

## Calling it Splits: What Happens to Charitable Assets in a Divorce?

As you work with charitable clients over the course of your career, you'll likely help dozens of married couples establish donor-advised funds and other types of funds at the Chester County Community Foundation, structure charitable gifts in wills and trusts, establish charitable remainder trusts, and everything in between.



But what happens to charitable assets in the event of divorce? Over the last few years, in the wake of high-profile [divorces](#), more and more advisors have been pondering this question. It's certainly worth considering so you can be prepared if—and likely *when*—you encounter such a situation. It's especially important as women play an increasingly [important](#) role in a couple's philanthropy.

For many couples, philanthropy is deeply personal and closely tied to shared values developed over time. What's more, advisors who engage both partners on all planning matters, including charitable giving, are more likely, according to research described in a recent [white paper](#), to grow their practices and earn client referrals.

But from a legal standpoint, charitable giving during marriage is not purely personal—it is often subject to the same [rules](#) that govern other marital assets. In community property states, for example, assets acquired during marriage are generally considered jointly owned, and spouses owe fiduciary duties to one another regarding the use of those assets. That framework can create complications when one spouse makes a significant charitable gift without the other's knowledge or consent. Indeed, unilateral gifts of community property may be challenged, and in some cases, the full value of the gift may be attributed back to the donating spouse in a divorce proceeding. This may be a surprising outcome for clients who assume that charitable intent alone resolves any questions about ownership or control.

The implications extend beyond outright gifts. Philanthropic vehicles such as donor-advised funds, private foundations, and charitable trusts can also become points of negotiation in divorce. These structures may no longer be considered part of the marital estate once funded, but questions about control, governance, and ongoing advisory privileges can still create tension between spouses.

For attorneys, CPAs, and financial advisors, the takeaway is clear: charitable planning does not exist in a vacuum. Conversations about significant gifts—especially those made during marriage—should include coordination with legal counsel and, where appropriate, documentation of mutual intent. Encouraging clients to align on charitable decisions in advance can help avoid disputes later and preserve both financial and philanthropic goals.

As always, remember that the Chester County Community Foundation is here for you! Whether a client is considering a current gift, establishing a charitable vehicle, or navigating a complex life transition such as divorce, the Community Foundation can serve as a resource to help implement the recommendations of legal and tax counsel in a way that is both effective and durable. Anytime you are talking with a client about charitable giving, give us a call! Including the community foundation early in the conversation can help ensure that your clients' charitable intentions are carried out smoothly, even when circumstances change.

We look forward to working together!

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.*