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Gift Agreements: Whether Giving or Receiving, How Can Good Intentions Be Preserved

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Donors often have specific intentions for the use of their donated assets, often impose restrictions on their gifts, and expect that the charity will honor their wishes as a condition for the gift. But meeting a donor's wishes while simultaneously fulfilling the needs and mission of the charity can be difficult and significant issues can arise. Over the last few years, problems relating to underfunding, overfunding, changed circumstances, naming rights, programs, and misunderstandings have been prevalent in the news. This article examines the planning that needs to go into gift agreements, on the part of both donor and recipient, in order to ensure that both parties accomplish their respective goals. If the agreement is properly structured, charities and foundations can avoid misunderstandings and problems and the resulting acceptance agreement will be beneficial to both the charity and the donor.