

SAMPLE LANGUAGE FOR CHARITABLE BEQUESTS*

The following samples may be helpful to you or your client's attorney in facilitating your client's legacy gift to one or more specific nonprofits.

NOTE: Your client's attorney may be able to prepare a codicil to your will or an amendment to your living trust. It is usually not necessary to revise the entire document.

Making an Unrestricted Bequest to a Specified Nonprofit

These are examples of language that will result in a gift going to one or more specified nonprofit organizations with no restrictions placed on how the nonprofit(s) use the gift.

Specific Bequest

"I give to [ORGANIZATION] of [ORGANIZATION TOWN], Washington [ORGANIZATION EIN] the sum of \$_____ (OR all my right, title and interest in the following described property _____) to be used in such manner as the Board of Directors of said organization shall, in its sole discretion, determine."

Residuary Bequest

"I give to [ORGANIZATION] of [ORGANIZATION TOWN], Washington [ORGANIZATION EIN] the residue of my estate to be used in such manner as the Board of Directors of said organization shall, in its sole discretion, determine."

Proportional Bequest

"I give to [ORGANIZATION] of [ORGANIZATION TOWN], Washington [ORGANIZATION EIN] [A STATED PERCENTAGE OR A FRACTION OF THE RESIDUE OF MY ESTATE] to be used in such manner as the Board of Directors of said organization shall, in its sole discretion, determine."

Contingent Bequest

"In the event that [NAME OF SPOUSE, CHILD, SIBLING, OR OTHER HEIR] shall not survive me, then I give the same to [ORGANIZATION] of [ORGANIZATION TOWN], Washington [ORGANIZATION EIN] to be used in such manner as the Board of Directors of said organization shall, in its sole discretion, determine."

WORKING WITH COMMUNITY FOUNDATIONS

Community Foundations manage a number of different types of funds to help individuals and families meet their charitable goals. They can provide solutions to complex charitable plans, since they often have the resources to manage more complex gifts than do some small or medium-sized nonprofits. In addition, they can help individuals and families give to multiple organizations, specific causes, and/or support multi-generational giving and anonymous giving.

Options Available through a Community Foundation

To employ any of the options below or have a more detailed discussion about them, contact:

Bainbridge Community Foundation

www.bainbridgecf.org

Jim Hopper, Executive Director

Phone: 206-842-0433

Email: jim@bainbridgecf.org

Kitsap Community Foundation

www.kitsapfoundation.org

Geoff Ball, President and CEO

Phone: 360-698-3622

Email: geoff@kitsapfoundation.org

CREATE A DONOR ADVISED FUND – MAXIMUM FLEXIBILITY

Perhaps your client doesn't want to decide anything now. Perhaps they just want to leave assets to a charitable fund and give their kids or grandkids the joy of deciding what nonprofits to give their assets to, in their name, after they've passed away. If that's the case, your client will want to set up a donor advised fund at a community foundation.

SUPPORT THE ENTIRE COMMUNITY BUT LEAVE THE DECISION MAKING TO THE FOUNDATION

Maybe your client just wants to make a large gift or leave a legacy for the general support of the community. They don't want to pick and choose particular nonprofits. If that's the case, then Unrestricted Gift is what they want. The community foundation will use the funds to support the most pressing areas of needs.

THEY ALREADY KNOW EXACTLY WHICH NONPROFITS THEY WANT TO SUPPORT

Maybe your client is interested in donating to a few specific nonprofits but they'd like the assets to be invested and granted out over time. If that's the case, then they're looking for a "designated fund." With this type of fund, they donate assets into their designated fund, and the community foundation then distributes those funds to the specific nonprofits designated by the client over the years.

PICK A CAUSE OR SECTOR AND LET US FIND THE NONPROFITS THAT FIT BEST

Let's say your client wants to donate a sum of money through their estate that will support a certain type of charitable activity or area of nonprofit work. For instance, maybe they want their legacy to provide assistance to handicapped people, counseling programs for veterans, support for the arts or education, donations only to nonprofits in a certain town or region, etc. In this case, they're looking for an "area-of-interest fund." With this fund, the community foundation will seek out and select the nonprofits that best serve the purpose specified by your client.

ESTABLISH A SCHOLARSHIP

A community foundation can manage a scholarship fund for your client that is set up to meet the criteria that they want. If they want to set up a scholarship specifically for students to attend Olympic College, contact the Olympic College Foundation.

BEQUEST TO AN EXISTING FUND AT A COMMUNITY FOUNDATION

The following language provides an easy way for your client to make a gift through your client's will or trust to a fund that your client has set up at Bainbridge Community Foundation or Kitsap Community Foundation. We suggest that your client set up the fund at the Community Foundation now even if your client doesn't intend to fund it until later.

Donor Advised Fund

"I give [DESCRIBE THE SPECIFIC, RESIDUARY OR PROPORTIONAL BEQUEST YOU WISH TO MAKE] to [COMMUNITY FOUNDATION NAME] of [COMMUNITY FOUNDATION TOWN], Washington [COMMUNITY FOUNDATION EIN] to be placed into the [INSERT THE NAME OF DONOR ADVISED FUND] at [COMMUNITY FOUNDATION NAME], a fund of the Community Foundation which is administered in accordance with the terms and conditions of the Fund Agreement on file with the Community Foundation, a copy of which is attached hereto and incorporated by reference."

Designated Fund

"I give [DESCRIBE THE SPECIFIC, RESIDUARY OR PROPORTIONAL BEQUEST YOU WISH TO MAKE] to [COMMUNITY FOUNDATION NAME] of [COMMUNITY FOUNDATION TOWN], Washington [COMMUNITY FOUNDATION EIN] to be placed into the [INSERT THE NAME OF DESIGNATED FUND] at [COMMUNITY FOUNDATION NAME], a fund of the Community Foundation which is administered in accordance with the terms and conditions of the Fund Agreement on file with the Community Foundation, a copy of which is attached hereto and incorporated by reference."

Area of Interest Fund

"I give [DESCRIBE THE SPECIFIC, RESIDUARY OR PROPORTIONAL BEQUEST YOU WISH TO MAKE] to [COMMUNITY FOUNDATION NAME] of [COMMUNITY FOUNDATION TOWN], Washington [COMMUNITY FOUNDATION EIN] to be placed into the [INSERT THE NAME OF AREA OF INTEREST FUND] at [COMMUNITY FOUNDATION NAME], a fund of the Community Foundation which is administered in accordance with the terms and conditions of the Fund Agreement on file with the Community Foundation, a copy of which is attached hereto and incorporated by reference."

Scholarship Fund

"I give [DESCRIBE THE SPECIFIC, RESIDUARY OR PROPORTIONAL BEQUEST YOU WISH TO MAKE] to [COMMUNITY FOUNDATION NAME] of [COMMUNITY FOUNDATION TOWN], Washington [COMMUNITY FOUNDATION EIN] to be placed into the [INSERT THE NAME OF SCHOLARSHIP FUND] at [COMMUNITY FOUNDATION NAME], a fund of the Community Foundation which is administered in accordance with the terms and conditions of the Fund Agreement on file with the Community Foundation, a copy of which is attached hereto and incorporated by reference."

Bequest to a New Fund at a Community Foundation

We suggest that your client set up the fund at the Community Foundation now even if your client doesn't intend to fund it until later. But if your client would prefer to not set up the fund now, your client or your client's attorney can use the language below to set up the fund simultaneously with the bequest being made.

Unrestricted Gift

An unrestricted gift helps address needs in your client's community as it changes over time. Unrestricted funds broadly support the Community Foundation's grantmaking and programming to ensure well-being and vitality of the community for years to come.

"I give [DESCRIBE THE SPECIFIC, RESIDUARY OR PROPORTIONAL BEQUEST YOU WISH TO MAKE] to [COMMUNITY FOUNDATION NAME] of [COMMUNITY FOUNDATION TOWN], Washington [COMMUNITY FOUNDATION EIN] to be used in such a manner as the Board of Directors thereof shall direct."

Area of Interest Fund

Donors who feel strongly about a particular cause or geographical area may want to establish an Area of Interest Fund. For example, your client may wish to support environmental causes, youth programs, the arts or charitable activities in certain neighborhoods. If your client chooses to fund an area of interest on a scale larger than their community, their local Community Foundation will work with other community foundations to direct grants to appropriate organizations throughout that state, region or country.

"This gift shall be used to establish the [INSERT THE NAME OF AREA OF INTEREST FUND], an Area of Interest Fund at [COMMUNITY FOUNDATION NAME]; distributions from which shall be devoted to the support of [NAME PARTICULAR CHARITABLE AREA OF INTEREST] and so distributed according to the judgment of the Community Foundation's Board of Directors."

Designated Fund

Donors with strong ties to a particular organization or institution may want to establish a Designated Fund, usually endowed, for its benefit. A Designated Fund may help a theater, a food bank, a school or any other charitable organization(s) beyond the donor's lifetime. If the beneficiary organization ceases to exist, loses its tax-exempt status or changes its mission, the Community Foundation will redirect the support to a similar organization.

"This gift shall be used to establish the [INSERT THE NAME OF DESIGNATED FUND], a Designated Fund at [COMMUNITY FOUNDATION NAME]; distributions from which shall be devoted to the support of [NAME(S) OF THE CHARITABLE ORGANIZATION(S) TO BE SUPPORTED] for the purpose of [DESCRIBE PURPOSE, IF ANY] and so distributed, subject to the

Community Foundation's Board of Directors' determination that these organizations are qualified Section 501(c)(3) charities described in Section 509(a)(1), (2) or (3) of the Internal Revenue Code and that their purposes are consistent with the Community Foundation's charitable purposes and its mission."

Donor Advised Fund

Donors who want other family members to take an active role in grantmaking from the fund may establish a Donor Advised Fund. This allows the person(s) your client designates as advisor to recommend charitable organizations to receive grants. The Community Foundation helps the fund's advisor by verifying its charitable status of recommended grantee organizations and consulting with the advisor to identify organizations the advisor may want to support.

"This gift shall be used to establish the [INSERT THE NAME OF DONOR ADVISED FUND], a Donor Advised Fund at [COMMUNITY FOUNDATION NAME]; which shall be established at my death, for which I appoint [INSERT NAME(S) OF FUND ADVISORS] of [INSERT FUND ADVISOR ADDRESS] to serve as the Fund's advisors, and

administered in accordance with the terms and conditions of the Fund Agreement or Letter of Intent which is attached hereto.”

Scholarship Fund

Donors who wish to support students pursuing advanced education may want to establish a Scholarship Fund. Scholarship Funds can be established to adhere to certain criteria including academic focus, area of study, etc.

“This gift shall be used to establish the [INSERT THE NAME OF AREA OF INTEREST FUND], an Area of Interest Fund at [COMMUNITY FOUNDATION NAME]; distributions from which shall be devoted to the support of [NAME PARTICULAR CHARITABLE AREA OF INTEREST] and so distributed according to the judgment of the Community Foundation’s Board of Directors.”

Supporting Organizations

Your client may make a bequest for the purpose of establishing a Type I supporting organization at their local Community Foundation. Unlike the fund options described above, a supporting organization is a separate legal entity with its own Section 501(c)(3) and public charity status. In order to qualify as a Type I supporting organization, the organization must meet specific IRS requirements. Please contact your local Community Foundation to provide more information about this giving option.

*Please note that the information contained herein is not intended to provide specific legal or financial advice and should not be relied upon as a substitute for such professional advice. Leave 10 Kitsap encourages you to seek professional legal, estate planning and financial advice before deciding on a course of action.