third party, upon your death the residence passes to the surviving property holder by operation of law, and the residence is not part of your probate estate (this is not the case if the dead has “tenant-in-common” language, rather than right of survivorship language).

Probate Versus Taxable Estate

One final note. Although assets that pass by operation of law or by contract are usually not part of your probate estate (since your will has no impact on how they are distributed at your death), in many, if not most cases, they will be part of your taxable estate. The probate estate and the taxable estate are not equivalent.

Section 3:

Private Foundations

Private foundations are stand-alone, 501(c)(3) charities, recognized by the IRS as tax-exempt entities. Private foundations go through the same application process as public charities in order to receive their tax-exempt status.

The main attraction of a private foundation for most philanthropists is control. A private foundation can be established and governed in a manner that allows the founder to continue to control the day-to-day operations of the charity.

However, the control a provide foundation provides comes with trade-offs when compared with other types of charitable gifts. These should be kept in mind. Among the trade-offs are:

- Less favorable deduction rules as compared to public charities (exception, private operating foundation)
- Required five (5) percent annual distribution requirement (minimum required distribution rule)
- Two (2) percent tax on investment income (in certain cases, it can fall to one (1) percent)
- Administrative costs (both financial, such as audits and accounting, and time, such as required board meetings)
- Risk of capture of the endowment by antithetical parties

If you decide a private foundation is for you, particular attention should be paid to ensuring that the foundation continues to carry-out your mission in your absence. This is not accomplished easily.

Charitable Remainder Trusts: The Basics

Why use a CRT? In most cases, donors chose to use charitable remainder trusts when they would like to make a charitable contribution, have an appreciated asset they wish to donate, but they need an income stream from the asset.

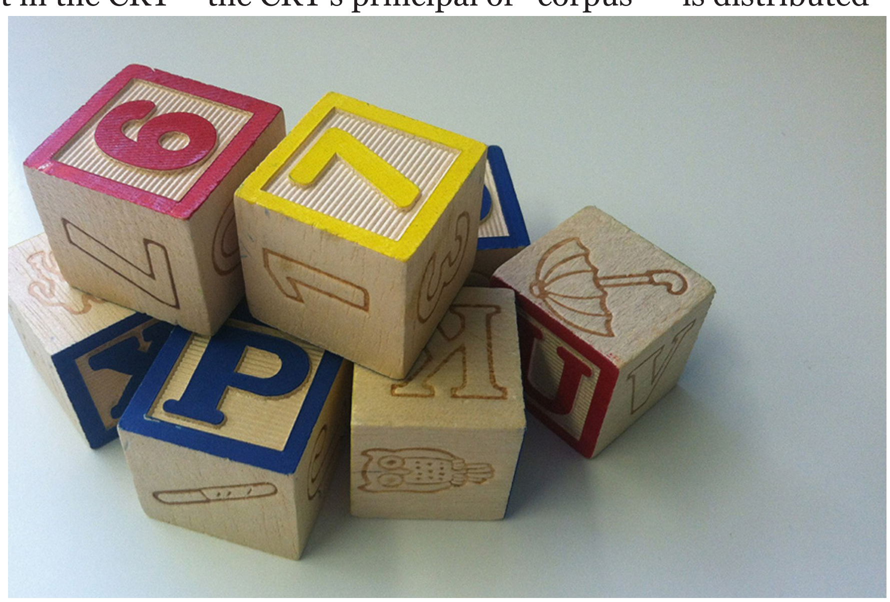
Because a CRT, itself, is a tax-exempt entity, you can donate an appreciated asset to a CRT, and when the CRT sells the asset, no tax is owed at the time the asset is sold. In addition, you generate a charitable deduction for income tax purposes when you transfer assets to the CRT.

Once the CRT receives the contributed asset, it can dispose of it tax free and reinvest 100 percent of the proceeds received from the sale in a diversified portfolio. Taxes are only paid when the CRT makes a distribution to a non-tax-exempt beneficiary of the CRT, and those taxes are paid by the income recipient.

For example, you contribute publicly traded stock to a CRT valued at $500,000 that you purchased for $250,000 five years ago. The CRT sells the stock and receives $500,000. As a tax-exempt entity, the CRT pays no income tax as a result of the sale. The CRT can reinvest the entire $500,000 in a diversified portfolio. (Other reasons for establishing a CRT will be discussed in future posts.)

Income and Charitable Beneficiaries

A CRT is a tax-exempt entity with at least one non-tax exempt beneficiary that is entitled to income from the trust during the CRT's term. Once the CRT's term ends (the term is the period of time during which income is paid from the trust), any assets left in the CRT – the CRT's principal or "corpus" – is distributed to a tax-exempt, charitable beneficiary or beneficiaries.



The CRT term can be structured to last for a number of years (not to exceed 20), for a lifetime, or for a combination of a lifetime and a term of years (again, the term of years cannot exceed 20). During the CRT term, income is paid to a non-charitable income beneficiary (in some cases, income may be paid to a tax-exempt charitable beneficiary as well, but we will save that for a future discussion). There are a number of variations that can be incorporated into a CRT agreement that make charitable remainder trusts very flexible philanthropic vehicles indeed.

CRATs and CRUTs

The amount of income paid to a CRT income beneficiary can be calculated in a number of ways. The broadest income calculation categories are annuity calculations or unitrust calculations. If the CRT pays income using the annuity method, the income payment is usually calculated as a percent of the value of the asset contributed to the CRT, as the asset is valued on the date of the contribution. The payment can be made annually, quarterly, or monthly.

For example, you create a charitable remainder trust that pays to you a five percent annuity on an annual basis, and contribute stock valued at $500,000 to the CRT. The annuity payment is due on the last day of the year, and the CRT's term is for your lifetime. For the remainder of your lifetime, you receive a $25,000 payment from the CRT on the last day of each year. This type of CRT is referred to as a charitable remainder annuity trust, or CRAT.

The second method of calculating the CRT income payment uses the value of the trust assets as they are valued each year on a particular date, such as the first business day of the year. The income payment percentage can range from between five and 50 percent. This type of CRT is called a charitable remainder unitrust, or CRUT.

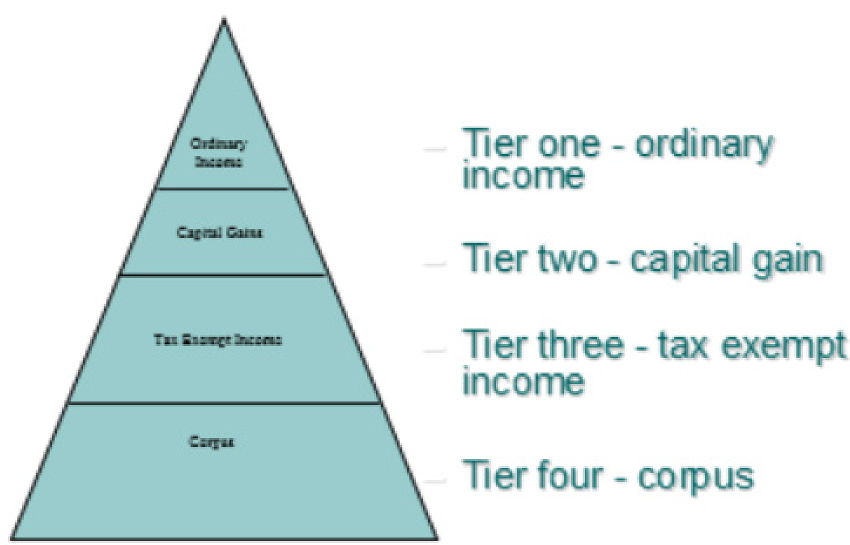
For example, you contribute $500,000 to a CRUT on January 1, year 1. The CRUT agreement requires an annual five percent payment to you on the last business day of the year, the payment to be calculated based on the value of the CRUT as the value is determined on the first business day of the year. Assuming on January 2, year 1, the CRUT assets are worth $500,000, the payment you receive on December 31, year 1 is $25,000. If on January 2, year 2 the assets held by the CRUT are value at $525,000 (the CRUT had a good investment year during year 1, earning 10 percent), then on December 31, year 2, you would receive a payment from the CRUT equal to $26,250.

A CRUT allows the income beneficiary to participate in trust asset appreciation, at the risk of a reduced income payment if the trust's investments do poorly. Conversely, the amount of the periodic income payment from a CRAT is set at the time the CRAT is established. The only risk with a CRAT is that the investment performance is so poor the CRAT cannot meet its income payment commitment.

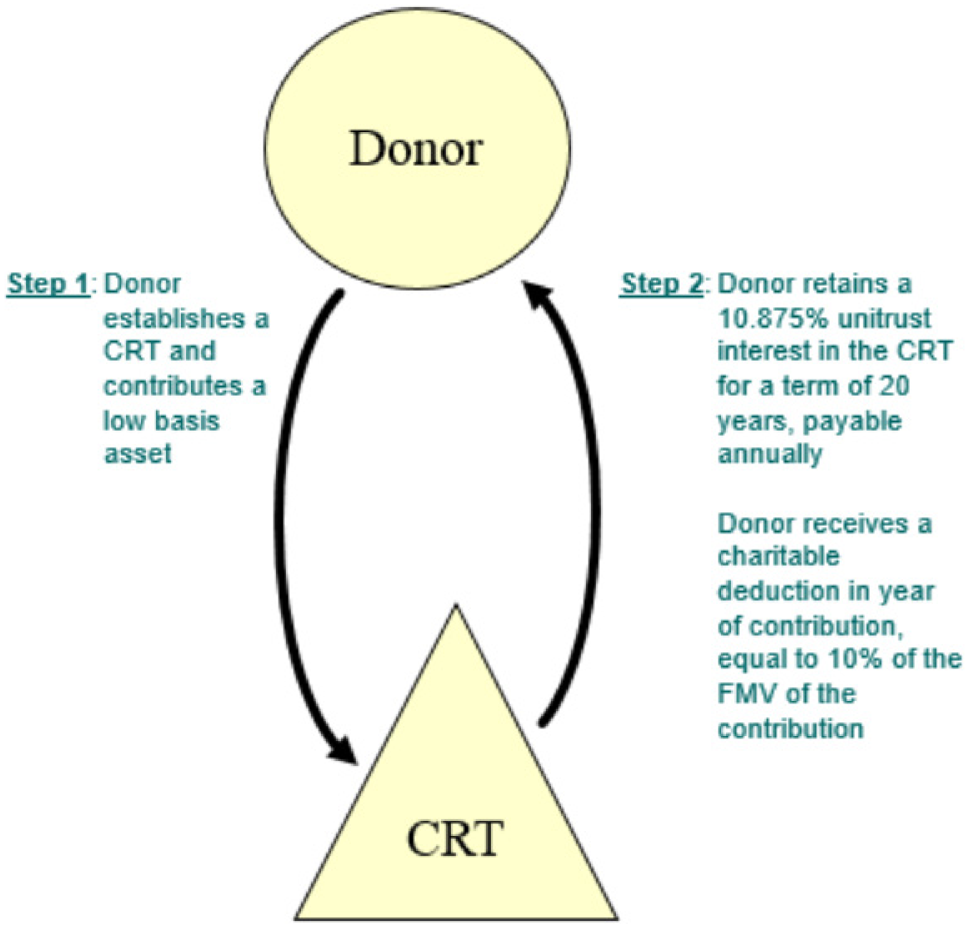
Example 1: Taxation of CRTs

Notes:

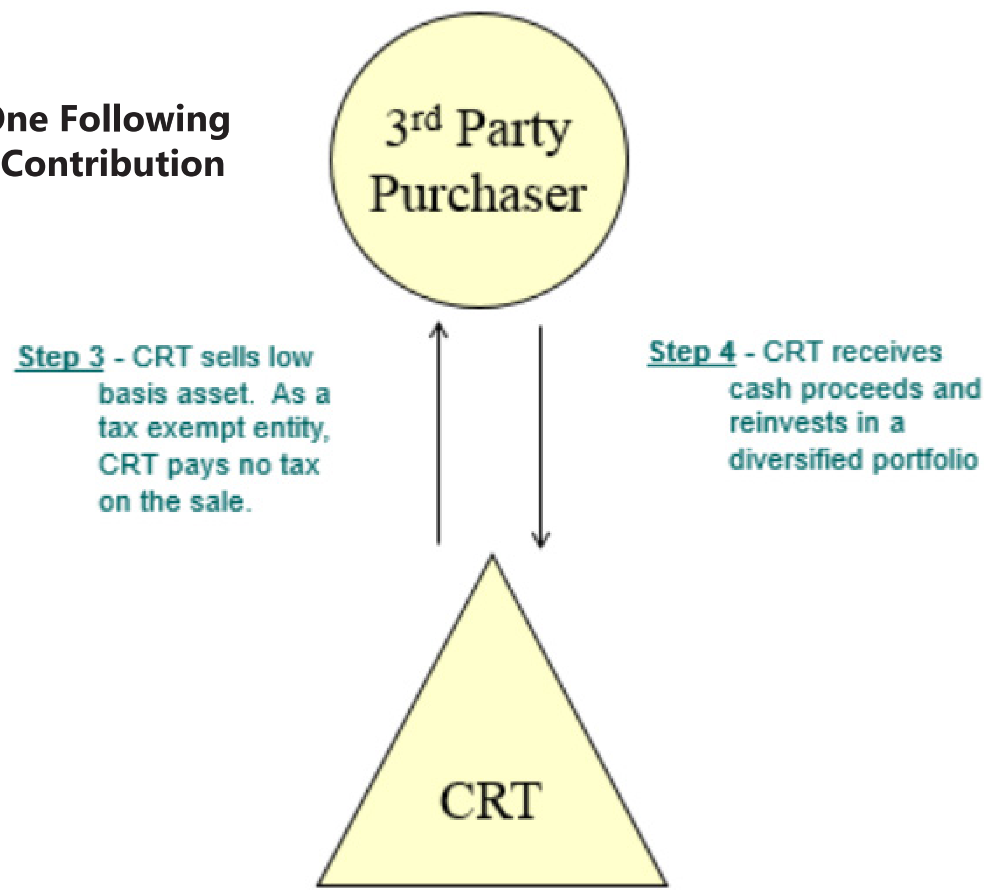
- **CRTs are tax exempt entities**
- **Distributions from CRT to income beneficiaries are taxable if receiving beneficiary is not tax exempt**
- **Payments from CRTs are characterized according to a worst in first out (WIFO) rule**
- **Even though tax exempt, CRTs must keep track of income character so they may report to beneficiaries using 'Tier Rules' found in the IRC.**



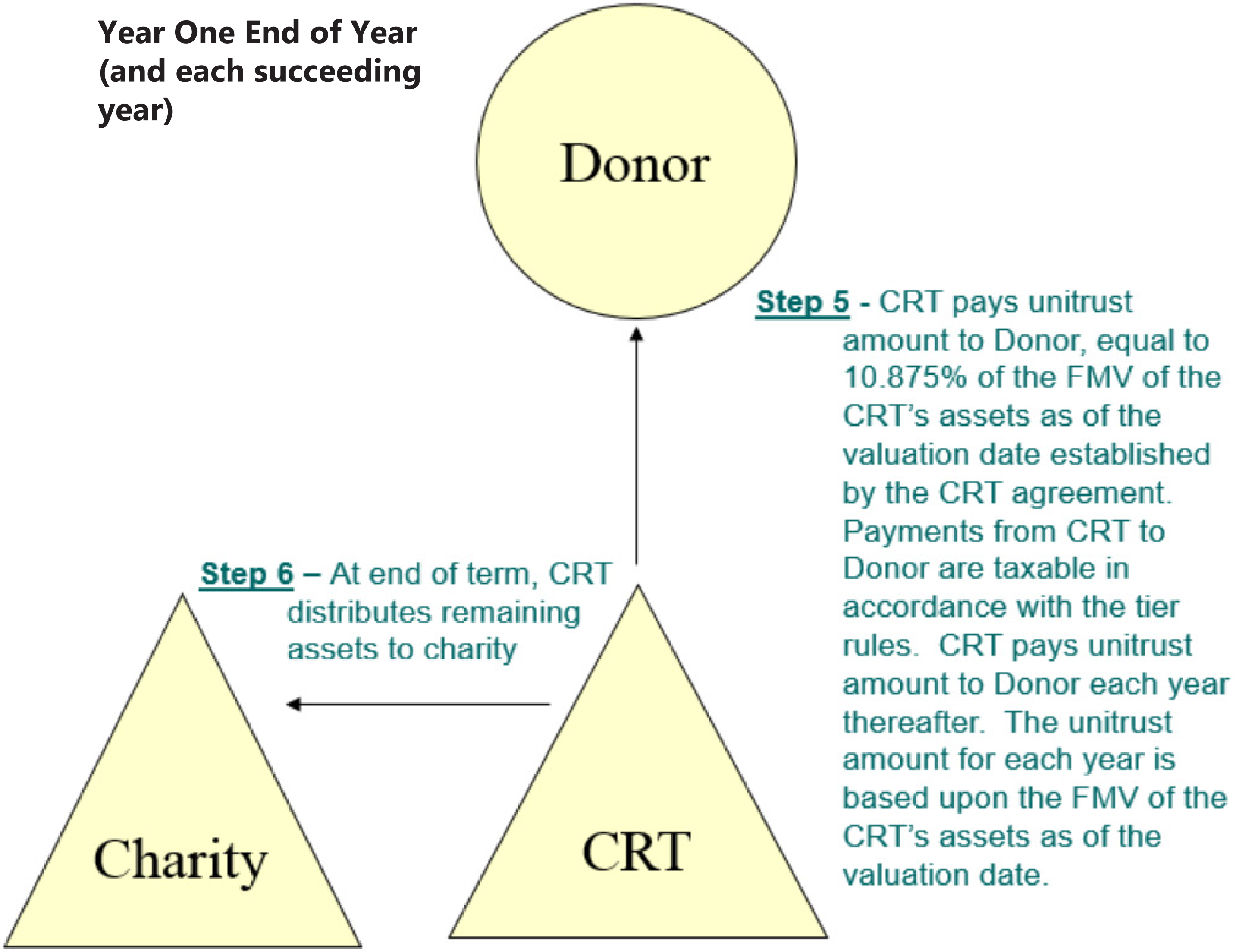
Example 2: CRT Basics20 Year Term Illustration



Year One Following Initial Contribution



Year One End of Year (and each succeeding year)



Section 5:
Charitable Lead Trusts

Understanding Charitable Lead Trusts

Charitable lead trusts (CLTs) can be structured in a wide variety of ways. As a result, they are one of the more complex estate planning tools available. When well-structured to meet your individual estate plan, a CLT may significantly reduce your estate tax liability, while simultaneously benefiting a valued charity (or charities) for a number of years during your lifetime. Highlighted below are some key CLT concepts. For a full and complete discussion of CLTs and how they might fit into your estate and philanthropic planning, consider discussing the concept with your estate attorney or other tax advisor.

How CLTs Work

Under a CLT agreement, a designated charity receives an income interest for the lifetime of an individual living on the date the CLT is created or for a specified term of years. The income interest must be in the form of an annuity or unitrust interest.

The CLT must have at least one charitable income beneficiary, and one non-charitable remainder beneficiary. At the end of the CLT's income term, any assets remaining in the CLT are distributed to the remainderman beneficiary(ies) (i.e., the beneficiary receiving trust assets at the time a trust income term ends).

If a CLT is structured so that for gift tax purposes a completed gift occurs at the time the CLT is funded, the CLT can be structured to produce a gift tax value close to $0.00. Because the gift tax liability occurs at the time a complete gift occurs, if the actuarially calculated value of the gift is near $0.00, no gift or estate tax is imposed at the trust income term ends even if the non-remainderman beneficiaries receive a distribution in excess of the calculated value. This is why CLTs are such powerful estate planning vehicles.

An Example of How CLTs Work

An example of how a charitable lead trust might work could be instructive:

> Assume Mr. Jones, age 59, funds a charitable lead annuity trust with $500,000. The CLT has a 20 year term. He names a 501(c)(3) public charity as the income beneficiary, entitled to an annual annuity payment of $31,771.44 (6.3543% of the value of the cash transferred to the CLT). Mr. Jones' daughter is the remainder beneficiary, entitled to any assets in the CLT when the charitable term interest ends in 20 years.

At the time the CLT is created, the applicable Internal Revenue Code interest rate used to actuarially calculate the value of a gift is 2.4%. For gift tax purposes, the gift to the Mr. Jones' daughter is $0.14. Provided the CLT can earn an annual rate of return greater than 6.3543% during the CLT's term interest, when the 20-year term interest ends Mr. Jones' daughter will receive a distribution from the CLT. To the extent the amount received by Mr. Jones' daughter exceeds the $0.14 taxable gift that occurred when the CLT was funded, the excess amount fully escapes estate and gift tax.

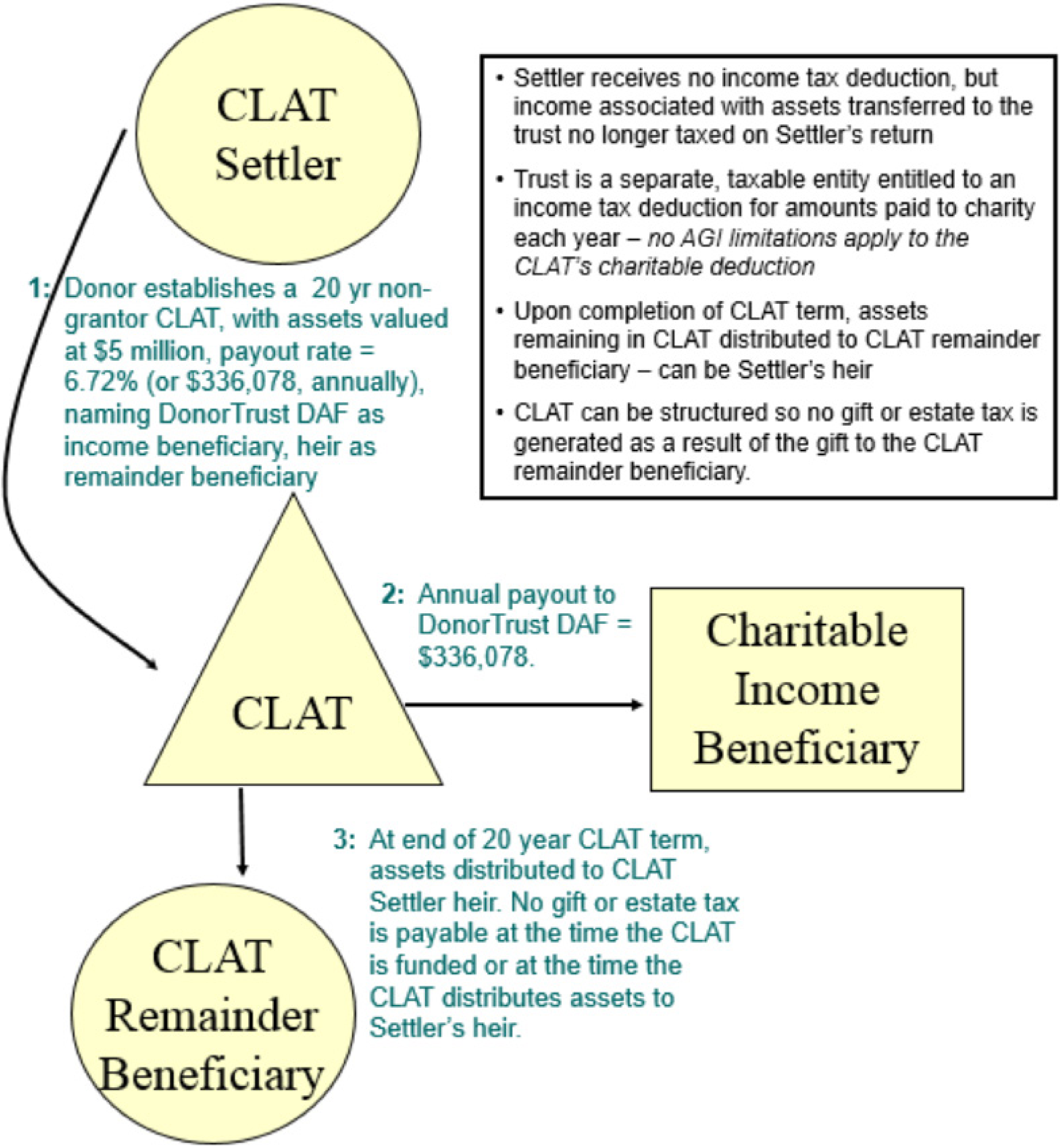
So, for example, if the trust earns an annual rate of return equal to 7%, at the end of the 20-year term the daughter will receive a $632,356 remainder distribution. For gift tax purposes, the gift is valued at $0.14.

CLTs and Donor Advised Funds

Charitable lead trusts are excellent vehicles for funding a donor-advised fund account. When the trust's annual payout is directed to a donor-advised account, the account advisor has the ability to recommend support of a variety of charities rather than being limited to supporting only those named in the trust agreement.

There is one important caveat, however. A CLT donor may not serve as the advisor on a DAF account that is the income beneficiary of a CLT. However, it is possible that members of the donor's family or others close to the donor may serve in the advisor role. Though the CLT donor may not advise the donor-advised account, establishing a fund at a cause-related organization such as DonorsTrust will ensure a certain level of protection for the donor's broader intent.

Example 3: CLAT Non-Grantor Trust Illustration



Section 6:

Donor-Advised Funds

The Charitable Hub: Streamline Your Giving with a DAF

There are many methods and platforms for carrying-out your charitable giving. Simplest, of course, is a direct cash gift to a charity of your choosing. More complex charitable giving usually involves an "intermediate" charitable vehicle as part of your charitable giving plan.

Common charitable vehicles are charitable remainder trusts, charitable lead trusts, private foundations and supporting organizations. In recent years, however, one charitable vehicle has zoomed to the forefront of charitable planning – the donor-advised fund, or DAF. Why? Because in addition to offering the most attractive tax deduction rules, DAF accounts provide flexibility other giving vehicles either cannot offer, or offer only with additional complexity, and, often times, both additional monetary costs and time commitments.

The flexibility of donor-advised funds allow DAFs to serve as a one-stop charitable "hub" for your (or your client's) charitable gift planning. We discuss some of the specific tax benefits of donor-advised funds in an earlier piece. Below, we'll take a more specific look at how a fund can couple with other charitable planning vehicles to simplify estate planning and lifetime charitable giving.

Defining a DAF

Beyond tax, what are the other benefits of DAF accounts that make them so attractive? To answer this, let's look at what a DAF account is.

A DAF account is (1) an "account" on a public charity's books and records, (2) owned solely by the charity, (3) which is separately identified by reference to contributions of the donor or donors and, (4) where the donor, or a person appointed by the donor, has advisory privileges with respect to distributions from the account and/or investment of assets allocated to the account. Key to this definition is the fact that assets held in a DAF account are owned solely by the charity that sponsors the DAF program.

A tax deduction is available at the time assets are contributed to a DAF account only because a donor gives up all ownership interests in the contributed assets. The donor (and/or their appointees) merely receive the privilege of providing advice with respect to account assets. Donor-advised fund account donors and advisors have no legally enforceable rights with respect to assets in a DAF account. While these characteristics of a DAF account give rise to the tax deduction, they also give rise to the other beneficial aspects of a DAF account.

DAFS for Longer-Term Planning

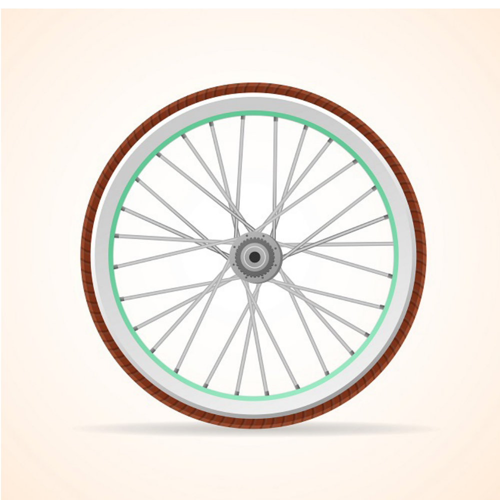
Once established, your donor-advised fund is available for use as the core of your charitable planning. Below is a brief discussion of how a DAF account can function as the hub of your philanthropy.

DAFs and Charitable Remainder Trusts
A charitable remainder trust (CRT) is most often used to diversify appreciated assets in an income tax effective manner, allow for management of the assets in a tax-exempt vehicle, provide an income stream to you or another individual or individuals for a term of years or lifetime, generate a current income tax deduction, and provide for a future distribution to charity.

Charitable remainder trusts allow you to transfer appreciated assets to a trust, retain an income interest from the trust during your lifetime or for 20 years, and receive a tax deduction today for the calculated value of assets that are distributed to charity when of the income stream ends. (You can also give an income interest to someone else – though beware, as giving the income interest to someone other than yourself may generate a gift or estate tax.) The appreciated assets can be sold by the trust and reinvested, and no income tax is paid by the trust. Similar to a retirement account, income tax is paid by the recipient in the year distributions are made from the CRT to you or other non-charitable beneficiaries of the trust.

A DAF account is an optimal beneficiary of a charitable remainder trust (CRT).

Generally speaking, you must irrevocably name the charity(ies) that receive benefits from a CRT at the time the CRT is established, or increase the complexity of the CRT operations to maintain flexibility over the who the charitable beneficiaries will be. If, however, you name your DAF account as the CRT charitable beneficiary, you can easily provide advice to the DAF sponsoring organization concerning distributions from the account.



DAFs and Charitable Lead Trusts
A charitable lead trust (CLT) is the inverse of a CRT. A CLT pays an income stream to charity for a term of years and, once the term ends, any amount still in the trust is distributed to non-charitable beneficiaries. (Learn more about charitable lead trusts here.)

A CLT is a very effective estate planning vehicle that allows you to pass assets to the next generation free from estate and gift tax. However, similar to a CRT, you must "lock-in" the charitable beneficiaries at the time the CLT is established and funded.

If you name a DAF account as the CLT charitable beneficiary, it is possible to vary the charitable organizations that ultimately receive benefits (this is also true with a CRT). Since the income stream from the CLT is paid to a DAF account, the ultimate charitable beneficiaries depend upon the advice given to DAF sponsoring organization. This advice need not be locked in at the time the CLT is established.

DAFs and Your Estate Planning Documents
Many different documents can be termed "estate planning documents." For example, if you have retirement account (e.g., IRA, 401(k), 403(b), etc.) and you completed a form designating an account beneficiary, that is an estate planning document. If you own life insurance directly and have designated the beneficiary of the policy, that is an estate planning document. If you have a revocable trust document that serves as a "will substitute," that is an estate planning document.

Each and every one of these documents could have and very well may have named a charity as a beneficiary of your estate. But consider how much easier it would be to manage the charitable aspects of your estate plan if you open a DAF account, and your estate planning documents name only the DAF account as the charitable beneficiary.

Now whenever you want to change the ultimate charitable beneficiaries of your estate, you merely need to provide new advice to the DAF account sponsoring organization. No need for a trip to the attorney to change your last will and testament or your revocable trust. No need to call your financial institution for a new beneficiary designation form for your IRA account.

Instead, since each of these estate planning documents name your DAF account as the charitable beneficiary, you merely need to contact the DAF sponsor and change the final beneficiaries or your DAF account. This is both a time and monetary savings, assuming you would otherwise need to involve your attorney.

DAFs and Your Private Foundation
If you have a private foundation, a DAF can still play a central role in your year-end and all around charitable plan.

Different limitations apply to the amount you can deduct in the current tax year depending upon whether you contributed to a public or a private charity. For example, the currently deductible amount of cash contributions to a public charity, such as contribution to the organization holding your DAF account, is limited to 50% of your current year adjusted gross income (AGI). Cash contribution deductions limitations for contributions to your private foundation are limited to 30% of AGI.

The rules layer, though. So if you have maxed out current-year deductible contributions to your private foundation, by contributing to a DAF account you can increase your current year deduction.

And has your private foundation turned out to be more of a burden than it is worth? Are you tired of the administrative burdens associated with your private foundation? Then you should consider terminating your private foundation by rolling all of the foundation's assets to your DAF account.

The Flexible Charitable Hub

Financial advisors and estate attorneys rightly point their clients toward donor-advised funds as an effective charitable vehicle to incorporate in their planning not only for income and estate tax planning purposes, but because of the flexibility DAF accounts provide to their clients' overall philanthropic plan. As illustrated above, this flexibility argues that, for many donors, a DAF account can serve as the central hub of their charitable giving.

For liberty-minded donors, a DonorsTrust DAF account makes even more sense as a central hub for charitable planning. The mission-oriented nature of DonorsTrust makes it different, and means our clients can rest assured that assets held in a DonorsTrust account will be used only to further their principles that support the good of society.

Some worry that utilzing a donor-advised fund to manage their bequest giving will presvent them from being part of the legacy societies offered by so many groups. Quite the opposite. Simply indicate to thoe charities where you intend to leave a bquest gift that they can expect that gift from a donor-advised fund instead of as a direct gift out of the estate. Managing your bequest gifts through a donor-advised fund gives additional flexibility to spread out your giving over a number of years, lengthening the time your favorite groups receive support. Using a mission-driven fund such as DonorsTrust also offers additional security to you as the fund provider can serve as an additional check to ensure the intent of your bequest is used as you desired. Finally, with a donor-advised fund serving as the recipient of your charitable bequest, you can easily add or change the details of the groups supported by your charitable legacy with a simple communication to the fund provider rather than paying lawyer fees to open up your testimatary documents for small changes.

Bequest Accounts at DonorsTrust

A DonorsTrust bequest account is an excellent means of protecting your donor intent and promoting liberty. DonorsTrust pledges to carry out your charitable intent by supporting your named charities, holding your successors accountable to your intent statement, and/or executing a specific charitable plan. If you do not wish to establish a DAF account during your lifetime, consider establishing a bequest account as part of your estate plan.

A bequest account functions almost identically to a DAF account (and is considered a DAF account by the Internal Revenue Service). However, a bequest account is funded only at death, rather than during your lifetime, is used as a means of ensuring that your charitable intent is carried out in your absence, and minimizes the complexity of making charitable gifts to multiple charitable beneficiaries as part of your estate plan.

To establish a bequest account, complete and submit a bequest application form, including an intent statement. Once DonorsTrust has accepted your application, work with your attorney to modify your testamentary documents (e.g., last will and testament, trust agreement, etc.) to provide for a gift to DonorsTrust directed to the bequest account. Once the account is funded, DonorsTrust or your bequest advisor (named in the application) makes requests for grants from the account.

Grant requests for a bequest account are subject to the same rules and conditions applicable to DAF accounts established during your lifetime. In order to protect your intent in your absence, DonorsTrust's Board of Directors (or Officers acting on its behalf) will weigh grant requests against your statement of intent, charitable plan, and recommended grantees. If, in its sole discretion, DonorsTrust believes the request conflicts with your intent statement or plan, the advisor's request will be rejected.

At your discretion, your intent statement may specify the scope of grants your successor advisor may recommend, including that all recommendations be honored, in which case DonorsTrust will limit its review of the request to making sure the grantee falls within the protective boundary of DonorsTrust's mission statement.

Note that if you establish a DAF account during your lifetime, you need not setup a separate bequest account. Merely indicate who you wish to serve as a successor advisor to your lifetime account, be sure to submit an intent statement to DonorsTrust, and modify your testamentary documents to provide for a gift to the account at death.

As is the case with all DAF accounts, acceptance of your successor advisor's recommendations is at the sole and absolute discretion of DonorsTrust's Board of Directors (or Officers acting behalf of the Board).