

## **Guidance notes for Lawyers when a client is establishing a fund with the Acorn Foundation**

### **A. Complete the “Establishment of a Named Endowment Fund” form**

#### **1. Include the client’s contact details** (section 1).

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

**Funds over \$25,000** become a Named Fund that is tracked, and distributions and fund value is reported to the donor each year. Donors with a fund that will have a value of more than \$50,000 can choose which charities receive their annual distributions from their named fund.

**Funds under \$25,000** go into the Acorn Vital Impact Fund which is fully distributed each year to any charitable purpose (or purposes) within the Tauranga and Western Bay area at the discretion of the Trustees of the Foundation.

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

- These 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 nationwide but wishes their distributions to be used in the local region, this must be specified.
- Your client may wish to specify several charities, e.g. 25% to ABC school, 25% to XYZ charity and 50% to be distributed to any charitable purpose (or purposes) within the Tauranga and Western Bay area at the discretion of the Trustees of the Foundation.
- If your client wishes all of their annual distribution to be at the Trustees’ discretion (which approximately half the Acorn donors are doing) then write 100% in section 3i.

## **Establishment Donation**

The Acorn Foundation encourages people to consider making an establishment donation of \$5000 towards its operating expenses. People may choose to pay this at the time of establishing their fund, pay \$1000 annually for 5 years (and claim the 33.3% tax credit), or it can be debited at the time the Foundation receives the funds.

## **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 will only list names where we have been given authority to do so.

**Once this form has been completed and signed** by your client, please post to the **Acorn Foundation, P.O. Box 13604, Tauranga 3141** for our records. Acorn will then make personal contact with your client, to acknowledge their generosity.

## **B. Amend Your Client's Will**

Nothing can happen 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 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."