

## “Shell funds” and Other Handy Tools for Charitable Clients Who are Planning Ahead



Getting a jump on a future “to do” list is always such a good feeling. The team at the Chester County Community Foundation can help you with your clients’ long-term charitable giving plans by putting in place the structures to receive bequests decades from now.

Consider a case where you’re finalizing an estate plan for a client who would like to leave bequests to multiple charitable organizations, but the identity of those specific organizations may be a moving target over the years because of the client’s evolving level of engagement with various charities as a donor, volunteer, or board member. In other words, this client likely will want to make small changes to the estate plan’s provisions for charitable

giving but leave everything else as is. For example, a client’s trust could be drafted to provide that 10% of the remaining estate be divided equally among five charities, which of course could be listed in the trust document. But what if, a few years from now, the client wants to add another charity to that list? Even a small change like this would require an amendment, which can be time-consuming for both attorney and client.

Instead, the client’s trust document could name a fund at the Chester County Community Foundation as the beneficiary of 10% of the remaining estate. Then, the client can work with the Community Foundation to draft a fund agreement that lists the charities that will share the 10%. When the client wants to add new charities or switch out charities from the list, the client can reach out to the Community Foundation and execute simple documentation of the client’s updated intent for the fund. This process is fast and simple, and it allows clients to ensure that their bequests are in line with [ever-changing](#) needs in the community.

In some cases, the client may not intend to use the fund during their lifetime. That’s perfectly fine; the Chester County Community Foundation can establish a “shell fund” to sit dormant and receive assets only after the client passes away. Your client can still name the fund whatever they’d like, and the shell fund agreement can be modified anytime before the client’s death.

Please reach out to the Chester County Community Foundation to learn how shell funds and other planning tools can help your clients achieve their charitable goals both during their lifetimes and beyond.

For more information, contact the Chester County Community Foundation:

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*The team at the Chester County Community Foundation is a resource and sounding board as you serve your philanthropic clients. We understand the charitable side of the equation and are happy to serve as a secondary source as you manage the primary relationship with your clients. This newsletter is provided for informational purposes only. It is not intended as legal, accounting, or financial planning advice.*