



Succession and Legacy

Exploring Identity,
Lifespan, and
Next Generation
Engagement

*What has been the purpose
and consequence of your
philanthropy, and who—
if anyone—will continue
to steward it in the future?*



NATIONAL CENTER FOR
FAMILY PHILANTHROPY



About this Series



This primer is the last in a series of seven about the Family Giving Lifecycle. The Lifecycle framework is comprised of seven inflection points and orients donors toward effective outcomes at each stage.

The Lifecycle framework encompasses the breadth and inflection points of family philanthropy and orients donors to effectiveness for the purpose of promoting better outcomes. The Lifecycle framework applies to families at all stages of their philanthropy¹, whether they are a wealth creator just starting out or a multi-generational family foundation improving their work. It is important for donors and their families to revisit the seven inflection points over time as they evolve and learn.

In each primer you'll find: basic information to get started or refresh yourself on the topic, ways to improve when you have the time and will, tips for involving your family, worksheets to guide your thinking, and a few select resources to advance your practice.

The full series of primers and related resources are available at [here](#). The National Center for Family Philanthropy (NCFP) also provides workshops related to the primers. To learn more, please [contact us](#).

¹ **Philanthropy** is "voluntary action for the public good." It can be informal and/or formal and include giving, granting, volunteering, investing for social/environmental impact, building social enterprises, advocacy, and/or other actions. **Family philanthropy** is when multiple branches and/or generations of a family (self-defined) take those actions together.

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Philanthropic Purpose
Impact Vehicles & Structures
Governance
Impact Strategies & Tools
Assessment & Learning
Operations & Management
Succession & Legacy

Overview

Intentional philanthropy requires ongoing reflection and planning. That practice of continuous improvement sets in motion a legacy of impact for yourself and family and in the communities and causes you serve. Keeping the legacy alive requires creating and implementing plans for donor intent, lifespan, continuity, and succession.

In this primer, you will consider three important questions:

- 1. What is the consequence and significance of your philanthropy? How will your family and the community remember you?**
- 2. Who will steward your philanthropy after you're gone?**
- 3. How and when will you prepare and involve these future stewards, ensuring the continuity you desire?**

It's easy to neglect the tasks of legacy, continuity, and succession. However, it's helpful to begin discussions early in your family giving lifecycle—understanding that your views may change. With forethought and planning, you can eliminate many uncertainties and ensure that your giving will have a lasting impact. This primer will get you started.

In the primer, you will find:

I. The Fundamentals

Outline your goals for legacy and succession through a Philanthropic Continuity Plan. The plan has four components: define your legacy, choose a lifespan for your philanthropy, prepare for transitions, and prepare for the end.

See [page 6](#) to learn about a [Philanthropic Continuity Plan](#), and [Worksheets 1, 2, and 5](#) to document legacy, lifespan, and dissolution decisions respectively.

II. Extending the Fundamentals

You can strengthen your chances for continuity through creating a donor intent statement or legacy recording, preparing yourself and successors, and engaging your next generation of philanthropists.

See [pages 13–22](#) to learn about those topics and [Worksheets 3 and 4](#) to document choices for donor intent and succession.

III. Involving Your Family

What is the spirit of the gift you are sharing with your family? How will you involve them in creating a Philanthropic Continuity Plan?

See [pages 23–24](#) for tips on answering these questions.

IV. Looking Ahead

Your goals for legacy, continuity, and succession will change as you spend time with your philanthropic strategy and your successors. Effective funders and families will regularly revisit and update their Philanthropic Continuity Plans.

For hints on looking ahead and helpful resources, see [page 25](#).

I. The Fundamentals

You are making significant progress on your journey toward an intentional and informed approach to your philanthropy. So far, you've developed or refined your:

- **Philanthropic purpose:** The motivations, values, and priorities driving your philanthropy (see the [Philanthropic Purpose Primer](#)).
- **Philanthropic strategy:** Your roadmap for intentionally achieving social impact (see the [Impact Strategies and Tools Primer](#)).
- **Use of social impact vehicles:** The legal or informal structures through which you deploy your strategy and resources (see the [Impact Vehicles and Structures Primer](#)).
- **Leadership, operations, and evaluation decisions:** To guide your strategies and vehicles (see the [Governance Primer](#), [Operations and Management Primer](#), and [Assessment and Learning Primer](#) respectively).

Now it's time to think ahead about the future of your giving. What does it mean for you, your family, and the communities you serve? Let's talk about legacy, succession, and continuity.

Legacy is about what you intentionally accomplish during your lifetime and what you intentionally leave behind. Your values, principles, and mission or purpose statement form the core of your legacy. Family and community members may remember you for those ideas. They'll certainly remember you for how you acted on those ideas to benefit others and how you involve others in your actions.

Legacy is also about potential **transitions** in people, roles, resources, strategies, and more. Those transitions balance two forces:

- **Succession:** When and how some things must change for the transition to succeed. Succession is an event with a defined beginning and end.
- **Continuity:** The part of the present world that needs to be preserved in the new era. Continuity is an ongoing process and requires consistent attention from all involved.

In this primer, we introduce the concept of a Philanthropic Continuity Plan, a written governance document with four components:

1. **Define your legacy**
2. **Choose a lifespan for your philanthropy**
3. **Prepare for transitions**
4. **Prepare for the end**

Sound continuity planning asks you to envision a time when you won't be actively managing your social impact strategy or philanthropic vehicle. It isn't a comfortable task, but it is a necessary one. You'll see benefits both in the near term and later during the transitions (see [page 6](#)).



Benefits of the Philanthropic Continuity Planning Process

Preparing for eventual transitions early in your philanthropic journey pays off later, especially when you include successors in the process. Benefits include:

- Shared understanding about the timing and process of the transitions, providing less confusion and more peace of mind to everyone involved.
- More time to build knowledge and skills in successors. They can learn management tasks and you'll be able to see how they perform. Those successors can also make more informed decisions about their future roles, including if they choose to have any.
- Opportunities to mentor family members into philanthropic traditions and invite them to build on those traditions.
- Thoughtful stewardship of the resources you've dedicated to social impact and the legacy of your mission, values, and philanthropic strategy.
- Stability for grantees or other partners when you communicate in advance your intentions to continue, alter, or stop support of their work.
- Tax advantages for some donors as financial assets are transferred through charitable vehicles and bequests. And, there's a higher likelihood that shared values and a sense of shared purpose transmit with those assets.

Define Your Legacy²

“Part of our legacy is a remarkable commitment to original donor intent. At the same time, one of the defining characteristics of our family foundation is a commitment to the youngest adult members of the foundation.”

– Kerry Alys Robinson, Trustee, The Raskob Foundation

“For my family, our legacy lives on with our partners, the organizations, and the people we support and the engagement we have; our willingness to take risks and not be afraid to fail.”

– Gabriela Citrone, Outreach Director, Citrone33

Legacy is not just for large philanthropic institutions; it can be a powerful and meaningful framework for families working at all scales.

Some people want to know that their life mattered—beyond the success of their business or their wealth. Others want to know that their generosity changed the world for the better. And still others think about legacy as a jumping off point for future generations—a way for them to ground their identities, find a sense of place, and act as a springboard for what they can accomplish. It’s a way for individuals to define what their individual and family values are and engage in the generous path that was set out for them.

Historically, donors looked at legacy retrospectively. Legacy was the sum philanthropic impact of a family—the buildings built, the initiatives started, the communities and lives transformed. Successor generations of families looked back at what was passed down to them, from stories to values, from mission to broader guidance or direction in their giving.

The modern take on legacy is proactive, iterative, and creative. It combines looking back, looking forward, and meeting present needs head-on. You can—and should—actively define your legacy rather than let external perceptions of legacy define you. Interviews with dozens of donors and their heirs revealed five primary levers you can pull to create your legacy:

- 1. Shared values:** The characteristics and behaviors you feel are most important in your life.
- 2. Intent:** Your desires and vision as a founding donor.
- 3. Place:** The emotional commitment and sense of responsibility to maintain giving in one or more locations, often places where you’ve generated wealth.
- 4. Family:** The goals of bringing your family together and sustaining family connections, relationships, and opportunities to do good together.
- 5. Action:** A focus on how you implement your philanthropic purpose—your strategies, social impact tools, and giving styles.

One lever may be central in developing your legacy or the composite sum of many levers may be the right fit. Their relative importance may shift as your family grows, you learn and explore, and social issues change. It is up to you—and others you involve in your philanthropy—to determine what is most important to you, and what you wish to hold yourselves accountable to.



Action Item: Use [Worksheet 1](#) to outline your vision for your legacy. To learn more about developing your legacy, see [Legacy in Family Philanthropy: A Modern Framework](#).

² This section is adapted from *Legacy in Family Philanthropy: A Modern Framework*, © National Center for Family Philanthropy and Fidelity Charitable, 2021

Choose a Lifespan

Should there be a future for your philanthropy beyond you? Whether to operate indefinitely or limit the lifespan of a social impact vehicle is among the most fundamental questions you face.

Some social impact vehicles, such as charitable trusts, have lifespans set by law. Others have lifespans set by the legal entities hosting them, including donor-advised funds, crowdfunding campaigns, and impact investing funds. Vehicles such as private foundations, LLCs, family offices and businesses, and public charities have greater flexibility in their lifespans.

There are three primary options for lifespan:

- 1. Complete your work while you are living.** Chuck Feeney, who founded and closed the Atlantic Philanthropies during his lifetime, and Mackenzie Scott are visible examples of the giving while living philosophy. Some donors include in this option endowing specific projects or organizations in their estate plans.
- 2. Creating a limited lifespan philanthropic vehicle (also known as spend-down or sunset.)** These vehicles continue for a set time span after the death of a donor or donors. These time spans could include closing the vehicle on a stated year, after several years, or for several generations. John M. Olin and Bill and Melinda Gates created their foundations with limited lifespans. Others, such as the Brainerd Foundation, S.D. Bechtel, Jr., Foundation, and Quixote Foundation, decided to limit their lifespan after several years of operation.
- 3. Creating a perpetual philanthropic vehicle.** Many founding donors and their successors intend for their charitable vehicles to last multiple generations and invest their endowed funds for long-term growth. The Ford Foundation, Lilly Endowment, Inc., and most community foundations are examples. A few, like the General Service Foundation and New York Foundation, intend to be long term but balance higher spending for current needs with growth of their invested funds.

Figure 1 summarizes the benefits and concerns donors commonly describe when they choose one of the three options. Some donors assign different lifespans to different philanthropic vehicles or strategies.

You'll hear arguments on all sides of the three options, including from people who could personally or professionally benefit from one choice. However, each of the options has a valid role in intentional philanthropy. Ultimately, your choice of lifespan should be strategic, based on your philanthropic purpose, strategies, and goals for involving others in decision making.



Action Item: Use [Worksheet 2](#) to decide on your philanthropy's strategic lifespan.



Figure 1: Comparing Strategic Lifespan Options

	BENEFITS	CONCERNS
GIVING WHILE LIVING	<ul style="list-style-type: none"> • Speed, flexibility, adaptability to meet immediate and urgent needs. • Opportunities to deploy more resources to prevent or decrease future community or environmental problems. • Pleasure of hands-on involvement and personally seeing impact. • Reduces the burden on family; avoids future conflicts. • Easiest to protect donor intent. 	<ul style="list-style-type: none"> • Harder to take the long view on an issue. • Often need to rely on larger, proven partners who can work quickly or absorb large gifts. • Longer-term impact depends on new funders and resources emerging. • Favorite grantees may lose support. • No vehicle for multi-generation family engagement in a shared purpose.
LIMITED LIFESPAN ("Spend Down" or "Sunset")	<ul style="list-style-type: none"> • Opportunity to define a timeline for impact based on community needs rather than the donor's lifespan. • Spending in a time-limited period could increase impact and prevent future problems. • Less burden on future generations of the family; allows them to create their own goals and vehicles. • Easier to protect donor intent or family philanthropic purpose because successors knew the founding donor. 	<ul style="list-style-type: none"> • Harder to predict future needs and opportunities. • May create artificial deadlines that aren't responsive to changing conditions; grantees may falter at the end. • Spending and budgeting can be complex to manage; may be harder to retain operational talent toward end. • Fewer opportunities for multi-generation family engagement in a shared purpose.
PERPETUITY	<ul style="list-style-type: none"> • Can allow for evolving philanthropic purpose, adapting to changing needs. • Ability to meet long-term needs of a community or cause; vehicle can be structured for sustained impact. • Investments can create an increasing flow of resources to benefit the community and the family's or company's legacy. • Opportunities for developing and acting on shared family purpose, family learning, family engagement. 	<ul style="list-style-type: none"> • Provides incentive for endowed funds to sit on the sidelines and not achieve full potential for current impact. • Endowment might shrink because of poor investment, or not grow as quickly as community needs grow. • Uncertainty about future family commitment or momentum; creating an unwanted burden. • Potential for family division and strife. • Hardest to protect donor intent, concerns about mission creep and limited accountability. • Institution may calcify, become bureaucratic.



NCFP's Trends 2020³ national survey of family foundations found:

- 28% had decided to operate in perpetuity**
- 9% had decided on a specific lifespan**
- 18% revisit their lifespan periodically**
- 45% had not yet made a decision**

³ Trends 2020, National Center for Family Philanthropy, 2019

Prepare for Transitions

When will you stop being involved? Who will continue your philanthropic strategy and legacy after that point?

First, create a vision of success. Positive transitions in any sector depend on a shared understanding of, and ideally shared development of, a vision of success. Creating this vision or North Star includes:

- **Revisiting your shared philanthropic purpose.** Which values and principles will guide the process? What motivations are driving your thinking about succession and continuity?
- **Defining a healthy working culture.** How do you promote a positive culture for the people involved before, during, and after the transitions? What governance policies, operating policies, or skills will you need to improve to achieve that culture?
- **Discussing stewardship.** How will you and others steward the legacy you've started? How will you take care of relationships with your partners such as staff, vendors, collaborators, and recipients of your funds such as nonprofits or scholarship awardees?

Then, create a transition process. A strong continuity plan will outline which components of your philanthropy will transition, when the transition will occur, and what tools (if any) will be used.

At minimum, plan for transitioning three components of your philanthropy:

- **Strategy:** The values, priorities, activities, and processes you're using to contribute to social impact and evaluate progress and success.
- **Roles:** The decision-makers, advisors, staff, family members, collaborators, and others involved in your strategy now and whom will be successors in the future.
- **Resources:** The financial resources, social impact vehicles, and other assets you've dedicated to social impact.

For each of the above-named components, you'll make one of three primary *decisions*:

- **Revisit:** You're open to define and change the component collaboratively while you're still involved or alive.
- **Maintain:** You want the component to remain the same after you stop being involved, and you'll put in place protections to ensure that goal.
- **Successors decide:** You trust the people who steward your philanthropy after you die. They have the authority to alter the strategy, roles, or uses of resources to meet changing needs and opportunities. You can give them full flexibility or provide some parameters or restrictions.

Common *tools* to guide and document the process include:


- **Governance frameworks** to define people, principles, policies, and practices. These may lead to creating a new governance structure such as a formal board of directors, community advisory committee, or family council.
- **Trusts, wills, and other estate planning tools** that ensure legal oversight and protection.
- **Written agreements** to manage transfers of authority and assets

- **Founder and successor preparation programs** to ensure people are prepared to succeed in new roles. This may include appointing one or more champions of the transition process to maintain and grow values, culture, and relationships. See the Extending the Fundamentals section for more information on preparation.
- **Facilitators and consultants** who specialize in coaching people through personal, professional, and organizational transitions.

You'll learn more about preparing for continuity, donor intent and legacy tools, and preparing successors in the Extending the Fundamentals section.



Action Item: Use the worksheets in the [Governance Primer](#) to revisit people, roles, and policies. See the Extending the Fundamentals section and [Worksheet 4](#) of this primer to develop succession plans



Whoever you choose to continue your philanthropic work, it is important to involve them as early as possible in the planning and implementation of your philanthropic purpose and strategies. To succeed in their roles, they deserve opportunities to learn about your goals from you and about issues, communities, and effective strategies and practices alongside of you.

Prepare for the End

“When salt dissolves, it is absorbed and assimilated into the body. About 40% of the sodium is contained in our bones and the balance in our blood. It becomes an integral part of the body, and long after we consume it, the effects remain as the sodium and chloride do their important work.

If we do our work right, we will do more than invest in a community or make financial gifts that evaporate when we are no longer there. Rather, we dissolve and the things that are truly lasting — our values, our way of seeing opportunities, our relationships, our non-financial contributions — become a lasting part of the community in which we live.

We do not “go out of business.” The best parts of us are absorbed and used for years to come in the blood and bones of where we have worked. We have a perpetual contribution.”

– Fred Smith, President, The Gathering

A discussion of succession and legacy isn't complete without a note on what happens at the end of your chosen philanthropic lifespan. Winding down and ending a social impact vehicle can be emotionally difficult for you to plan and for successors to implement. It may also be emotionally difficult for the causes and communities you serve.

You'll make the process less difficult if you include in your philanthropic continuity plan a **dissolution plan** or **sunsetting plan** for your social impact vehicle. The plan answers such questions as:

1. Will you or your successors set the terms of dissolution?
2. How will you be respectful of long-time partners? For instance, will you warn grantees two or three years ahead of time or give them final capstone grants or endowment gifts?
3. How should remaining assets be used? Grants to a pre-defined list of organizations? Continuing part of the philanthropic strategy in a different philanthropic vehicle or creating a new fund for a younger generation's giving?
4. Who can decide to start the dissolution process and who oversees it? Who will manage the internal and external messaging? Will they be compensated for that work and how?
5. Will you share the knowledge and insights you've developed, perhaps through final reports, a book, or archive? Who will manage that work and what might it cost?

Note that each type of social impact vehicle must follow dissolution and liquidation laws set by federal regulators (most frequently the IRS) and state regulators (most frequently the offices of the attorney general and secretary of state). For instance, assets in a charitable vehicle, such as a foundation or donor-advised fund, must be given to other public charities. Plan to involve your legal and tax advisors as you outline your ideas for dissolution or sunsetting.



Action Item: Use [Worksheet 5](#) to outline your dissolution plan. If you want to dive deeper into this issue, see the [Ending Well: Exits and Spend Down Content Collection](#) and [Foundation Archives Content Collection](#).

II. Extending the Fundamentals

You learned to outline a Philanthropic Continuity Plan in the Fundamentals Section. In this section, you'll find opportunities to strengthen that plan through documenting donor intent, preparing for transitions and succession, and engaging the next generation of philanthropists.

Donor Intent or Legacy Statements

If you decide on a limited lifespan or perpetual vehicle, you may want to ensure that future decision-makers carry out your intent as a philanthropist. You want to be sure your wishes are clear for those who will follow in your footsteps.

For them to conduct your philanthropy successfully, they'll need to have a clear mission, vision, and objectives. You've done a lot of this work already, but now that you've made this decision, it's time to review your giving to date, your successes and lessons learned, and your dreams for the future.

Your statement of donor intent (also known as a donor legacy statement or letter of wishes) will need to document your philanthropic choices clearly. It is not legally binding; however, it will provide valuable insight regarding your philanthropic vision and how future generations should interpret your wishes. Be sure to review it every few years to make sure it is current and in alignment with your vision and mission. This statement will help future generations avoid a guessing game and be able to carry forth the philanthropy with heart and integrity.

A statement of donor intent may include your:

- Personal history and primary influences
- Guiding principles and values that inspire your philanthropy
- Passions and causes
- Time horizon for your philanthropy
- How you want successors to engage in philanthropy
- Level of flexibility in future interpretation that you desire

You may also want to prepare a legacy recording—in print, audio, or digital format—to clarify and communicate your philanthropic intent. This tool is an opportunity to tell the story of your philanthropic journey. It can really help set a firm foundation for the next generation as they become engaged in giving.

Your legacy recording may answer questions like:

- How did you begin your philanthropic journey?
- What experiences shaped your giving?
- How would you characterize your philanthropy?
- What gifts have brought you the most joy?
- What lessons have you learned?
- About which organizations or causes have you been most enthusiastic?
- How would you like people to remember your philanthropy?
- What wisdom can you share about your philanthropy?

Consider having a younger family member, or members, interview you for your legacy recording. This can be a meaningful experience for the entire family.

Lastly, remember that your donor intent statement and legacy recording are meant to be shared—don't tuck them away and hope someone finds them after you are gone. Share them with your family members and advisors while you are living, so that they too can feel the joy and the meaning of your philanthropy. Discuss your feelings and perspectives with them—and ask them to share their thoughts with you as well. The experience could spark a time to share family stories and memories that otherwise may not come up in conversation.

If you need support in creating a donor intent statement or legacy recording, there are consultants available to help you and your family. Reach out to NCFP for ideas.

Preparing Yourself and Successors for Transitions

Many people worry about transitions in leadership, staff, family, and other roles. Planned correctly, the transitions can and should be positive experiences. They can provide opportunities to reinvigorate a philanthropic strategy or vehicle and renew commitments to shared purpose and impact.

Think about planning for smoother transitions in three steps:

- 1. Preparing yourself for the transition.**
- 2. Determining what transitions when to whom.**
- 3. Preparing for success.**



***Tips:** Successful succession can take re-imagining the nature of leadership and the need for control. It involves sharing and shifting power. It may not be the easiest work, but the work you put in is vital to increasing continuity and harmony and decreasing disjointed changes that cause negative feelings. Business and organization transition experts offer these principles for the process:*

- Remember that ensuring continuity is an ongoing process. Think of it as a mindset and culture to create and steward. Within that ongoing process, each succession is a specific event with a defined beginning and end.
- Cultivate a culture of active stewardship. Don't settle for passive management of the role and resources. Responsible stewardship means creating a culture of active decision-making about how your resources can generate value for the community. That culture is grounded in a sense of shared purpose, good communications, and high levels of trust.
- Prioritize organization over individual. Base decisions first on the needs of the organization, rather than on the individual personalities involved. Family-led philanthropic vehicles and businesses thrive longer when they prioritize shared strategies and the needs of the vehicle over the needs of individual family members.
- Think intergenerational co-creation. Your successors will be most likely to step up when they've had a say in shared purpose and priorities, the nature of the roles they'll take, and the path to transition into the roles.
- Be transparent about plans and resources. Make your intentions and expectations widely known to family, advisors, and staff members. And, start talking early—in age-appropriate ways—about the financial and other resources that will be available, and the values and purpose attached to those resources.

Having troubles starting the conversations? See NCFP's [Sharing and Shifting Power in Family Philanthropy: Board Conversation Starters](#) for a list of good questions and topics.

1. When will you transition and make room for your successors?

At what point do you envision changing your role and is that change caused by an event, age, or year? Common transition points for founding donors include:

- **Taking a more active leadership role because of the sale of a business or retirement.** Donors have more time to use their skills, relationships, and advocacy roles in their philanthropic strategy.
- **Stepping out of primary leadership into a collaborator role.** This time is an opportunity for donors to share decision-making with other family or board members or give staff more decision-making authority.
- **Stepping down from a decision-making role and into an advisory or mentoring role.** Donors cede authority during their life so that others can become more practiced at making group decisions around purpose, strategy, and uses of resources.
- **Postponing changes in roles until their death.** This decision carries the highest risk to continuity, regardless of type of philanthropic vehicle or family enterprise.

Looking ahead to transitions might feel uncomfortable. It can involve your stepping out of the busyness of today's work, redefining self-worth, setting aside ego to let something go, and confronting mortality. Like many leaders, you might turn to a long-time friend, trusted advisor, or professional coach or facilitator to aid your thinking. Someone who doesn't benefit from the succession process can offer alternate scenarios for choices and provide honest perspectives on the results of those choices.

During your lifetime, look for opportunities to make room for your successors. Those opportunities include:

- **Offering preliminary leadership roles** such as chair-elect or board intern that ask successors to shadow you or other experienced decision-makers for a period.
- **Establishing term limits and rotating seats** to evaluate the fit of a person to position and ensure a healthy governing body.
- **Establishing an emeritus or senior counsel title** for anyone who turns a specified age and wants to stay involved. Holders of the title often serve as informal mentors, act as ambassadors for the mission, and even have their own grantmaking budget.

2. What transitions when to whom?

On a practical level, you'll want to outline when each of the following roles will transition:

- **Governance and decision making** (e.g., board, family council, investment or grantmaking committee).
- **Operational and staffing** (e.g., staff, contractors, or outsourcing firms performing executive, administrative, compliance, social impact, or assessment functions).
- **Advisory** (either informal groups and input processes or formal means of gaining needed support from family members, staff, or owners).

The above-named roles can transition to specific people or pools of candidates in the following groups:

- **Family members:** Family-focused philanthropic vehicles might first turn to children and grandchildren and their spouses, nieces and nephews, stepchildren, cousins, and relatives.
- **Community members:** People who fill gaps in knowledge or skills and who often can help smooth the transition process (see Expanding Your Viewpoints on [page 17](#)).
- **Staff or owners:** Owners or partners in a family business or staff of a philanthropic vehicle.
- **Professional service providers:** Firms that manage grantmaking or other social impact activities and nonprofit organizations that host donor-advised funds and other funding vehicles.

Your governance documents will provide some information for these transitions, though you may need to revisit them with an eye toward your Philanthropic Continuity Plan.

Your transition planning might also include moving resources to one or more organizations. For instance, you might give some or all assets to public charities through an estate. Or, a private foundation might close and transfer its assets to one or more funds at a community foundation, relying on that foundation's staff to advise or manage future grantmaking. And, the sale of a family business might create a new charitable trust to continue the family's and business's legacy.

Beyond the practical is the aspirational. The transitions are potentially a means for continuing the social impact you've started and building on a lasting legacy. As you think about the transitions, ask yourself:

- What do I hope for my successors as people? How do I hope they thrive and flourish?
- What attributes, skills, or knowledge will successors and I need for a successful transition?
- What should the transition process feel like? How can we maintain and strengthen personal relationships?
- What values and principles will the community see in transferring resources to these successors or to new organizations?



Trend: Expanding Your Viewpoints

Boards and founders frequently use planned transitions as opportunities to bring new skill sets and viewpoints into a business or organization. They look outside of the current family, volunteer, or staff members to community members such as:

- **Trusted allies:** professional advisors, faith leaders, friends, and mentors who can act as honest brokers in conversations and often smooth tensions between family members.
- **Community voices:** residents of a geography who can share local history and context, find good ideas to support, win over local skeptics, and build sustainable momentum for a giving strategy. They might be purposefully of a different race, ethnicity, or culture to help bridge divides and ensure there aren't unintentional biases.
- **Lived experiences:** people who have first-hand experience with a problem (e.g., students in a failing school or people with a disease) or who purchase goods or services from a nonprofit or social enterprise (e.g., museum tickets or healthcare) who bring insights into the value of programs.
- **Excluded perspectives:** people left out of public decision-making processes, left behind by the economy, or otherwise marginalized who can infuse a sense of justice, compassion, and equity into philanthropy.
- **Experts:** researchers, nonprofit leaders, product designers, artists, and anyone else who can bring context and trends about an issue, culture, or problem-solving technique. They can also bring practical insights into operating issues like HR, governance, and family dynamics.

Family foundations who report they're very effective in their operations, family engagement, and impact are much more likely to have involved those non-family voices on their boards. And, foundations created in 2010 or later are much more likely to involve outside perspectives on their boards.³

Outside Perspectives Integrated into Grantmaking Process and/or Governance Structures of Family Foundations (by year established)

	BEFORE 2010	2010 OR LATER
Community leaders	33%	55%
Issue-area experts	36%	54%
Other grantmaking family foundations	24%	51%
Diversity, Equity, and Inclusion (DEI) experts/specialists	14%	31%
The general public	12%	12%
Prior grantees	30%	11%
Beneficiaries (community members who benefit from grant)	17%	7%
No, we do not integrate outside perspectives	37%	31%

³ [Trends 2020](#), National Center for Family Philanthropy, 2019

3. How will you prepare everyone involved?

You've set a vision for the transition and what people will need to succeed in their new roles. How will you ensure everyone is ready for their new roles?

We've listed below activities commonly used. You can and should start many of the activities years before a transition takes place. Remember that successors will be more likely to view the activities positively when you present them as opportunities and options, not obligations. And beware of making assumptions about interest and capability based on birth order, gender, or age.

Governance and operations:

- Put continuity and succession planning on the board agenda annually.
- Keep your continuity and succession goals in mind as you make operational decisions about everything from new hires and office space to investments and strategy implementation.
- Create, share, and discuss a notebook or online folder with all legal documents, written policies, and key strategy documents.

Basic education:

- Invite older generations, and the people close to them, to share stories, legacy videos, and other historical perspectives.
- Invite advisors to teach the basics of fiduciary duty, budget and investment oversight, and regulatory compliance.
- Share a glossary of philanthropic terms such as [this one](#) from Learning to Give for pre-teens and teens and [this one](#) from the Council on Foundations.
- Older members can explore topics such as [middlescence](#), [life's halftime](#), and [encore careers](#) if they want to pursue a new sense of purpose outside of the current philanthropic vehicle or strategy.
- Offer mentors or hire executive coaches to help people (yourself included) learn and grow as individuals and assess their assumptions about situations.
- Create a matching grant program for individuals, asking them to explain the importance of the grant recipient to their own values and goals and/or the shared goals. Some matching grant programs also match money with time volunteered.

Shared experiences for current and future leaders:

- Use NCFP's [Philanthropic Purpose Primer](#) or similar tools to discuss individual and shared motivations, values, and priorities. Share personal stories and experiences that shape each of you as generous and civically engaged people.
- Create intergenerational site visits and volunteer opportunities, taking time afterward to discuss what each member saw and experienced.
- Attend webinars, workshops, and conferences on philanthropy, political action, impact investing, or other social impact topics. Discuss what ideas interested each of you and how they might fit into your philanthropic strategy.

- Invite successors to attend board and committee meetings, grant review processes, and other strategy sessions before they officially have a decision-making role. Allow extra time for them to ask questions and invite the perspectives they bring with fresh eyes on the topics.
- Set aside a budget for potential leaders or younger generations to make their own grants or investments as a group. Give them guidance on group decision-making, allow them to develop their own criteria and strategies, and then ask them to present their recommendations both verbally and in writing.

External opportunities:

- Introduce rising generations of leaders to peers through NCFP and local, national, or international [networks of donors](#), and [philanthropy trade associations](#).
- Involve children and teens in youth philanthropy programs offered by community foundations, Jewish Federations, 4-H clubs, schools, and other organizations. You can find a directory at [youthgiving.org](#) and curricula at [learningtogive.org](#).
- Encourage successors to join a giving circle to learn about a community or issue and practice effective giving with like-minded individuals. You can find a directory of giving circles at [philanthropytogether.org](#).
- Encourage them to intern or work at other organizations like yours or at your partners so they gain a wider set of perspectives before joining your organization.



Tip: *Planning and implementing these activities can be easier if you've established a culture of learning in your organization or family. See NCFP's [Assessment and Learning Primer](#) to learn more about learning cultures and the potential role of an informal chief learning officer.*



Next Generation Considerations

Are you wondering how to engage younger generations of your family (also referred to as the rising generation or next generation)? You are not alone. Most philanthropic families ask the very same question.

The first step is to think like a lifelong generosity coach. Plan to make time to help children and youth learn how to treat others and use their resources to make a difference. Like a coach in sports or academics, you can cultivate philanthropic and social change habits with these consistent actions:

- **Start early.** You can begin with young children by nurturing a sense of empathy and generosity. As they grow, add activities that use their time, talent, and treasure.
- **Be a role model.** As you volunteer or give money, discuss your own philanthropic motivations and values. Children won't fully understand the behavior unless you explain the why behind it.
- **Do things together.** Create opportunities for intergenerational volunteering and giving to reinforce a family culture around philanthropy. Experiential learning will frequently stay with someone longer than a class or reading materials.
- **Nurture their own philanthropic identities.** Especially in their teens and college years, a young person is creating their own sense of self. Encourage them to explore and develop priorities for social impact that may be different from yours.
- **Reinforce with mentors and peers.** Ask grandparents, aunts and uncles, and other friends of the family to act as generosity mentors. They can provide positive feedback to young people's actions and offer opportunities for learning and practice. And, find opportunities for young people to act with their peers outside of the family.

Many activities listed in the previous pages create opportunities for intergenerational learning, giving, and volunteering. Figure 2 on [page 22](#) lists several age-appropriate activities, and you can find more resources online. Members of NCFP's Friends of the Family can join the [Engaging Youth Peer Network](#) to learn and share resources, tools, and strategies.

The second step is to think about intergenerational governance of your social impact strategy or vehicle. The focus of preparing the next generation of family members for governance has shifted away from “passing the baton” to creating and maintaining an “intergenerational team.” The best philanthropy happens when every generation has a seat at decision-making tables. Giving everyone a seat provides opportunities for the whole family to make use of their time, talent, treasure, ties, and testimony.

Families frequently create a next generation committee or board with its own grantmaking budget, learning agenda, and sometimes impact investing or social action goals. Participation typically starts when young people enter their teens and continues through the earliest age of eligibility for the primary board or decision-making committees (typically in the early 20s). Some families invite children as young as 8 or 10 to a next generation learning process. However, they often find that older teens want programming separate from the children, including more significant financial responsibilities.

Note that next generation boards can become an excuse for the current generation of leaders to put off fully including younger members in official board or decision-making duties. Nobody wants to be at the “kids table” in their 30s or 50s. You must provide a clear pathway to, and expectations for, equal participation in the governance of your strategy and vehicle.

- 1. Think co-creation.** If members of the rising generations help create a structure for action and learning, they'll be more enthusiastic participants. And remember to keep checking in with everyone involved to find ways to improve the experience.
- 2. Find the best of both generations.** Entering this process does not need to be a retreat to one of two extremes: everything will change or nothing will change. Find the sweet spots in the middle where your family can agree.
- 3. Respect.** This goes beyond the love within your family. It speaks to valuing one another's talent and experience, viewpoints, and position at the table.
- 4. Integrity.** Don't compromise to include the next generation. Hold them to the same standards and expectations for governance roles as everyone else.
- 5. Ask yourselves: What is in the best interest of our giving?** Keep this question at the forefront of any discussion to best steward your resources.

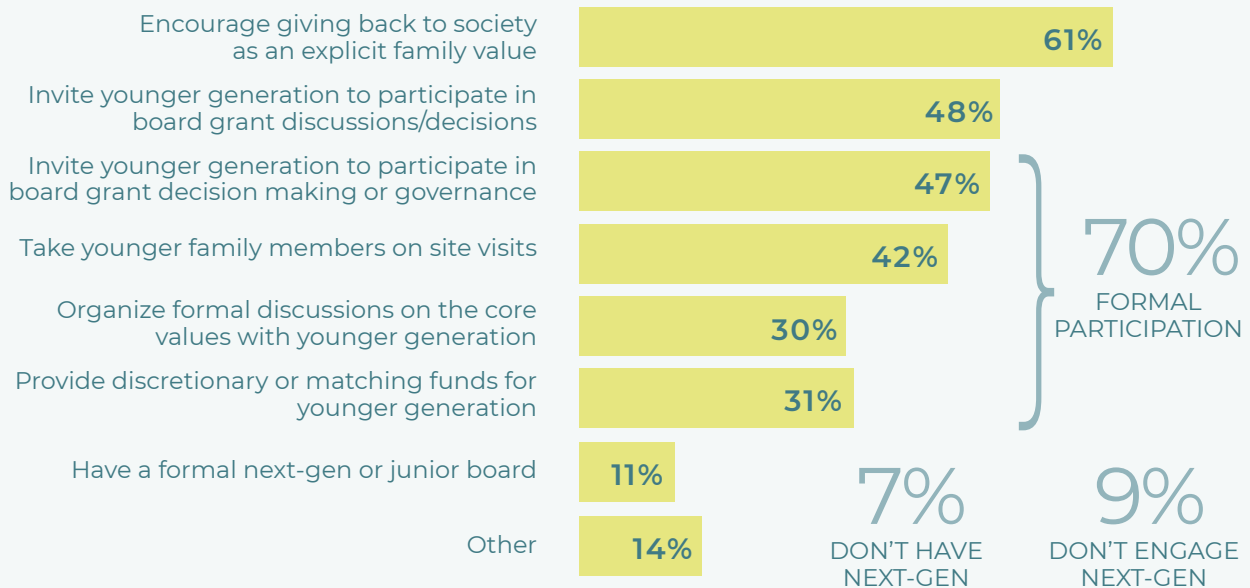
Preparing younger generations for formal roles in a family's philanthropy is a lifelong process, but not a linear one. There will be periods when they don't have time to be actively involved because of school, work, starting their own families, or moving to new cities or countries. Families report that those practical issues impede participation more than disagreements about purpose or priorities.⁴



Action Item: Use [Worksheet 4](#) to outline your goals for planned transitions and see the next section for additional advice on involving your family in the planning.

Family Foundation Trends: Most family foundation provide younger members opportunities to take part in the foundation's giving, strategy, or governance.

Methods for Engaging the Next Generation



⁴ [Trends 2020](#), National Center for Family Philanthropy, 2019

Figure 2: Engaging Younger Generations in Generosity and Philanthropy

AGES 3-5	<ul style="list-style-type: none"> • Model practical generosity by giving food to friends or taking meals to seniors or sick neighbors • Praise acts of empathy, awareness, and generosity
AGES 5-12	<ul style="list-style-type: none"> • Talk about why you are giving or volunteering while you are doing it; connect action to emotion and meaning • Encourage savings for giving (e.g., "save, share, invest, spend" jars) • Start a practice of their giving their toys and clothes to others • Help someone in need • Offer grandchildren opportunities to direct gifts from your checkbook or donor-advised fund
TEENS	<ul style="list-style-type: none"> • Encourage researching information about causes and volunteering and giving to those causes • Teach financial values and financial capability • Provide discretionary funding in your foundation or a youth philanthropy budget • Start providing time and space for teen and college-age family members to learn and talk separately from adults • Go on a family service learning trip
COLLEGE YEARS	<ul style="list-style-type: none"> • Encourage participation in grantmaking and governance activities • Provide matching support for individual gifts • Set aside money for higher-risk grantmaking that may appeal to younger generations; give them a safe space for innovation • Go on a site visit, asking your next gen members to develop and ask some of the questions for the organization • Give them practice in working with investment and legal advisors
ADULT	<ul style="list-style-type: none"> • Formalize participation in governance and other roles • Encourage their learning and expertise on issue areas • Suggest they cultivate a network of peers and attend philanthropy conferences or events

IV. Involving Your Family

“The spirit of the gift encompasses the intention of the giver, the life of the gift itself, and the generative flow from givers to recipients by which recipients become new givers in turn. This flow is the cycle of the gift.

What happens when a gift lacks spirit? [It] becomes not a gift but a transfer, the movement of a lifeless object from one person to another.”

– James E. Hughes, Jr., Susan E. Massenzio, and Keith Whitaker
in *The Cycle of the Gift: Family Wealth and Wisdom*

Setting a goal for continuity in your family’s philanthropy raises deep questions that may not have been asked when you established a social impact vehicle. But the questions are important to ensuring a sustained legacy and successful transitions. Stop for a few minutes and ask yourself these questions inspired by the book quoted above:

- **What is the true spirit of your gift of a philanthropic vehicle to your family?** What expectations do you have of the recipients and use of the gift?
- **How will your family see and experience the gift?** Will your family be able to use it to flourish freely? Or will it accidentally be a rigid handcuff to the past and present?
- **Was the gift born from a lifeless financial plan or estate plan?** If so, can you imbue it with a new sense of spirit, working together as a family?

Your answers will set the tone for your family members’ involvement in the succession and continuity planning. And they’ll want to answer the questions themselves as they step into leadership roles and eventually involve their own children.

Using This Guide With Your Family

You’ll likely take a first pass at the worksheets in this primer as an individual or couple. And, if you haven’t already, you’ll start active conversations about generosity, family history, and the purposeful use of resources with all ages of younger family members.

Youth in their later teens or older are often ready to discuss some of the governance and operating details of the family’s philanthropic enterprise and the related Philanthropic Continuity Plan. They may be most interested in lifespan ([Worksheet 2](#)) and what the paths of preparation and succession will look like ([Worksheet 4](#)).

As you discuss legacy and continuity, questions related to family dynamics and history will likely arise. Rest assured that while your family members may have differences, those differences don’t have to be an obstacle to achieving the family’s philanthropic vision—and in fact, they may enliven discussions and lead to a depth and diversity in your giving.

Start with these six tips for managing family dynamics:

1. Let others hear the family “voice” in your philanthropy.
2. Communicate clearly and consistently with members of your family about why and how you are engaging them in your philanthropy, and what questions you have.
3. Stay focused on what unites the members of your family.
4. Anticipate and plan to help prevent conflict.
5. Engage outside help when you need it.
6. Let philanthropy be a force for good in your family.

As you dive into the conversations, lean on other family philanthropists who have been navigating family dynamics, and if you need more support, engage a philanthropy expert who can guide you and your family through any obstacle. If you want to dive deeper into family dynamics in philanthropy, check out NCFP’s [Family Dynamics Content Collection](#).



IV. Looking Ahead

We hope this primer has provided you with questions to prompt your own review and discussion of legacy, continuity, and succession. In summary, we talked about a Philanthropic Continuity Plan with four parts:

- Defining legacy and donor intent
- Choosing a lifespan
- Planning and preparing for transitions, including preparing next generations of the family
- Preparing for dissolution.

Your answers to this primer's worksheets depend on answers to questions in other primers on governance, philanthropic purpose, social impact strategy, and more. In turn, creating a Philanthropic Continuity Plan may cause you to revise your answers in those primers.

This is the nature of the Family Giving Lifecycle—it is interactive and iterative. Goals in all seven of the inflection points will develop as you spend time with your philanthropy, involve more people, increase your understanding of needs and opportunities, gain confidence in assessing your impact, and then using that experience to establish a legacy.

Keep up the great work and know that the National Center for Family Philanthropy is here to support you no matter which path you choose.



Resources

Need help?

Explore the resources below and feel free to contact NCFP to talk through your ideas, meet other donor families, or get in touch with a philanthropy advisor who can guide you and your family members through this important process.

Essential Resources

- [Legacy in Family Philanthropy: A Modern Framework](#)
- [Things We Wish Our Founders Had Told Us](#)
- [Engaging the Next Generation](#)
- [Alternatives to Perpetuity: A Conversation Every Foundation Should Have](#)
- [Engaging Next Gen and Extended Family \(Policy Central\)](#)
- [Giving Together: A Workbook for Family Philanthropy, The Philanthropic Initiative](#)
- [Opportunity of a Lifetime 2.0: Multigenerational Family Philanthropy](#)
- [In Times of Growth: Planning for an Influx of Assets](#)

Further Exploration: National Center for Family Philanthropy Content Collections

- [Exploring Donor and Family Legacy](#)
- [Family Stories and Interviewing Elders](#)
- [Family Identity and Culture](#)
- [Generations Together: Engaging Youth](#)
- [Igniting the Spark: Engaging Next-gen and Youth in Family Philanthropy](#)
- [Strategic Lifespan and Limited Life Foundations](#)

Worksheet 1: Legacy Preferences

You've set in motion a living legacy of social impact through your history of giving, volunteering, advocacy, investing, and more. What's most important to keep in motion during the rest of your life and afterward?

This worksheet helps you document preferences for how your legacy stays in motion. It sets the stage for decisions in the other worksheets in this guide. It also can provide interim guidance to your successors and advisors should you become incapacitated or serve as a conversation starter as you collaborate with them on creating a Philanthropic Continuity Plan.

Do your best to complete as many items as possible and know that you can always revisit the ideas as you spend more time on your philanthropy. As always, there are no inherently right answers—just the answers that feel right for your legacy.

Legacy Levers

There are five primary levers you can pull to create your legacy:

1. **Shared values:** the characteristics and behaviors you feel are most important in your life.
2. **Intent:** your desires and vision as a founding donor, donor couple, or business.
3. **Place:** the emotional commitment and sense of responsibility to maintain giving in one or more locations, often places where you've generated wealth.
4. **Family:** the goals of bringing your family together and sustaining family connections, relationships, and opportunities to do good together.
5. **Action:** a focus on how you implement your philanthropic purpose—your strategies, social impact tools, and giving styles.

Which one or two of those levers give the most power to your philanthropy? Why do they resonate most with you?

What two or three gifts of financial resources have you made that are most emblematic of the levers you chose?

What two or three examples of your volunteering or advocacy have been most emblematic of the levers you chose?

Should those same levers power your philanthropy after you're no longer involved? If not, which do you hope your successors prioritize? What's the importance of the different choice?

Legacy Dials

There are a few classic tension points in how a social impact vehicle or philanthropic strategy evolves, especially as founding donors step away or pass away.⁵ Along each of the dials below, indicate your preference of how you see your philanthropy many years in the future.



⁵ Some dials are dimensions of family culture found in Generations of Giving, Gersick, Stone, Desjardins, and Muson © 2006

Worksheet 2: Choosing Your Social Impact Vehicle's Lifespan

This worksheet helps you clarify the desired lifespan of your philanthropic purpose and social impact vehicle. There are three primary options for lifespan: 1) giving while living, 2) creating a limited lifespan philanthropic vehicle, or 3) creating a perpetual philanthropic vehicle.

There are no right or wrong answers in the worksheet, including being undecided. As you consider your answers, note that each generation will last an average of 25 years. We encourage you to share your answers with people you wish to involve in your philanthropy, especially trusted advisors, staff, and family members.

1. Set Context for Your Decision

Think about how conditions might change in the future. What responses to those conditions feel right for the causes and communities you serve, your philanthropic strategy, and you and your family?

Consider the causes you support now. How might they benefit from sustained funding in the future? How might they benefit from an infusion of support over a shorter amount of time?

Consider the geographic areas you support now. Is there new wealth being generated that can give to or invest in those areas in the future? What might happen if you stop supporting them?

If you see your philanthropy continuing after your lifetime, who will be ready and willing to steward your philanthropic intent in the future? Will your family or other individuals you trust understand and share your vision?

Do you want to instill a sense of generosity and civic responsibility in future generations? What education or experiences might be beneficial to support your heirs in this goal?

2. Choosing Preferences

This checklist can help you develop or revisit your preferences about strategic lifespan of your philanthropic purpose and philanthropic vehicle.

	Agree	Unsure	Disagree
1. I prefer taking the long view on opportunities and challenges facing society. Patience is important.			
2. It isn't a priority to see the full impact of my philanthropy during my lifetime.			
3. Giving the most I can during my lifetime won't prevent or diminish future problems in the communities or causes I've prioritized.			
4. There won't be enough other funders or resources in the future to support the communities or causes I care about.			
5. It is very important to ensure future generations have the same amount or more philanthropic resources available that I do now.			
6. Other people I've invited to decision-making roles would agree with my answers to questions 1-5.			
7. Involving family, friends, or others in my philanthropy after I die is very important to me.			
8. If I answered "agree" to question 7:			
a. I'm confident they'll have the desire and time to continue the work.			
b. I'm confident they'll honor my philanthropic wishes or donor intent OR I trust them to alter those purposes over time.			
c. I'm not concerned about the potential for conflict damaging the group.			
Add the number of boxes you checked in each column			

Answer Key

You can remedy some challenges identified above with a disciplined focus on effective governance and impact strategies. And, there are always exceptions in individual donors' experiences. However, in general:

- If you had more "agree" answers, consider a multi-generation or perpetual time horizon.
- If you had more "disagree" answers, consider giving while living or a short-term time horizon.
- If you had more "unsure" answers or a mix of answers, don't choose perpetuity as a default. Instead, consider a vehicle that doesn't commit you to a time horizon. You likely have more research to do to clarify your philanthropic purpose and/or more conversations to have with people you'd like to involve.

2. Your Decision About Lifespan

Now it is time to document your decision, or at least your current preference, by checking one of the options below. Advisors may be able to help you translate your wishes into estate or financial planning documents.

How long do you want your philanthropic work and resources to last?

_____ **Lifetime:** I want to maximize the difference I make while I live and not ask others to continue my philanthropy after I die.

_____ **Period of Time:** I want other people to spend all my philanthropic resources in this timeframe _____. (e.g., 20 years after the second spouse dies or “by 2050”)

_____ **Generation(s):** I want my heirs or others to continue my philanthropy through this generation _____. (e.g., my grandchildren’s)

_____ **Perpetuity, Flexible Spending:** I want the resources to be endowed and last for many generations. However, I empower future generations to spend as much as necessary in any year to meet evolving opportunities and needs. The value of the endowment can fluctuate and/or decline.

_____ **Perpetuity, Minimal Spending:** I want the resources to be endowed and last for many generations. Maintaining and growing the value of the endowment over time is very important.

_____ **Undecided:** I haven’t decided yet or I want to wait to see how things go for a while before deciding.

Why did you choose that answer? What benefits or goals do you see in the choice and/or what negative consequences are you hoping to avoid?

Worksheet 3: Donor Intent Considerations

(Use if your social impact vehicle will have a lifespan after your death.)

The Greek philosopher Heraclitus gave us the truism, “There is nothing permanent except change.” You know you can’t predict or control the future. But you can advise your successors about the flexibility they will have to adapt to the inevitable changes in communities, issues, public policies your philanthropy serves.

This worksheet helps you outline how closely you’d like your successors to follow current priorities, policies, and practices in your philanthropy. It can be stored alongside legal documents such as bylaws but is not itself legally binding. Work with your financial advisor or attorney if you wish to include any of the decisions below in personal estate planning or organizational legal or financial documents.

For each topic in the chart below, enter the number for one of these four decisions or type “N/A” for not applicable:

1. **Highly flexible:** I trust the successors I’ve chosen. They have the freedom to continue as-is or substantially change the policy or practice to best meet future needs and conditions.
2. **Somewhat restricted:** My successors can adapt the current policy or practice to ensure the philanthropy remains relevant and effective, but I do not wish for them to change substantially or replace the current policy or practice.
3. **Highly restricted:** My successors should continue the current policy or practice unless circumstances have so changed that it becomes unnecessary, impractical, or impossible to do so. (This is like the “variance power” held by sponsors of donor-advised funds).
4. **Other:** A decision that doesn’t fit one of the first three.

You can also provide restrictions or other notes and add your own practices, policies, or priorities.

Current Practice/Policy	Decision	Notes or Restrictions
Philanthropic Purpose		
Values statement or list		
Vision statement		
Mission statement		
Governance		
Board* composition		
Board* eligibility		
How anonymous or public our philanthropy is		

Social Impact Vehicle		
Lifespan of current vehicle(s)		
Use of new vehicles		
Philanthropic Strategy and Assessment		
Priority issue or population		
Priority geography(ies)		
Tools and activities to achieve our strategy		
Types of partners we support		
Measures of progress and success		
Operations		
Staffing model		
Investment policy		
Other Issues Related to People, Purpose, Policy, or Practice		

** Or the equivalent oversight or final decision-making authority*

Next steps: How and when will I discuss these decisions with other decision-makers in my philanthropy? With advisors or staff? With successors?

Worksheet 4: *Preparation and Transition*

This worksheet will help you outline a plan for transitioning roles and preparing your successors. To complete this worksheet, it will be helpful to have on hand previous decisions you've made about philanthropic purpose, governance, and operations.

Vision for Success

What values and principles should guide the preparation and transition processes?

What role(s) do I hope I'll play (if any) after the transition is complete?

What do I hope for my successors as people? How do I hope they thrive and flourish?

What should they and I experience and feel during the transitions?

How should the community feel about the transfer of roles and resources to these successors or to new organizations?

Succession Plan

Use the charts below to document the:

- Roles that will transition (e.g., board membership, grant committee composition, or an operational function)
- When you see the transition occurring (e.g., a specific circumstance such as retirement or a specific age)
- The knowledge, skills, and attributes you hope they have to fill the role successfully
- Who the potential successor(s) may be to fill those roles (specific names or groups of people)
- Discussions or activities you hope to implement to ensure you prepare everyone involved for the transition
- Other notes about the process.

ROLE:	
When	
Whom	
Knowledge, skills, attributes	
Preparation process	
Notes	

ROLE:	
When	
Whom	
Knowledge, skills, attributes	
Preparation process	
Notes	

ROLE:	
When	
Whom	
Knowledge, skills, attributes	
Preparation process	
Notes	

Worksheet 5: *Dissolution Plan*

Your decisions in the lifespan and donor intent worksheets will inform how you use this worksheet. Donors who end their social impact vehicles during their life or when they die will likely use it as part of their financial and estate planning process. Limited lifespan vehicles will use it to plan the final years of their work. Perpetual vehicles might use it to create a back-up plan if the board can no longer agree on a shared purpose or the vehicle's assets decrease below a level that seems cost-effective to sustain.

Consult with your legal counsel and managers of your social impact vehicle to understand any regulatory restrictions on your dissolution plan and to revise legal, financial, and governance documents as needed.

Why and How We'll Sunset

What circumstances should cause the social impact vehicle to dissolve?

Who can decide to start the dissolution process, using what decision-making methods?

(e.g., the board of directors must have a unanimous vote)

Who should oversee the dissolution process and manage the internal and external messaging? Will they be compensated for that work and how?

How soon will we let our partners (e.g., grantees or social enterprises) know about our plans? What process and values will show the most respect for them?

What We'll Leave Behind

If there are philanthropic resources left, how should they be used?

(e.g., grant to a specific public charity, endow a scholarship or fellowship at a school, establish a grantmaking fund for a broad purpose such as youth services, or create a new donor-advised fund for grandchildren to use)

_____ % to which organization for which purpose

_____ % to which organization for which purpose

_____ % to which organization for which purpose

_____ % to which organization for which purpose

Who should oversee distributing those resources, including finding alternate choices if—and only if—the organizations or purposes I describe are no longer around or eligible as charitable recipients?

Should the history and impact of the philanthropy be documented for the family's use? If so, what is the preferred method and what resources should be dedicated?

(e.g. a family history book, legacy video, or online archive)

Should the knowledge we've developed and cumulative impact of our and our partners work be documented and shared with the public? If so, what is the preferred method and what resources should be dedicated?

(e.g. publishing a final report or book, or donating archives to a history center)

Credits

About the National Center for Family Philanthropy

NCFP is a network of philanthropic families committed to a world that is vibrant, equitable, and resilient. We share proven practices, work through common challenges, and learn together to strengthen our ability to effect meaningful change. Our range of programs and services support family philanthropy at its many points of inflection and help families embrace proven practices and advance momentum. Explore our resources, all rooted in a [Family Giving Lifecycle](#) by visiting www.ncfp.org.

About the Authors

Elaine Gast Fawcett is a philanthropy advisor and communications strategist serving family foundations, nonprofits, and grantmaker associations. For 20 years, she has shared the stories and best practices of family philanthropy as the published author of 12 field-respected books for grantmakers, and hundreds of articles, tools, case studies, and guides. Elaine is a contributing writer for NCFP, a 21/64 multigenerational facilitator, and principal of PhilanthroComm.

Tony Macklin, a Chartered Advisor in Philanthropy®, consults with donor families, grantmakers, and their advisors about purpose, use of resources, action planning, and learning. As executive director of the Roy A. Hunt Foundation, he facilitated changes in visioning, impact investing, grantmaking, trustee education, and back-office management. In twelve years at the Central Indiana Community Foundation, he led grantmaking initiatives, advised wealthy donors, attracted \$39 million, and launched a social enterprise. Tony also serves as senior program consultant for NCFP, senior consultant with Ekstrom Alley Clontz & Associates, senior advisor to the Impact Finance Center, and peer reviewer for *The Foundation Review*.

Nick Tedesco is the President and CEO of the National Center for Family. Nick is a passionate advocate for philanthropy and brings over a decade of experience partnering with donors and their families to establish and meet their giving goals. Previously, Nick served as a senior advisor at the J.P. Morgan Philanthropy Centre and helped to launch the Giving Pledge at the Bill and Melinda Gates Foundation.

The information in this paper should not be taken as qualified legal advice. Please consult your legal advisor for questions about specific legal issues discussed in this document.

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