

GUIDANCE NOTES FOR LAWYERS

When a client is establishing a fund with the Acorn Foundation

A. Complete the “Acorn Foundation Named Endowment Fund, Memorandum of Wishes” form:

1. **Include the client’s contact details** (section 1).
2. **Name of Endowment Fund** (section 2) – most people use their own names, but some may choose to set it up as a memorial fund for a family member, or in the name of a family trust.
3. **Intended Beneficiaries** (section 3)

The size of the fund determines how distributions will be handled on an annual basis:

- a. **Funds of under \$25,000** are placed into the Acorn Vital Impact Fund, distributions from which support organisations working in the areas of greatest need in the WBOP community each year. The Acorn Distributions Committee and staff select the recipient charities.
- b. **Funds between \$25,000 and \$50,000** become a Named Fund that is tracked. If the donor chooses, annual distributions can begin at this point.
 - i. Distributions for funds of this size are directed to recipients determined by the Acorn Foundation Distributions Committee on an annual basis.
 - ii. The recipient organisations, distributions amount and fund value are reported to a living donor each year, while funds that are left to Acorn as part of a will can have performance details reported to a family member or other nominated persons.

- c. **Fund values over \$50,000** allow a donor to choose which charities or causes receive the annual distributions from their named fund.
- i. Selected recipients must operate for a charitable purpose as recognised by the Department of Internal Affairs and IRD. If your client nominates a charity with a national headquarters but wishes their distributions to be used in the local region, this information must be specified.
 - ii. If several charities are chosen, please use percentages to show the allocation of distributions, like the following example:
25% to Charity A, 25% to Charity B, 50% unrestricted for any charitable purpose in the Western Bay of Plenty
 - iii. More and more donors are interested in “field of interest” funds, where they can identify a particular area of interest without choosing specific charities. Examples of field of interest funds could include causes like animal welfare, the environment, or youth development.
 - iv. If your client, like many Acorn donors, wishes that all of their annual distributions are to be unrestricted for any charitable purpose in the region, then they would simply write 100% in section 3a.

4. Authorisation for Name Disclosure

It can be very encouraging for people to see donors listed who they know and respect. However, Acorn appreciates that this can be a very delicate subject for some people, and we will only list names where we have been given permission to do so.

5. **Once this form has been completed and signed** by your client, please post to the **Acorn Foundation, DX Box HP40007, Tauranga 3112** for our records, or scan and email to info@acornfoundation.org.nz. Acorn will then make personal contact with your client (as long as they are happy to speak with our team), to acknowledge their generosity and learn more about their interests.

B. Amend Your Client's Will

The process of including support for the community through Acorn is not complete until provision has been made in your client's will for the Acorn Foundation. Suggested wording is as follows:

“Transfer% of the residue to the Acorn Foundation, to be paid into the (*name your client will call their Acorn fund; [OR 'Acorn Vital Impact Fund' if under \$25k]*) fund (which I/we have established [*remove if going into Acorn Vital Impact Fund*]), so that it may be dealt with by the trustees of the Foundation in accordance with the terms of that fund.”

C. In the Case of Funds Being Donated from a Trust

If your client's Acorn 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 the Acorn 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 the Foundation in accordance with the terms of that Fund.”