

# Sunsetting & Spend-Down Checklist, Timeline, Resources

In philanthropy, endings deserve as much care and clarity as beginnings.

As more foundations and nonprofits adopt *time-bound models* – choosing to sunset operations and spend down their assets – a new frontier of strategic practice is emerging: *How to close well*.

Drawing from field research, peer insights, and lessons from bold spend-down pioneers, we've compiled a practical, phase-by-phase checklist of best practices to help guide organizations through the complex (and often emotional) process of winding down with intention, integrity, and impact.

Scalable to differing timelines, whether you're planning for legacy preservation, stakeholder transition, or final grantmaking milestones, this checklist tool offers structure – and inspiration – for doing it right.

## Phase 1 | Strategic Decision & Planning | 24-36 months out

- 1. Board Resolution:** Formalize decision to sunset or spend down.
- 2. Clarify Strategic Intent:** Document purpose and guiding principles (e.g., maximize near-term impact, honor donor intent).
- 3. Set Sunset Date:** Determine when the organization will cease grantmaking and operations.
- 4. Form Transition Committee:** Create board/staff task force to oversee process.
- 5. Develop Spend-Down Plan:**
  - Program priorities
  - Grantmaking calendar
  - Exit strategies for key partnerships
- 6. Budget Forecasting:** Model cash flows, reserves, final expenses, and contingencies.
- 7. Legal & Compliance Review:** Engage legal counsel to outline dissolution requirements and timeline.

## Phase 2 | Stakeholder Engagement | 18-24 months out

- 1. Grantee Communication:**
  - Notify key partners early
  - Offer multi-year or capacity-building grants where possible
- 2. Staff Communication & Planning:**
  - Communicate timelines and roles
  - Develop retention strategies, exit packages, and career support

**3. Public Announcement:**

- Create a communication plan (press release, website update, FAQs)
- Consider op-eds or conference presentations

**4. Funders & Peer Dialogue:** Share learnings and explore co-funding opportunities with aligned funders.**Phase 3 | Implementation & Grantmaking Execution | 12-18 months out****1. Execute Final Grants:**

- Align with spend-down strategy
- Include sustainability support where appropriate

**2. Track Progress Toward Impact Goals.****3. Monitor Grantee Transitions.****4. Begin Archiving Records & Institutional Knowledge.****Phase 4 | Final Transition | 6-12 months out****1. Wind Down Programs:** Close grants; wrap up technical assistance or field-building efforts.**2. Final Evaluation:**

- Commission or conduct an independent evaluation of impact
- Capture and publish lessons learned

**3. Legacy Communications:**

- Share stories, milestones, grantee outcomes
- Update website with final reports and archival materials

**4. Transfer Remaining Assets:** (if any)

- Explore DAFs, successor funds, or institutional partnerships

**Phase 5 | Dissolution & Closure | 0-6 months out****1. Final Audits and Tax Filings** (Form 990-PF, etc.).**2. Legal Dissolution Filing** with state agencies and IRS.**3. Archive Data and Records** (donor files, grant history, knowledge products).**4. Website Sunset or Archive.****5. Staff Farewells & Acknowledgments.****6. Final Board Meeting and Resolution.****Phase 6 | Optional Add-Ons****1. Sunset Narrative:** A final published document explaining the foundation's history, reasons for closure, and field contributions.**2. Successor Vehicles:** Set up DAFs, scholarships, or endowed programs in aligned institutions.**3. Independent Legacy Hosting:** Partner with a university, archive, or philanthropic network to steward legacy materials.

# Resources

(not in order)

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4. **What Does It Take to Spend Down Successfully?** | 2015.0729  
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6. **Spending down? Don't forget your knowledge!** | 2021.0114  
<https://blog.candid.org/post/spending-down-dont-forget-your-knowledge>
7. **Limited Life Foundations - Knowledge Center** | 2014.1218  
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8. **Lessons on Sunsetting from The Atlantic Philanthropies** | 2024.0423  
<https://givingcompass.org/article/the-atlantic-philanthropies>
9. **Perpetuity or Spend-Down: Does the Notion of Lifespan Matter in Organized Philanthropy?** | 2016.0331  
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10. **More Foundations Opt for Planned Lifespans and Spend-Down Strategies** | 2025.0115  
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11. **Limited Life Philanthropy** | undated  
[www.atlanticphilanthropies.org/featured-topics/limited-life-philanthropy](http://www.atlanticphilanthropies.org/featured-topics/limited-life-philanthropy)
12. **What Does It Take to Spend Down Successfully?** | undated  
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13. **Accelerating Change: A Look into Philanthropy's Spend Down Movement** | 2023.1130  
<https://levitt.org/accelerating-change-a-look-into-philanthropys-spend-down-movement>
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15. **Spending Down** | undated  
<https://sdbjrfoundation.org/the-foundation/spending>
16. **Reflections from the Spend Down of the S. D. Bechtel, Jr. Foundation** | undated  
[www.ncfp.org/2021/01/07/reflections-from-the-spend-down-of-the-s-d-bechtel-jr-foundation](http://www.ncfp.org/2021/01/07/reflections-from-the-spend-down-of-the-s-d-bechtel-jr-foundation)
17. **What Does It Take to Spend Down Successfully?** | undated  
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