

Establishing a Named Endowment Fund

Memorandum of Wishes



Guidance notes for lawyers

A. Completing the attached Establishment of a Named Endowment Fund form

1. Please include the client's contact details (section 1).

2. **Name of Endowment Fund** (section 2).

Donors with a fund that will have a value of more than \$50,000 can choose which charities receive annual distributions from their named fund. Distributions and fund value are reported to the donor on a quarterly basis.

3. **Intended Beneficiaries** (section 3).

Beneficiaries **must** operate for a charitable purpose as recognised by the Charities Commission and the Inland Revenue Department.

If your client nominates a charity that is New Zealand-wide but wishes their distributions to be used in the local region, this must be specified on the form.

Your client may wish to specify several charities in section 3b, e.g. 25% to ABC school, 25% to XYZ charity and 50% to be distributed to any charitable purpose (or purposes) within the Auckland region at the discretion of the Trustees of the Foundation.

If your client wishes all of their annual distribution to be at the Trustees' discretion, please write 100% in section 3a.

Establishment Donation

Auckland Foundation encourages people to consider making an establishment donation of \$3,000 towards its operating expenses. People may choose to pay this at the time of establishing their fund, or pay \$1,000 annually for 3 years (and claim the 33.3% tax credit).

Authorisation for Name Disclosure

People can be greatly inspired, motivated and encouraged seeing stories of donors who they know and respect. However, we appreciate that this can also be a very delicate and personal subject for some people, and will only publish names where we have been given authority to do so.

Once this form has been completed and signed by your client, please email to info@aucklandfoundation.org.nz for our records. Auckland Foundation will then make personal contact with your client to acknowledge their generosity.

B. Amending your client's Will

Nothing can happen until provision has been made in your client's Will for Auckland Foundation.

Suggested wording is as follows: "*Transfer% of the residue to Auckland Foundation, to be paid into the (name your client will call their Auckland Foundation fund; [OR 'Auckland Foundation Endowment Fund' OR 'North Shore Fund' OR 'Hauraki Gulf Restoration Fund' OR 'Women's Fund']) fund (which I/we have established [remove if going into any of the above named Auckland Foundation funds]), so that it may be dealt with by the Trustees of Auckland Foundation in accordance with the terms of that fund.*"

C. Where funds are being donated from a Trust

If your client's Auckland Foundation endowment fund is to be provided from a client's Trust, you will need to add a Memorandum of Wishes to the instructions. Suggested wording is as follows: "*After we have both died, it is our wish that you pay or transfer% of the Trust's net assets to Auckland Foundation, to be paid into the "(Name of the fund) Fund" which we have established, so that it may be dealt with by the Trustees of Auckland Foundation in accordance with the terms of that Fund.*"

I/ We wish to establish a Named Endowment Fund with Auckland Foundation.

In making this decision, I/we recognise that this Fund is not a separate trust or sub trust. I/We confirm that what is noted below is simply an expression of my/our wishes and is not legally binding on the Trustees of Auckland Foundation.

1. YOUR DETAILS

Full Legal Name(s):

Address:

Email:

Phone: ()

Mobile:

2. NAME OF YOUR ENDOWMENT FUND

3. INTENDED BENEFICIARIES

Please select option (a), or option (b), or a combination of both

(a) % is to be distributed to ANY charitable purpose (or purposes) within the Auckland region at the discretion of the Trustees of Auckland Foundation.

(b) This/these organisation(s) shall receive my distributions with the following allocations:

4. COMMUNICATIONS

The Foundation will provide ongoing communication as follows:

(a) While I am/either of us is living, an annual written report telling how much was distributed and to whom (if appropriate).

(b) After I/both of us have died, an annual written report to my/our executors (or anyone nominated by them) telling how much was distributed and to whom, for as long as they want to receive this information.

5. GENERAL

(a) I/We confirm that provision for this Fund has been made in my/our Will and/or Trust documentation.

(b) I/We acknowledge that my/our intention to our beneficiaries for this fund may change in the future. I/We reserve the right to notify you from time to time of any such changes.

(c) Where I/we have specified a particular beneficiary, if, in the judgment of the Trustees of Auckland Foundation, that beneficiary ceases to meet the legal tests of being a charitable purpose with tax exempt status, I/we ask that the Foundation distribute what would have gone to that beneficiary to another charitable beneficiary (or beneficiaries) which has purposes and objectives similar to those of the intended beneficiary as at the time of this application.

(d) If in the judgment of the Trustees of the Foundation, circumstances have so changed since the establishment of the Fund that strict compliance with this Memorandum is undesirable, impractical or impossible, I/we agree that the Trustees may direct the distributions from the Fund to such charitable purpose they think best, taking into account my/our wishes given the changed circumstances.

(e) If I/we have specified a particular beneficiary or activity that does not meet the technical requirements of a charitable purpose, I/we ask that the Foundation do what it can to achieve our objective while still meeting the Foundation's own legal obligations as a charitable trust.

(f) Although the Foundation will keep a separate accounting record for the amount of money in this Endowment Fund, all of the Endowment Funds administered by the Foundation may be pooled and invested accordingly, and the investment income and the changes in capital value shall be shared proportionately.

ESTABLISHMENT DONATION

Donors are encouraged, when setting up their Fund, to make a **one-off establishment donation** to Auckland Foundation. Not only does this support and enable our work in encouraging and enabling generosity, it also qualifies for a 33.3% tax credit.

I/We wish to pay an establishment donation of \$3,000 by the following method (please tick applicable box):

☐ Upon the establishment of this fund

OR

☐ \$1,000 annually for the next three years

Payment can be made via our online donations page at www.aucklandfoundation.org.nz/donate and choosing "Friends of Auckland Foundation", or by internet banking or bank transfer to the Auckland Foundation Operations Account: 12-3028-0714703-01.

LIVING GIVING

Many of our fund holders enjoy the opportunity of seeing their gifts in action. We would be happy to work with you to put a Living Giving plan in place that meets your giving goals. Living Giving donations can be to the Auckland Foundation Donations Account: 12-3028-0714703-00. Please ensure to use your fund name in the payment reference.

AUTHORISATION FOR NAME DISCLOSURE

Auckland Foundation appreciates the opportunity to tell stories about donors in various ways, to inspire and encourage support among the community.

It can be very powerful and motivating for people to see donors whom they know and respect. However, we appreciate this can be a delicate and personal subject for some people, and will only publicly use names where we have been given authority to do so.

☐ Yes, I am happy for my/our name(s) to be used in Auckland Foundation marketing/promotional materials

☐ No, I/we wish to remain anonymous until I/we have died

☐ No, I/we wish to remain anonymous after death

SIGNATURES

Full Name

Full Name

Signature

Signature

Date

Date