

WEBINAR

# Building a Philanthropic Legacy with a Family Foundation



**F**amily 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.

Recently, Foundation Source's Senior Philanthropic Director **Robyn Hullihan** and National Director of Legal Services **Jeannea Varrichio** shared insights on perpetuity, next-gen engagement, governance, and preserving founder intent.

The following are the highlights of their conversation.



**ROBYN HULLIHAN**  
Senior Philanthropic Director  
Foundation Source



**JEANNEA VARRICHIO**  
National Director of Legal Services  
Foundation Source

## What does it mean to build a philanthropic legacy?

**Jeannea Varrichio:** A legacy can mean different things to different people. It might be leaving a mark so significant that your name is remembered, preserving cultural or historical traditions, or fostering family values through philanthropy. For many, it's about passing down inspiration and passion projects that one lifetime can't complete. A family foundation provides a formal structure to make that possible.

## Why are legal considerations part of this conversation?

**Varrichio:** Strategic planning and compliance are deeply intertwined. While philanthropy is about values and vision, foundations are corporate entities with legal obligations. Governing documents, bylaws, and compliance requirements ensure the foundation operates effectively and remains in good standing.

## How should foundations approach perpetuity?

**Robyn Hullihan:** One of the first questions we ask new foundations is whether they plan to exist in perpetuity or sunset after a certain period. Most choose perpetuity, but it's important to ask *why*. That answer informs governance and flexibility. Avoid overly rigid restrictions—missions can become obsolete. For example, a foundation created to fund HIV/AIDS research during pregnancy eventually faced irrelevance when the problem was solved. Build flexibility into purpose clauses and consider tools like restricted contributions to preserve donor priorities while allowing evolution.

## Can founders name specific grantees in governing documents?

**Varrichio:** Yes and no. Trusts allow more restrictive provisions, but corporate foundations have bylaws that future boards can amend. A compromise is to make restricted contributions—designating a portion of assets for specific causes or organizations while leaving the rest flexible.

## How can families engage the next generation?

**Hullihan:** Start early and keep it age-appropriate. Families often introduce philanthropy at the dinner table, through volunteer activities, or by letting children recommend grants. As they grow, engagement can progress from observing board meetings to reviewing proposals and eventually taking on leadership roles. Training is critical—teach decision-making methods, not just directives.

## What governance considerations should families keep in mind?

**Varrichio:** Define “family” for governance purposes. For instance, will it be bloodline only, spouses, or extended family? Build flexibility into bylaws to allow advisory committees, junior boards to slowly bring in younger generations, and rotating seats to eliminate the pressure of everyone having to always serve on the board. Avoid overly detailed bylaws that require constant amendments. Broad parameters give future generations room to adapt.

## How can founders preserve their intent for future generations?

**Hullihan:** Document motivations and values through mission statements, letters of donor intent, and storytelling. Use written narratives, video testimonials, and archival materials to keep the founder's vision alive. This helps later generations understand the foundation's origins and purpose.

## What happens when family interests diverge?

**Varrichio:** It's common for priorities to shift over time. Solutions include discretionary grantmaking “buckets” for individual interests or, in some cases, dividing the foundation into separate entities. Planning for flexibility avoids conflict and keeps philanthropy meaningful.

## Can governing documents be amended?

**Varrichio:** Policies and bylaws are easy to amend by board vote. Articles of incorporation require state filings and IRS notification. Trust documents are more complex and may need court approval. If moving a foundation to another state, expect significant regulatory hurdles—some states are more burdensome than others. Delaware, for example, is known for its simplicity.

## What if no family members want to lead in the future?

**Hullihan:** Options include transitioning to a non-family board, merging with a like-minded foundation, or spending down assets within a set timeframe. Build these possibilities into your planning so the foundation can adapt when needed.

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.

This is a condensed and edited version of the conversation. You can watch the full video of Robyn and Jeannea’s discussion [here](#).

## HAVE A QUESTION?

Call 800.839.0054 or send us an email at [info@foundationsource.com](mailto:info@foundationsource.com).

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