

GUIDANCE NOTES FOR LAWYERS

When a client is establishing a fund with the Acorn Foundation

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

Section 1: Client Contact Details

Section 2: Name of Endowment Fund

Most people use their 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. The fund name can be changed later if desired.

Section 3: Charitable Passions

Client’s list of charities, causes or interests they are passionate about.

Section 4: Charitable areas to avoid

This is important to note if the donor would like to leave their fund unrestricted but would like to exclude any charitable area.

Section 5: Intended Recipients

There are three options a donor can select, or a combination of:

- a. A percentage to be left unrestricted to support organisations that work in the Tauranga and Western Bay of Plenty area. 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 a.
- b. Fields of Interest. A donor can identify one or multiple areas of interest they would like to support. Examples of fields of interest could include causes like animal welfare, the environment, or youth development.
- c. Named organisations that the donor chooses to receive distributions. This can also be done in % if they have listed more than one charity.
 - 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 national headquarters but wishes their distributions to be used in the local region, this information must be specified.
 - i. 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.

Flexible Funding

The needs of our community change over time and it is important that donors have the opportunity to adapt their wishes even after they have passed. The donor can select whether, after 25 years, their fund becomes a field of interest, after 50 years, the fund becomes unrestricted, or their wishes remain the same as listed above under intended recipients.

Section 6: Different donation values

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

- a. **Funds over \$50,000** can be named and are donor-directed, so donors can choose specific recipients, identify fields of interest or select to leave their gift unrestricted.
- b. **Funds between \$25,000 and \$50,000** can be named and will have distributions that are unrestricted, with recipients to be determined annually by the Acorn Distributions Committee.
- c. **Funds under \$25,000** will be directed to the Acorn Vital Impact Fund to support organisations working in the areas of greatest need or one of Acorn's Local Impact Funds that provide grassroots support to a specific geographic area. Donors cannot guarantee an amount that will be gifted to Acorn Foundation. They will need to select one of the options provided to ensure Acorn Foundation has wishes they can follow if the gift is lower than expected.

Once this form has been completed and signed by your client, please scan and email to info@acornfoundation.org.nz. Acorn Foundation 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.

2. Amend Your Client's Will

The process of including support for the community through Acorn Foundation is not complete until provision has been made in your client's will for the Acorn Foundation. The simple will clause allows clients complete flexibility to update their charitable giving wishes throughout their lifetime with Acorn Foundation through their Memorandum of Wishes. Suggested wording is as follows:

"I give and bequeath _% of the residue of my estate to the Acorn Foundation (Charity Registration Number CC23064) to be applied in accordance with any Memorandum of Wishes I have provided to the Foundation, or if no such memorandum exists, for general charitable purposes within the Tauranga and Western Bay of Plenty area."

3. 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:

"Following the death of both [Name] and [Name], it is our wish that the Trustees pay or transfer _% of the Trust's net assets to the Acorn Foundation (Charity Registration Number CC23064) to be applied in accordance with any Memorandum of Wishes we have provided to the Foundation."