PLANNED GIVING WHEN IT'S NOT ALL YOU DO

PG CALC WEBINAR

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Presented by:

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I. INTRODUCTION

We have all been there. You are in a one-person development office, or maybe there are one or two others. Your annual goals keep increasing, depending upon the aspirations of the CEO and the decline in government funding available. You and your staff of one or two others are responsible for the annual or semi-annual appeal mailings, the newsletter, the website, the golf outing (sponsorships, volunteers, marketing, catering, door prizes, and silent auction), and foundation grants, not to mention gift acknowledgments and maintaining the donor data base.

As you juggle all this, you know that you are missing so many opportunities to bring in larger financial resources for your organization. Everyone, yourself included, is talking about how important it is to have a planned giving program, yet the deadlines and immediate revenue associated with all those annual activities prevent you from focusing on the work that will have a much greater payoff in the long run.

In this paper and its accompanying webinar, I intend to provide some suggestions for how you might incorporate planned giving into your overall development program, I hope without simply adding more work. Not all of these ideas will work for every staff, and it will require an allocation of resources – and probably some additional resources to do it well. Where you start will depend on your current capacity and the level of commitment from your management and board.

Wherever you are, start there.

II. WHERE TO START

A. Goal Setting

Planned giving goals, especially for a young program, should be **activity based**. It is impossible to predict the dollar amount of planned gift expectancies you might record in any year, particularly with little or no history. It is much more important that you set goals over which you have some control.

1. Year One
    a. Board participation – set a goal for board education and participation of board members. Ideally, 100% of board members should make a planned gift, most in the form of a bequest provision. If full participation in the first year is unlikely, then set a reasonable stretch goal. Remember, though, board commitment makes a statement to other donors about the importance of planned gifts. As Pamela Davidson of Davidson Gift Design says, if insiders won't, why would outsiders ever?
    b. Communications – set a goal for the number of communications to your donors and other constituents (volunteers, prospective donors, employees) that will include a message about planned giving.
    c. Policies and procedures – determine what policies need to be developed and revisited and set a goal for completing that work, or at least some of it.

    i. Gift acceptance – do your policies address acceptance of assets other than cash and marketable securities, such as closely held stock, real estate, and collectibles?
    ii. Gift annuities – will your organization enter into gift annuity contracts? This is an important decision, with risks and liabilities for your organization. If your management and board are not ready to do so, then you might consider partnering with a community foundation or financial services company that offers gift annuities and will allow donors to designate the remainder to your organization.
    iii. Charitable remainder trusts – will your organization serve as trustee? If so, will you work with another entity as your agent to manage and administer the trusts? Similar to the decisions associated with a gift annuity program, you may wish to consult with your community foundation or other firms that can assist, whether or not your institution will serve as trustee.
    iv. Donor recognition – the development or re-invigoration of a legacy society.
  d. Donor visits – set a goal for the number of face-to-face meetings you will have with donors to discuss the idea of including your organization in their estate and/or long-term giving plans. In this first year, most of those may be current and former board members.

2. Year Two
  a. Board participation – obtain planned gift commitments from new board members and any others who did not commit in Year One.
  b. Communications – perhaps an increased number of planned gift messages or impressions (website hits; Facebook posts; Twitter "tweets") from Year One.
  c. Policies and procedures – complete any work left from Year One.
  d. Donor visits – set a new goal for face-to-face visits that is an increase over Year One, since you are better prepared and have identified additional prospects.
  e. Planned gift notifications – by Year Two, you should set an annual goal for new expectancies recorded, such as notifications that donors have included a provision for your organization in their wills or trusts. This may also be framed as new members of your legacy society, although you don't want to miss counting additional planned gifts from current planned gift donors.

3. Year Three and Beyond
  a. Communications
  b. Donor visits
  c. Planned gift notifications
  d. Dollar goals – this may be time to begin setting a dollar goal for your planned giving program, based upon the capacity of your donor base and the history of your program. The more established your program, the more you can see trends, but be careful to adjust for any outliers, such as a particularly

large bequest expectancy or life income gift (gift annuity or charitable remainder trust).

B. Marketing

Use your existing communications channels to promote planned gifts to your donors. Here are some ideas.

1. Website
    a. Donor stories – feature stories about donors who have included a provision for your organization in their estate plans. Be sure to make this about the people and impact – the donors who made the gift, allowing them to say why they chose do so and why they made the type of gift they did, and the impact their gift will have on your organization's work.
    b. Impact stories – describe how realized planned gifts are making a difference at your institution, and honor the donors who made those contributions.
    c. "How to" information – easily accessible links to basic information about bequests and, if you are ready, other planned gifts such as gift annuities, retirement plan designations, and charitable remainder trusts (CRT's).
    d. Sample bequest language – this should be an obvious link for donors and their attorneys. Be sure to also make the legal name of your organization and its federal tax identification number easily accessible on your site.
    e. Legacy society information.
    f. Contacts for more information.

2. Direct mail and e-mail appeals
    a. Include a space on the response mechanism where the donor can indicate thathe or she has included your organization in his or her estate plan. Be sure to follow up with those who check the box!
    b. Include a space on the response mechanism to request more information on planned gifts. This can vary, perhaps promoting bequests sometimes, gifts that provide a stream of income another, and tax-savvy retirement plan designations yet another.

3. Publications
    a. Donor stories, as described for your website above, but written for a printed publication or "e-zine" as appropriate.
    b. Advertisements – be sure to include a method to respond.
    c. Special content sections or inserts
    d. Legacy society promotion

4. Gift acknowledgments – include a post-script: "Have you considered including [organization] in your estate plan? There are several methods for making a meaningful difference that may also help you accomplish your personal long-term objectives. Please call [name] at [phone number] or send an e-mail message to [e-mail address] for more information."

5. Targeted mailings or e-communications

6. Social media – Facebook posts or "tweets" from influential organization leaders, volunteers, and donors.

C. Prospect Identification

If you are old enough to remember the movie "Ghostbusters," you might recognize the cry, "Who you gonna call?" from the theme song. The same question is key to a successful planned giving program, especially when planned giving is not all you do.

Even if you do not have the advantage of prospect research staff, with a little help from an administrative assistant or database administrator, you can develop and prioritize a suspect list without a great deal of effort. Here are a few ideas of what to look for.

1. Long-time donors – research shows that those who raise their hands and give year after year are some of your best bequest prospects.

2. Volunteers – especially long-time volunteers, current and former board members, and development volunteers.

3. Major donors – using the definition that is appropriate for your organization. Those who gave special gifts to fund projects might be interested in endowing their support through a planned gift.

4. Retirement age donors, or those nearing retirement age. A gift annuity or CRT might be a great way to make a major gift while ensuring a certain level of income in retirement.

5. Donors in special circumstances, such as those selling a company and those receiving a special bonus or windfall. These donors may have special tax concerns that a charitable gift could help mitigate. Pay attention to the business news for this kind of information.

III. Road Map to Success (and Sanity)

A. Know Your Capacity

This is not an all-or-nothing proposition. Honestly assess your human and financial resources, and set an annual plan that is manageable for you. Doing nothing to cultivate and close planned gifts for your organization, though, is not an option.

B. Start With Bequests and Retirement Plan Designations

If nothing else, implement a plan that promotes bequests throughout the organization, using the communication tools described above, and talk about them consistently with your donors. Be sure to include retirement plan beneficiary designations. Many Americans have a significant portion of their estate in IRA's and other qualified retirement plans, and these assets will be subject to income tax when they pass to heirs. Naming your organization as a beneficiary is easy, flexible, and does not require the assistance of an attorney. The donor should still discuss this with his or her advisor as part of the overall estate planning process, of course.

C. Focus on Mission and Impact

Since the passage of the American Taxpayer Relief Act of 2012, which made permanent the $5,000,000 per person estate tax exemption, indexed annually for inflation, less than one percent of U.S. estates will be subject to estate tax. When discussing the importance of bequests with your donors, focus on how those gifts will make a difference in your organization's work, not on the estate tax deduction.

D. Recruit Volunteer Help

Ask existing bequest and other planned gift donors for testimonials. Ask board members and planned gift donors to provide a referral to others who have an interest in your organization's work and who might consider a planned gift. Ask them to host a small event at their home or club where they and others can tell stories of how planned gifts have made a difference in your organization's work. Use these events as an opportunity to plant seeds for future conversations – then, **follow up**.

E. Get Out of Your Office

Don't fall into the trap of becoming a slave to your newsletter and direct mail deadlines, nor to analysis paralysis. Realizing even part of the potential of your donors' generosity to your organization requires human interaction. Go visit them. Thank them for all they have done. Learn why they are involved with your work. Ask open-ended questions about their families, their careers, their lifestyles. Ask how they would like to make a difference if they could. Suggest that they can, and share how.

IV. Resources

You are not in this alone. There are a variety of resources to assist you and provide the expertise and additional people-power you may not have in your own shop.

A. PG Calc

PG Calc provides much more than specialized software for planned giving programs. They provide education, such as this webinar, program consultation, technical assistance, planned gift administration, and marketing help. I can also attest to the responsiveness and expertise of their staff, who stand ready to help clients with questions on everything from details about gift techniques to how to model a particular gift in their Planned Giving Manager software.

B. Planned Giving Marketing Firms

There are a number of firms that specialize in developing and implementing marketing programs for not-for-profit organizations. They can provide off-the-shelf printed materials, e-mail messages, and web sites or work with you to customize any of these products to make them your own. No matter the size of the organization or its development operation, I do not know of any planned giving staff whose time is best spent writing every piece of information on a web site or recreating for the millionth time an article on how a charitable remainder trust works. It will cost you less in the long-run to let one of these firms do that for you, so you can be out talking with donors and closing gifts.

C. Planned Giving Publications

I find it useful to have a few easy-to-understand comprehensive publications on planned gifts at my fingertips. These can help refresh your knowledge on the details of various planned gift techniques, provide sample language for documents, and explain the implications of various gift details, such as the type of asset being contributed, who owns it, and who is receiving any benefit. Print and electronic subscriptions are great for keeping you up-to-date on related news, such as legislative proposals, tax rulings, and examples of gifts that have worked well for donors and their favorite charities.

D. Partnership for Philanthropic Planning (PPP) and Local Planned Giving Councils

The Partnership for Philanthropic Planning (www.pppnet.org) is a membership organization that achieves its mission of "charitable giving made most meaningful" by providing education, resources, research, online communities, standards and best practice setting, and public advocacy. PPP is comprised of individual members and more than 100 local councils, which provide an invaluable network of professionals, formal and informal learning opportunities, national and regional conferences, and other resources.

E. American Council on Gift Annuities (ACGA)

The American Council on Gift Annuities (www.acga-web.org) publishes recommended maximum gift annuity rates for use by charities and their donors. ACGA also provides information on state regulations and advocates for appropriate consumer protection.

V. HOPE IS NOT A STRATEGY

Only you and your colleagues can decide what is manageable for your organization in launching or enhancing a planned giving program with limited resources. If you want to maximize resources for your organization and help your donors truly make a lasting difference in ways that will bring them joy and satisfaction, though, you must do something. Set reasonable, achievable goals that will push you a little bit out of your comfort zone. Talk about bequests – often. Include messages about the power of planned gifts in media that already exists. Meet with donors and learn what motivates them. Build your network of colleagues who are successful in cultivating planned gifts for their organizations, as well as donor advisors who frequently help their clients include charity in their estate and financial plans.

Whether you are a small shop, a large shop, or wish you had anything resembling a shop, you can do this. Prioritize, leverage existing resources, and make planned giving an integral part of your development program.