



National
Philanthropic
Trust

Your partner in giving



Defining Your Philanthropic Legacy

DOCUMENTING YOUR WISHES of how you would like your giving goals to live on can be one of the greatest gifts to those you love and the causes you care about most. By providing clarity about your giving after you are gone, you are equipping others with the information they need to best fulfill your intentions.

For many donors, creating a philanthropic legacy can be overwhelming and easy to keep putting at the bottom of the to-do list. But starting now to take proactive steps to reflect on your values and giving goals can help you prioritize your current giving and communicate your intentions for the future with those you choose to involve in your plans.

Below we share ideas for starting to reflect on your giving legacy and ways that your donor-advised fund (DAF) with National Philanthropic Trust (NPT) can support your plans.

What is a philanthropic legacy and why does it matter?

Your legacy is comprised of all aspects of your life and how you have shaped what is important to you, which may include accomplishments in your career, favorite hobbies, engagement in your community and relationships built with family and friends. Your values and actions contribute to how you move through the world—and how others will remember you.

Your philanthropic legacy is how you intentionally want to give during your lifetime and what you would like to leave behind.

Getting Started: Document Your Wishes

The first step in defining your philanthropic legacy is taking time to reflect on what matters most to you. This time may include scheduled sessions for personal journaling, connecting with your spouse or partner to reflect on shared values, memories and intentions or consulting with an estate planner or philanthropic advisor who can walk you through questions.

Documenting your intentions for your philanthropic giving is essential for providing clarity for your loved ones as well as your own peace of mind that your plans will be fulfilled. Writing down and sharing your values and how you would like to be remembered can serve as the first step toward discussions about your philanthropic legacy, which will then incorporate the structure of your giving, including which giving vehicle(s) you have as well as the naming of successors. Depending on the giving vehicle you have, you will likely need to provide further instructions such as allocation of investments and by when funds should be spent. If you have a DAF with NPT, our Legacy Plan will guide you through what is needed for your account.

A written statement of intent can be as simple or as detailed as you wish. Some donors write a short statement outlining the essentials for their giving and then supplement that documentation with videos or audio recordings of family stories, motivations for giving or meaningful experiences of the impact of giving.

A statement of intent may include:



Personal
and/or
family values



Areas of giving interest
or specific nonprofit
organizations



Time horizons for giving
(e.g., perpetuity vs.
spend-down date)



People involved
in your giving
plans

Throughout this documentation process, there may be clarifying points along the way. For example, for donors working with a financial advisor, it will be helpful for you to understand assets that will be available for charitable giving and discuss the right type of giving vehicle. Also, as you refine your interests and select nonprofit organizations, you may need to research the services offered, as some organizations, particularly universities, hospitals and art institutions, will have planned giving teams that can easily support donors with future giving goals while others may have a lean staff with limited capacity to support more complicated gifts.



WHAT IS LEGACY?

Your philanthropic legacy is how you intentionally want to give during your lifetime and what you would like to leave behind.



Communicate Your Intentions

Who you involve in your legacy planning is unique to you. For some donors, it may be children and grandchildren. Others may have a circle of close friends. Some people rely on their financial advisor or estate attorney while others choose to work directly with a nonprofit organization. But whomever you choose needs to know your plan—and how much flexibility they have to act on your behalf once you are gone.

- Do you want your successor(s) to be able to select charitable organizations that they believe meet your values or do you want to spell out which organizations should be funded and why?
- Do you have a track record of giving that your successors can lean on to understand what your interests are if there are additional funds to spend?
- Are you clear on the amounts you'd like to give selected nonprofit organizations (e.g., not to exceed \$1,000) or how many grantees you'd generally like to support?
- Do your successors know how private or public you want to be with your giving? For example, would you want a scholarship in your name?
- Do you have multiple people involved in your giving plans and need to clarify roles so everyone is clear on decision-making?

Crafting a legacy plan can help you clarify who to involve in your giving and how you would like them to fulfill your wishes.

ENGAGING FAMILY

While it is helpful for all donors to communicate their intentions, if you are looking to engage your family in your giving legacy, you may have additional desires to share family or personal stories that reflect your values and traditions you would like to pass on to the next generation.

- Are there family traditions of giving that need to be documented and live on? For example, is there a religious tradition or a commitment to a particular community that is important?
- Is there flexibility in how values may evolve over generations? A family's commitment to education may focus on higher education at first and then include early learning or vocational training as new generations add their perspectives and interests.
- Are there specific roles for family members? How would you like them to work with you? There are many options from learning alongside you to taking over leadership.

Getting started may be the hardest part of crafting and sharing your intentions, but it is a gift to yourself, your loved ones and the causes you care about to document your wishes.



How Your DAF Can Support Your Philanthropic Legacy

There are many charitable vehicles that can help fulfill your giving during your lifetime and beyond. A DAF is one option.

When you contribute to your DAF at NPT, you are making an irrevocable gift to charity. However, you and any other individuals you appoint will retain advisory privileges, which include the right to recommend charitable grants from the DAF and recommend investments. Contributions made during your lifetime, which may include cash, appreciated stock, real estate or other complex assets, generally receive an immediate income tax deduction for up to the full fair market value of the gift.





Bequests to a DAF are eligible for an estate tax charitable deduction and may also reduce applicable state inheritance and estate taxes, which together could result in significant tax savings. You may also make your DAF the beneficiary of a life insurance policy, retirement plan or charitable remainder or lead trust.

Creating Your Legacy Plan With Your NPT DAF

When you establish a DAF with NPT (or at any point while you have an open DAF account), you can set up a **Legacy Plan** related to the assets in your DAF.

Creating a **Legacy Plan** as part of your DAF account management is a strategic way to communicate your intentions. Whether you intend to advise that all funds be granted in your lifetime or create a plan that allows for future giving after you are gone, it is important to have the tools in place for others to know your wishes.

While your DAF can be funded after your lifetime, one benefit of a DAF is the ability to involve your loved ones and/or wealth management team in giving during your lifetime. You can appoint a spouse or partner as a joint advisor, and name other secondary advisors, so that you can make charitable decisions with those who matter most to you. Some legacy options include (but are not limited to):

-  **Naming a joint advisor to recommend grants and investments now and to assume responsibility of the DAF after your death**
-  **Naming one or more individual successors to manage their own DAF account funded with your DAF assets**
-  **Naming one or more charitable beneficiaries to receive all remaining DAF assets**
-  **Establishing an endowment and recommending that assets be distributed over time in annual, recurring gifts to one or more charities**

We encourage all donors to have a **Legacy Plan** in place. You can choose the plan that's right for you now, with the option to change it later.



Getting Started

When you are ready to begin or redefine your philanthropic journey, NPT is ready to help.

National Philanthropic Trust is a public charity dedicated to providing philanthropic expertise to donors, foundations and financial institutions, enabling them to realize their philanthropic aspirations.

The largest independent sponsor of DAFs, NPT ranks among the largest grantmaking institutions in the United States.

Our mission is to increase philanthropy in society. To that end, our experienced staff of philanthropic professionals is fully prepared to help you establish and administer your DAF.

Establish a DAF

You can establish a DAF fund in minutes.

[Register Online](#) or Contact Us:
(888) 878-7900
npt@npitrust.org

Define Your DAF Legacy Plan

Whether you are creating your first plan or reviewing an existing plan, we are here to help.

Contact Us:
(888) 878-7900
npt@npitrust.org

Explore Our Consulting Services

If you are looking to establish a clear sense of direction for your philanthropy or need support with your existing giving, our team of experts will provide the personalized guidance you need.

[Read More](#) or Contact Us:
(888) 878-7900
philanthropicsolutions@npitrust.org

Reflect on Your Legacy



Review and answer the questions in this worksheet to clarify your philanthropic motivations and identify the values, people, causes and organizations important to your legacy.

What values motivate your giving, and do these values reflect personal, family or community stories you wish to share with others?

Do you have a role model or other inspiration for your philanthropy? What impact did that individual or experience have on your giving and how you might want to be remembered?

If you already give, which of your philanthropic efforts has resonated with you the most? Why? If you have not started giving, which issues interest you most?

Are there particular organizations you know you would like to continue to support as part of your legacy?

How will your legacy be fulfilled? Will your successor(s) execute your specific plans, would you like to set some flexible parameters or design a unique plan with them? Do you have a timeline to deploy your philanthropic assets?

Who is important to include in your legacy planning?

What action steps will you take to move your planning process forward?
