

KEY TAKEAWAYS

Building a Philanthropic Legacy with a Family Foundation



Family foundations offer a unique opportunity to turn a philanthropic vision into a lasting legacy. But creating a structure that endures for generations requires thoughtful planning, flexibility, and a clear understanding of both legal considerations and strategic approaches.

Foundation Source’s Senior Philanthropic Director **Robyn Hullihan** and National Director of Legal Services **Jeannea Varrichio** hosted a webinar discussion to explore how foundation leaders can approach institutional perpetuity, engage the next generation and prepare future leaders, communication tools, and preserve founder intent—all while adapting to an ever-changing environment.



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Here are seven key takeaways from the discussion.

1. Define What Legacy Means to You

- A philanthropic legacy can take many forms—from preserving cultural traditions to fostering family values or advancing societal change to constructing a roadmap for future foundation leaders to continue the course.
- Start by articulating your vision and values. These serve as the foundation’s north star and should be embedded in governing documents such as:
 - Mission statement
 - Statement of values
 - Letter of donor intent
- Leave room for evolution. A purpose clause that’s broad enough can allow the foundation to adapt to changing community needs over time.

2. Consider Perpetuity—And Why It Matters

- Decide early whether your foundation will exist in perpetuity or have a defined end date—there is no right or wrong answer here.
- Ask *why* perpetuity is important to you. This informs how you structure governance and restrictions.
- Avoid overly rigid parameters. History shows that narrow missions can become obsolete, leaving foundations unable to operate effectively.
- Use tools like restricted contributions to preserve donor priorities while allowing flexibility for future boards.

3. Engage the Next Generation Thoughtfully

- Define “family” for governance purposes. Is this bloodline only? Does it include spouses and/or extended family? Plan for growth and change.
- Thinking about building flexibility into bylaws and governance structures. Some examples include:
 - Advisory committees
 - Junior boards to slowly bring younger generations into the ranks
 - Rotating board seats to eliminate the pressure of everyone having to serve on the board at all times

- Early exposure is key. Consider age-appropriate involvement such as:
 - Attending board meetings
 - Reviewing grant proposals
 - Participating in volunteer activities
- Training should progress from observation to active decision-making, supported by ongoing education.

4. Preserve Founder Intent and Family Story

- Document motivations, values, and the foundation’s origin story through:
 - Written narratives
 - Video testimonials
 - Archival materials and photographs
- Storytelling fosters connection and continuity, especially for later generations who never knew the founders.

5. Plan for Governance and Succession

- Review mission and priorities regularly—ideally at each annual board meeting.
- Anticipate challenges:
 - Diverging interests among family members
 - Limited time or willingness to participate
- Solutions include:
 - Discretionary grantmaking “buckets” for individual priorities
 - Clear succession plans
 - In some cases, splitting into separate foundations to accommodate differing visions

6. Prepare for the “What Ifs”

- What happens if no family members want to lead? Options include:
 - Transitioning to a non-family board
 - Merging with a like-minded foundation
 - Spending down assets within a set timeframe
- Build flexibility into governing documents to allow for these scenarios.

7. Understand What Can—and Cannot—Be Amended

- Policies and bylaws: Easily amended by board vote.
- Articles of incorporation: Amendable but require state filings and IRS notification.
- Trust documents: More complex; may require court approval.
- Consider state regulations before incorporating—some states are more burdensome than others.

The Bottom Line

Every foundation has the opportunity to “choose its own adventure.” With thoughtful planning, flexibility, and ongoing communication, you can create a philanthropic legacy that reflects your values and adapts to future needs.

To learn more about these key takeaways and other important insights, [check out the full conversation here](#).

HAVE A QUESTION?

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