

# Thinking ahead for your family foundation

## Ten ways to plan for board continuity and succession

### 1. **Determine perpetuity requirements or preferences**

The foundation's articles of incorporation or trust instrument will provide guidance on whether the foundation is intended or required to exist in perpetuity. If the founding documents are silent or allow for flexibility, addressing the question of perpetuity is an important first step in determining succession needs.

### 2. **Consider donor legacy**

A donor legacy statement serves as a guiding light for the foundation's ongoing leadership, and can provide permission for the board to move in new directions. Determine whether the legacy statement should be developed by the current board, if the donors are no longer living, and whether the next generation's voices should be included.

### 3. **Define the scope of decision-making**

Before inviting new voices to the table, donors should determine whether there are decisions that they hope to insulate from future group vote or consensus. For example, if the board votes by majority, can future boards vote to spend down the foundation? Identify what is on and off the table and take appropriate steps to ensure that the donor legacy statement or legal documents clearly reflect the donor's requirements and preferences.

### 4. **Have the money discussion**

Inviting the next generation, at any age, to join the family's philanthropy will inevitably involve a conversation about wealth. Family members differ in their willingness to talk with their children and grandchildren about money. Yet, next generation board members should have a common understanding, conveyed by the previous generation, of the size and origin of the foundation's assets.

### 5. **Address shared mission**

Some foundations, especially in the donor and second generation, operate as collections of individual grantmaking interests. As the board expands and additional generations are added, the diversity of individual interests will grow, potentially straining the foundation's resources. The development of a common mission statement and grantmaking goals is essential to shared governance and focused grantmaking.

**6. Address board composition**

As families grow, so too can the board of the foundation. If the directors wish to be all-inclusive, they should determine the optimal board size required to accommodate all those interested in participating while still allowing for effective operation and grantmaking. If a selective process is preferred, the board must consider whether equal representation from all branches of the family is ideal, whether board terms will be needed to allow rotation, and whether spouses and partners are eligible to serve.

**7. Consider a diverse level of involvement**

Depending upon their ages, interests, and life circumstances, family members may or may not be willing or interested in serving on the board of the foundation. Make available varying levels of involvement, being clear about what constitutes eligibility for board service. Determine how adaptable the board is willing to be in order to encourage and sustain next generation involvement. For example, is it willing to make changes as major as redefining the mission? What about procedural modifications, such as changing Tuesday meetings to Saturday?

**8. Provide training and education**

The next generation will bring many skills and talents, but may not be as experienced with board service or philanthropy as the current board. Make resources available informally and, for those on the trustee track, formally. Some foundations create adjunct or junior boards as a training environment and allocate them a small grant budget.

**9. Become peers**

Forge a new relationship with your children, nieces, nephews, grandchildren, parents, grandparents, aunts, uncles and cousins. Consider a mentoring approach that teams a seasoned board member with a new one, avoiding parent-child duos.

**10. Be sensitive to non-lineal descendants**

If the directors determine that only lineal descendants are eligible to serve on the board, think about ways to include spouses and parents of board members, especially when the next generation becomes involved. Some options to consider are a brief foundation update or newsletter for all interested extended family members, or opening meetings to non-trustee "observers."

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