



STABLISH  
FOUNDATION

## The Legacy Digest

2nd Quarter 2024 / Issue 7

### **The Use of a Statement of Charitable Intent In a Donor Advised Fund**

Stablush Foundation helps families create a LEGACY OF PHILANTHROPIC GIVING with a Donor Advised Fund (DAF). A family can create a DAF while they are living that continues after death, or they can create a DAF in their testamentary documents that continues after death. In addition, many parents establish a DAF either before or after death that permits their children to fulfill their own charitable desires and objectives.

The key to creating a Legacy is not based on establishing a DAF; but rather, by creating a flexible Statement of Charitable Intent advising the Trustee of the DAF how the Donor(s) would like the funds to be used for charitable purposes. Typically, a minimum of 5% of the previous year end value is contributed for charitable purposes. Therefore, the Donor(s) need to carefully determine their desires and convey these thoughts to the Trustee with either general or specific requests in the Statement of Charitable Intent.

Stablush Foundation permits the Donor(s) and potentially family members to amend the Statement of Charitable Intent as frequently as they wish. In addition, Stablush Foundation encourages the family to revisit this document a minimum of every five years to ensure that it continues to fulfill the family's charitable desires.

**The following is a list of some of the things to consider when creating a Statement of Charitable Intent as part of a DAF:**

- ❖ How many charities are going to receive a share of the annual 5% distribution? One? Five? When deciding this, you might want to consider the size of your DAF and how much each charity might receive. Would that amount fulfill your specific purpose (if any)?
- ❖ When the gift is given to a charitable organization, does the Donor(s) want it to be used for a specific purpose? Specificity of the Statement of Charitable Intent is critical if the funds are to be used for a specific purpose.
- ❖ Does the Donor(s) want other family members, such as children, to be involved before or after the death of Donor(s) in advising on the selection of charities?

Once the Donor(s) has created a Statement of Charitable Intent, Stablish Foundation must vet the selected organizations to ensure that they meet the Internal Revenue Service requirements of a charity. This is necessary to make sure the integrity of the DAF is maintained.

The following are some examples of content in existing Statements of Charitable Intent with Stablish Foundation:

- ❖ Create an annual scholarship at \_\_\_\_\_ (a specific university) for only C students in high school, excluding A and B students.
- ❖ Create an annual gift at a research institution to perform research on the cause of cerebral palsy.
- ❖ Create an annual gift to a small church for capital improvements only and not for the operating budget of church.
- ❖ Create annual gifts to general operations of a five different charitable organizations.

As the above indicates, the Donor(s) need to give careful consideration in creating their Statement of Charitable Intent. In addition, review of the Statement of Charitable Intent needs to occur periodically. Stablish Foundation can assist in this detailed process. ♦



## Featured Charity



### National Alliance on Mental Illness

<https://www.nami.org/>

The National Alliance on Mental Illness (NAMI) began in 1979 and has become the nation's leading voice on mental health. Their mission is to provide support and education for caregivers, family members and those struggling with mental illness. NAMI has built a network of more than 600 affiliates in local communities. They offer many avenues of help, including support groups, a crisis hotline, educational materials, podcasts and webinars, as well as advocating for change on Capitol Hill. As of January, 2024, the Minnesota chapter of NAMI has helped over 12,000 family members, employers, mental health professionals, and people living with mental illness. The core of their message is to remind those struggling with mental illness that they are not alone . . . that support and help are available to them . . . and that they matter.

An infographic with a light blue background and a wavy pattern. At the top left, the text "You are NOT ALONE" is displayed, with "ALONE" in a large, bold, green font. To the right, a paragraph states: "Millions of people are affected by mental illness each year. Across the country, many people just like you work, perform, create, compete, laugh, love and inspire every day." Below this, three statistics are presented with icons and text: 1. An icon of five stylized human figures (one blue, four green) with the text "1 in 5 U.S. adults experience mental illness". 2. The text "1 in 20" in large green font, with "1 in 20 U.S. adults experience serious mental illness" below it. 3. The text "17%" in large green font, with "of youth (6-17 years) experience a mental health disorder" below it.

## Why Stablisch

Many charitable organizations encourage Donors to use their foundation as the Trustee of the donor's DAF. The disadvantage of using a specific charitable organization to be the trustee of your DAF is the inability to change your Statement of Charitable Intent since that entity wants to ensure that the funds are ultimately given to their organization. Permitting changes in the Donor's Statement of Charitable Intent is one of the main advantages of a community foundation like Stablisch Foundation.



# ◆ ◆ ◆ Who We Are

## Holly Callen Board Member



As the founder and owner of Callen and Associates Financial Services, Inc., I worked with individuals to help them meet their financial needs and goals. As such, I quickly learned that while money was important to provide the necessary physical well-being, money alone could not provide all the needs of a well-rounded and happy individual. Many people had plenty of money to pay for their needs and their dreams, but they still weren't content.

For a while, I also worked as the Director of Development and Fundraising for Women's Athletics at the University of Minnesota. It didn't pay a lot, but I felt good because I was helping young women realize their dream of playing collegiate sports, while furthering their education. I found that giving to others was much more satisfying than just making money. Working with Stablish allows me to help others create that sense of fulfillment and purpose.

I am now retired. I still volunteer with Rotary International and several other non-profits, but serving on the board of Stablish Foundation and helping others create their Legacy has given my life great meaning.



We want to hear from you, what are your questions?

Go to [www.stablish.org/contact](http://www.stablish.org/contact) and send us a message. Or call Amy Hafenbrack, Stablish Executive Director, at 952-854-9188.

**Correction:**

*The last issue of The Legacy Digest contained a testimonial from David and Jack Halvorson. While the main body of the testimonial was accurate, the last two sentences were an addition by the editor. They should have not been included in the quote and we apologize for our mistake.*

Goals  
VALUES



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750 Main Street, Suite 209  
Mendota Heights, MN 55118  
952-854-9188  
<http://stablish.org>