



# FamilyForward

CREATE A LEGACY OF GIVING



Philanthropy is a powerful way for families to pass along shared beliefs and values. It also provides unique opportunities for family members of all generations to spend time together, collaborate, and bond. Fidelity Charitable® is committed to fostering family engagement in philanthropy.





# Using this guide

This guide begins with an article about family governance, produced in collaboration with the National Center for Family Philanthropy. The article helps set the stage for thinking about the many ways your family members can be involved with giving.

Next you will find a workbook that helps you create your family’s own governance framework using Fidelity Charitable’s three-step approach. The exercises in the workbook section encourage you to think deeply about your values, interest areas, and shared goals to develop your family’s unique plan for giving.

After using *FamilyForward: Create a Legacy of Giving*, you will have an actionable plan to help your family give with greater joy and satisfaction.

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### Tips

#### Items to have on hand when using the guide:

- Pens/markers
- Sticky notes
- Paper, a whiteboard, or a notebook to capture and organize responses

#### Follow these ground rules for engaging with family:

- Be honest with your responses
- Be open to new ideas and opinions
- Withhold judgment
- Seek alignment, not agreement. Remember that there may be several different ways to achieve the same goal.

# Family governance

A donor-advised fund, like the Giving Account® at Fidelity Charitable®, provides your family a wonderful opportunity to make a difference in the world and to build a legacy that spans generations.

But for your philanthropy to have an impact, you need more than just a donor-advised fund and good intentions. You must also be thoughtful about what you hope to accomplish—and how you plan to get there.

A proper governance structure is often the key to unlocking your philanthropic potential.

*Family governance is the framework in which a family manages its joint affairs. A family applies guiding principles to general policies and specific practices for carrying out the roles and responsibilities of their joint activities, such as family philanthropy.*

“When you pay attention to governance, every other piece of your work becomes much easier—and much more rewarding,” says Virginia Esposito, president and founder of the National Center for Family Philanthropy. “By taking the time to figure out your vision for your fund — and how you want to carry out that vision—you can begin to see your philanthropy making a difference.”

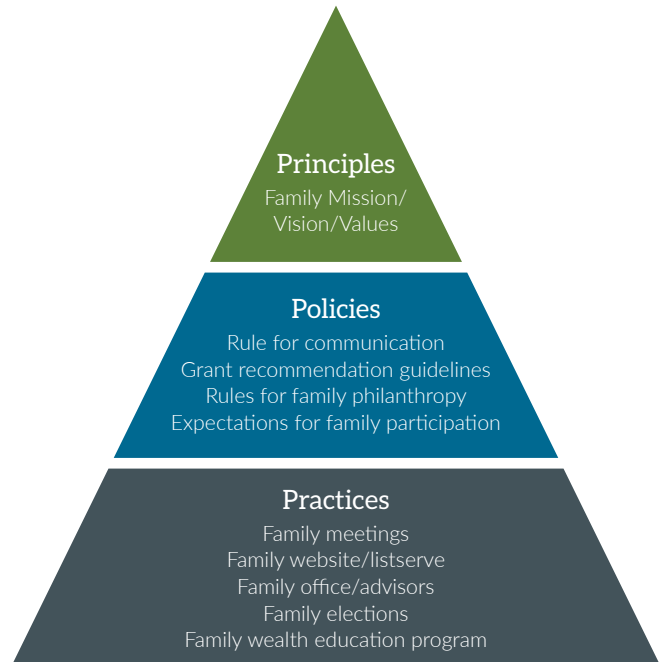
Effective governance structures help your family set expectations within and between generations, provide guidance for your grant recommendations and provide a level of accountability for your shared family philanthropy.

How can you ensure that you’re taking the proper steps to creating a governance structure that works for your family? Not surprisingly, there’s no one-size-fits-all model. However, we’ve found that successful governance structures often include three key elements:

- Principles
- Policies
- Practices

Let’s explore how your family might consider developing these elements into a useful governance structure for your fund.

## The Family Governance System



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*Note: The examples listed above are not meant to be exhaustive, but rather a sample listing.*

## Establishing Your Principles

Effective governance first requires a vision—or a unifying set of beliefs. The Founding Fathers created the Constitution and the Bill of Rights to serve as the vision for the United States. Similarly, your family should develop your own set of guiding principles to focus and frame your philanthropic work.

Start by carefully considering the following questions:

- What are our shared beliefs?
- What distinguishes us from other families?
- What vision do we hold in common?
- Why did we create this donor-advised fund—and what do we hope to accomplish?

The answers to these questions will be different in every family. And the way in which they are articulated can vary, as well.

Let's explore how your family might consider developing these elements into a useful governance structure for your fund.

Families might choose to develop a mission statement, vision statement, or a list of shared values.

Whatever specific statements your family chooses to create, it is important to expect—and perhaps even encourage — intense debate about how you answer these questions. You should not assume that everyone will agree to each value—and you must respect your differences while working to define the values that hold you together as a family.

This can be a challenging process—but we promise it will be worth your while. You will emerge not only with a clear vision for how you'll create a lasting impact with your donor-advised fund, but also with a better understanding of your family members.

It will also help the future generations of your family stay connected to your vision for the fund as they become its stewards.

*For examples of family values, see appendix.*

## Creating Your Policies

Once you've determined your key principles, you'll need to focus on ensuring that those principles are maintained and carried out in your philanthropy.

Families with ongoing giving programs—whether with a donor-advised fund, a family foundation, another structure, or a combination of vehicles — should consider how policies can help guide their giving process. Donor-advised funds often provide greater flexibility than other forms of philanthropy, but that flexibility can make it a bit more difficult to know where to begin when it comes to establishing a governance structure.

Minimally, your family should consider creating a conflict-of-interest policy and a policy for recommending investments in and grants from your fund.

It is also helpful to define how decisions are made and the responsibilities of each family member. Spelling out these policies will help avoid conflicts and should help provide those who are new to your family's philanthropy with a blueprint for how they should approach their work. Some larger families choose to create a Family Executive Committee that is charged with overseeing its governance policy or, in some cases, making final grant recommendations.

Policies should be written or, if not, at least be simple enough that all family members can remember and agree to them.

*For a sample conflict of interest or family governance policy, see appendix.*

## Putting It into Practice

Once you've established your principles and policies, the fun part begins—actually doing the work!

To carry out the day-to-day work of recommending grants, it is important to develop a set of accepted practices that supports your principles and policies.

For many family funds, these practices can be fairly simple.

At the highest level, families should consider how frequently they wish to meet and how they prefer to communicate. Some families create a secure website or listserv to share information about finances, grant applications, minutes from past meetings, and a grant recommendation record from the fund. As part of this process, families should work with their Fidelity Charitable® relationship managers to create a system for keeping and maintaining records.

If you are thinking about involving multiple generations, these practices can include the development of an education program that helps new stewards to understand their roles and responsibilities as they relate to the family's fund. You can also consider the option of creating separate funds for individuals in your family and provide guidance on how they can apply your family's guidelines to the management of those individual funds. These separate funds allow new stewards to have a measure of independence in how they participate within the family's preferences.

It can also include systems for working with outside advisors, lawyers, and other professionals who provide guidance.

As your philanthropy evolves, these practices should be revisited and, when appropriate, updated to reflect its changing needs.





## Seven practical tips for effective family governance for your Fidelity Charitable donor-advised fund:

1. Identify the family's objectives and establish governance structures that ensure that the objectives can be carried out.
2. Educate family members on the duties and responsibilities of their roles—including which family members have access to specific elements of the Giving Account®—and identify a family champion(s) who will ensure that the family's best interests are being advanced.
3. Develop written policies on grant recommendations, conflicts of interest, and investments.
4. Review principles, policies, and practices from time to time; for example, consider reviewing mission statements and guidelines every five years.
5. Schedule formal meetings that focus solely on family philanthropy.
6. Develop and distribute family “fund packets” for each new participating family member, including summaries (or copies) of governing documents, mission statement, responsibilities, and expectations of board members.
7. Schedule meetings in advance to allow for optimal preparation and participation.



## Conclusion

A Fidelity Charitable donor-advised fund is a powerful vehicle for making a difference in the world and for building stronger family bonds across generations.

But to truly maximize the impact of your fund, it's important to develop principles, policies and practices that ensure that you are managing your donor-advised fund effectively and responsibly.

This paper offers an introduction to the importance of creating strong governance structures for your family's philanthropic activities. But if you are serious about developing sound governance structures, we encourage you to dig deeper.

For additional resources from the National Center for Family Philanthropy, visit [www.ncfp.org](http://www.ncfp.org).



NATIONAL CENTER FOR  
**FAMILY PHILANTHROPY**

*Inspiring Generations of Giving*







# Exercises

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The exercises on the following pages will help you make a plan, decide who will be involved in your family's giving, and help you start bringing your family's philanthropy to life.

# 1

## Making a plan

### A Identifying your values

Our values are the underlying motivators that guide our beliefs and actions. When thinking about family philanthropy, it is important to explore your own values, as well as the shared principles among your family members.

#### Individual Exercise<sup>1</sup>

Think about two or three formative experiences in your life. How did they shape your core values?

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Identify two or three people (they could be family members, other people you know, or historic figures) who have been strong influences on you. What values did they transmit to you?

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What values did your parents pass on to you?

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<sup>1</sup> Adapted from Giving Together: A Workbook for Family Philanthropy. The Philanthropic Initiative, ©2016.

How do the values you have identified speak to the kind of giver you want to be?

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Look at the values inventory below. Circle four or five values that you feel are most important and that guide the choices you make in life. You may also wish to write each of your selected values on individual sticky notes.

Acceptance	Democracy	Honesty	Preservation
Access	Dignity	Humility	Pride
Achievement	Diversity	Independence	Privacy
Acknowledgment	Education	Innovation	Respect
Adventure	Empathy	Integrity	Responsibility
Agility	Entrepreneurship	Interdependence	Security
Arts	Equality	Involvement	Self-expression
Beauty	Excellence	Joy	Self-reliance
Change	Expertise	Justice	Service
Collaboration	Fairness	Knowledge	Simplicity
Comfort	Faith	Leadership	Stability
Commitment	Family	Love	Stewardship
Communication	Flexibility	Loyalty	Tolerance
Community	Freedom	Mastery	Transformation
Compassion	Generosity	Merit	Truth
Conservation	Happiness	Opportunity	Wisdom of Others
Courage	Harmony	Peace	
Creativity	Healing	Personal growth	





## Family Exercise<sup>2</sup>

Look at each family member's selected values. Group similar answers together to identify values that seem to be shared by many in the family. Elaborate on them by sharing family stories illustrating the values. Are there other values that arise in the discussion? Identify your family's top four or five shared values and write them below.

Our family's top five values are:

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_
5. \_\_\_\_\_

<sup>2</sup> Adapted from *Giving Together: A Workbook for Family Philanthropy*. The Philanthropic Initiative, ©2016.



## B Narrowing your focus

Reflect on the values you identified on page 13 and consider how these values speak to the kind of philanthropy you want to do and be known for. Consider how your values influence the types of causes you want to support.

### Individual Exercise<sup>3</sup>

Keeping in mind your values, which issue areas do you want to support? Below are some common issue areas donors support, but you might have additional causes that you are passionate about. Circle the issue area(s) you would like to impact with your family's philanthropy. You may also wish to write each issue area on an individual sticky note.

- |                     |                         |                       |
|---------------------|-------------------------|-----------------------|
| 1. Animals          | 7. Economic empowerment | 13. Poverty           |
| 2. Arts             | 8. Health               | 14. Religion          |
| 3. Children         | 9. Homelessness         | 15. Urban development |
| 4. Civic engagement | 10. Human/civil rights  | 16. Women's rights    |
| 5. Education        | 11. Hunger              | 17. Other             |
| 6. Environment      | 12. Immigration         | _____                 |

Making a plan  
14

### Family Exercise

Each family member should share his/her top four issue areas. Is there overlap? If so, group similar responses together. If there is not overlap, discuss what inspired the choices and see if common themes emerge.

What are your family's top issue areas of interest?

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_

<sup>3</sup> Adapted from Giving Together: A Workbook for Family Philanthropy. The Philanthropic Initiative, (c) 2016.





Thinking about where you want to focus your family's philanthropy is also important. As a family, discuss the below questions.

What issues and/or geographic areas will your family support?

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If geography is important, how will you research nonprofits if all family members are not in that region?

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Why did you decide on this issue and/or geographic area?

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## C Write a family mission statement

Thinking about your family's values, interest areas, and geographic focus, write a mission statement for your family's philanthropy. (Need help? See the sample family mission statements below.)

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### Sample family mission statements

- Our grandfather learned to read very late in his life, but considered literacy his greatest accomplishment. Our family is committed to honoring his legacy by supporting youth and adult literacy programs in our hometown of Chicago and across the state of Illinois.
- Our family believes it is our responsibility to help preserve the planet for future generations. We will use our charitable dollars to support environmental initiatives that improve air and water quality, encourage recycling and waste reduction, and promote sustainable agriculture throughout the United States.
- Our family believes that education is the key to helping individuals achieve independence, personal growth, and financial security. We will support initiatives that help those in underserved communities gain access to quality educational opportunities.







## D Setting goals and budget

What are your top three goals for your family's philanthropy?

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

In what period of time do you hope to achieve these goals?

\_\_\_\_\_

Discuss how much you want to give and how the funding will be allocated.

### Deciding how much to give

- Create a budget for giving on a monthly, annual, or multiyear basis
- Create target short- and long-term donation amounts and frequency
- Identify a “stretch gift” you’d like to make and put it in your budget
- Consider making allowances for unexpected opportunities that arise, but that might not fit into your budget as planned
- Evaluate whether the current charities you support align with your mission and, if necessary, reallocate funds to align with priorities
- Consider aligning your investment strategy with your philanthropic strategy

What is your budget for your philanthropy?

\_\_\_\_\_

How will you allocate this funding? Per child or family member? Will you give collectively?

\_\_\_\_\_

\_\_\_\_\_

Over what period of time would you like to give?

\_\_\_\_\_

\_\_\_\_\_

# 2

## Roles and activities

### A Who participates and how?

Family members marry, divorce, move to different places, and change interests and circumstances, so it's important to decide who will be involved in your family's philanthropy and what roles each person will play. Discuss the following questions as a family and write your answers below.

#### Family Exercise

**Who in your family will participate in your philanthropy?**

*(Parents? Grandparents? Children? Siblings? Grandchildren? Cousins? Partners/spouses? Ex-spouses? Etc.)*

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**Who will set up family meetings? How often will you meet?**

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**How much time will each member need to dedicate to our family's philanthropy?**

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**How will decisions be made? Who will participate in the decision-making process?**

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What will you do if you don't all agree on something?

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Do you have any concerns about working together?

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## B Family roles map

Members of your family may play different roles in your philanthropy. The below map defines some common roles. Make sure the roles make sense for your family, then spend some time considering which family members are a fit for which roles.



Example



# Family roles map template

## Family Exercise

Use this blank template to map out your family roles. Write family members' names in/near the appropriate circles, remembering that some family members may play more than one role. Now, draw lines between circles/roles that need to work together or influence others.



### Key roles:

- Organizers
- Researchers
- Volunteers
- Networkers
- Evaluators
- Decision-makers
- Visionaries





## 3

## Bring your philanthropy to life

### A Host a family meeting

It's important to bring everyone together—whether in person or virtually via video chats or conference calls—to discuss your family's philanthropy. Many families find the holidays to be a good time to meet, since they are often already gathered.

To keep the family engaged during a family meeting, you should decide how to best use your time together. Often families use meeting time to decide on what charities to support or to plan out their grants for the upcoming year or six months.

When your family does meet, it's helpful to decide on your agenda ahead of time. You can use the sample family meeting agenda below as a starting point.

#### Sample Family Meeting Agenda

1. Social time to connect
2. Re-visit your giving focus
3. Family presents new issues/updates on issues
4. Confirm guidelines/criteria for giving
5. Family members present grant proposals
6. Discuss proposals
7. Rate/vote on proposals
8. Report on visits to operating charities and plan next visits
9. Measure impact of grants
10. Reassess giving process



## B Do something together

While some families are satisfied providing financial support to causes they care about, many want to be more involved with organizations they support or with philanthropy in general. Decide on one or two activities your family will engage in before your next family meeting. At the next meeting, report back to the family on the visit.

### Some ideas for family activities:

1. Volunteer together
2. Map a family tree
3. Create a family book club
4. Do a joint site visit to a nonprofit and debrief over a meal afterwards
5. Host a story-telling evening where family members reflect on a meaningful moment or topic
6. Other ideas

### Our family commitment:

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_







**N**ow that you have completed the exercises in this workbook, you should have an actionable plan that will help your family experience greater confidence, joy, and satisfaction in giving.

To keep your family committed to the work you have done together, it is important to check in regularly as a group, to have frank discussions, and to evolve your plans, goals, and budgets as your needs and wishes for your shared philanthropy change.

For additional resources, visit [www.fidelitycharitable.org](http://www.fidelitycharitable.org).





# Appendix

## Examples of Family Values

Many families choose to codify certain values that they hope to see reflected in their giving strategies and practices. One of the nation's most well-known family philanthropies, the Rockefeller family, developed the following list to help guide its work:

### Philanthropic Values of the Rockefeller Cousins and Fifth Generations

- Think long term
- Keep every topic within the larger context
- Serve effectively within communities
- Manage resources effectively
- Participate enthusiastically
- Nurture family through generations
- Maintain unity
- Respect diversity
- Be willing to take risks
- Maintain importance of leadership, responsibility, and stewardship
- Be leaders of social change

*Source: Collaborative Grantmaking: Lessons Learned from the Rockefeller Family's Experiences, National Center for Family Philanthropy, 2003*

### Sample Conflict of Interest Policy

It is the policy of the Brown family that family members not engage in activities that present a conflict of interest with regards to recommending grants from the family's donor-advised fund, or receive direct personal benefits including salary or any other forms of compensation from their association with the fund. If any of the above individuals, or a member of that person's family, receives money from, is a major contributor to, or serves as an advisor, director or trustee with an organization that may receive funds from the Brown family's donor-advised fund, then the potential conflict must be declared and handled in a manner appropriate to the circumstances. Similarly, when the family is considering a transaction or arrangement that might benefit the private interests of a family member, the potential conflict must be declared and handled in a manner appropriate to the circumstances. Any family member having a conflict of interest with respect to a grant recommendation, transaction, or other arrangement decided upon by the family, shall be precluded from voting on matters pertaining to such grant recommendation, transaction, or arrangement.

*Additional sample conflict of interest policies are available in NCFP's Family Philanthropy Online Knowledge Center at [www.ncfp.org](http://www.ncfp.org).*



## Sample Governance Policy: Family Involvement

The Jones family ties its family mission—supporting nonprofits to which the family has enduring ties—to its family donor-advised fund through a policy on family involvement and identifying and selecting non-profits to support.

### I. Mission Statement

The Jones family is dedicated to supporting nonprofit organizations that reflect our commitment to family, friends, communities and especially causes that our family has become involved with through time, energy and a deeply impactful relationship.

### II. Grant Recommendation Review and Voting Process

- a. **Annual Meeting:** The Jones family will hold an annual meeting in November/December at which the family will review the outcomes, lessons learned, and any relevant communications from a nonprofit from the previous grants recommended in that calendar year. Following this dialogue, each of the “cousins” (i.e., the third generation of Jones family members) will present a nonprofit for consideration for a new grant recommendation, including relevant details for decision making.
- b. **Ad Hoc Grant Recommendations Outside of Annual Meeting:** Any family member who would like to suggest a grant outside of the Jones Family Annual Meeting will email the Jones Family Executive Committee to present the nonprofit organization name, relevant background on the nonprofit’s mission and any family connection to the organization, the use of the recommended grant in addition to the suggested amount. The Family Executive Committee will decide on whether to recommend the grant at that time or will notify the requesting family member that the decision will be made at the annual meeting.

### III. Roles and Responsibilities

The Chair\* and Vice Chair\* decided upon by the Jones family will serve four-year terms. If at any time these members can no longer fulfill the duties of their roles, they may resign from the role and remain a member of the Executive Committee.\* The Executive Committee will vote to appoint the new Chair and Vice Chair once the term is up or if a family member resigns.

### IV. Investment Strategy/Financial Oversight

The Jones family’s investment strategy will be overseen by two members of the Executive Committee. The goal of the Jones family is to recommend grants in an amount equal to the appreciation of the investment pools that the Fund is currently invested in (i.e., grant out 5-7% of the value of the Fund) while preserving the principal so that the Fund can exist in perpetuity. In advance of the Annual Family Meeting at the end of the calendar year, the two responsible members will be in touch with Fidelity Charitable to request a report that highlights the activity of the Fund, including distributed grants, the administrative fee, and appreciation due to the investment pools in which the Fund is currently allocated in.

*\*The terms “Chair,” “Vice Chair,” and “Executive Committee” are not formal roles with respect to the Fidelity Charitable donor-advised fund. These roles are informal and relate only to the family’s activities.*



*Fidelity Charitable is the brand name for Fidelity Investments® Charitable Gift Fund, an independent public charity with a donor-advised fund program. Various Fidelity companies provide services to Fidelity Charitable. The Fidelity Charitable name and logo, Fidelity, and GivingCentral are registered service marks, of FMR LLC, used by Fidelity Charitable under license. Giving Account is a registered service mark of the Trustees of Fidelity Charitable. 846555.2.0*