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Gift Planning in a Capital Campaign




Date: September 29, 2016

Time: 1:00 – 2:30 Eastern Time

Presenter: Lynn Malzone Ierardi, JD
Director of Gift Planning
The University of Pennsylvania



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Agenda

- **Background – Penn’s Campaign**
- **Why gift planning is important to campaigns**
- **The planning stage – issues to consider**
- **Counting and recognition**
- **Increasing gift planning collaboration**

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Campaign Goals




Overall Goal: \$3.5 billion

Overall Raised:
\$4,302,890,707

GOALS BY PURPOSE:

Current Use 24%	Capital 26%	
Endowment 50%		
\$826 million	\$924 million	\$1.75 billion

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ENGAGEMENT

There are many opportunities for Penn alumni, students, parents, and friends to participate in Making History. Beyond the financial targets are specific goals for engagement that represent Penn's commitment to broadening and cultivating its most important relationships. These goals include:

- Strengthen campus and regional activities that engage alumni, students, parents, and friends and provide increased access to Penn's vast academic resources.
- Build on the success of alumni class and affinity group programming, creating new ways for alumni to connect with each other.
- Grow the number of alumni who support Penn's commitment to educational excellence through their annual gifts.
- **Increase the number of individuals who create lasting legacies at Penn through their planned gifts and Harrison Society participation.**

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An essential campaign component


Campaigns have changed

Tough times (recession) - competition for dollars

Boomers are concerned about costs of retirement, education, health care, and parent needs

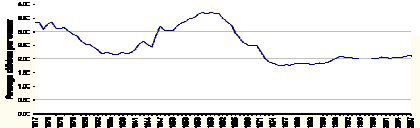

Deeper relationships with donors are more critical - with a sensitivity to their needs - and the ability to be creative and flexible

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Baby Bust

U.S. Total Fertility Rate, 1917-2007

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Why gift planning is critical

**10 - 25% of campaign dollars
Represents extraordinary ROI**




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Assets versus cash

**Wealth is not held in cash.
It is held in assets.**



**If you're asking for cash,
you're asking from the **small** bucket.**

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Gift planning in a campaign

“jump start” a planned giving program


**Creates awareness – opportunity to educate
(donors, prospects, staff and volunteers)**

Provides a sense of urgency – closes gifts

Uncovers existing gifts and values

Builds the prospect pool


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Ideal time: Strategic Planning


- ❖ **Include Gift Planning at feasibility stage**
- ❖ **Include in Campaign Goals**
- ❖ **Get “buy in” from the start, from campaign leadership, staff, volunteers and key donors**
- ❖ **Establish that GP is not a “fallback”**
- ❖ **Regular reporting**

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Policies


- Establish/update gift acceptance policies**
- Establish/update counting policies**
- Update prospect management policies**



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What to count and how to count it?




- ❖ **Outright gifts and pledge commitments**
- ❖ **Five year period – policy for exceptions**
- **Written documents e.g. gift agreements**

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What counts?




Intentions:

- ❖ Age consideration
- ❖ Revocable vs. Irrevocable
- ❖ Gift agreement – binding
- ❖ Face value or discounted
- ❖ How to establish value
 - Specific dollar amount
 - Percentage or residuary

**Bequests
and
Beneficiary Designations**




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What counts?

**Life income or term-of-years gifts
(CRT's and CGA's)**
Irrevocably designated
Face value or present value?
“Outside” trusts – documented?



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What counts?



Charitable Lead Trust:

- ❖ Irrevocably designated
- ❖ Documented
- ❖ 5 years at face value
- ❖ Remaining payments – discounted or face?

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Complex assets or tangible property

Appraisal requirements

Reserve right to adjust gift credit



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Empower partnerships

Prospect Management

Donor Centric

Documented and shared

Cultivate INTERNAL relationships



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Foster Collaboration

Keys to Success:

Trust

Communication

Shared Credit



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**Partner through Engagement
(non-financial goals)**


Participation: Goals for Legacy Society

Measure and report success

Recognize planned gifts

Consider metrics

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We get what we measure...METRICS

Conversations

Education

Collaboration

Cultivating a donor

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Collaboration

Office of Gift Planning:

- ❖ **Collaboration with Schools and Centers**
- ❖ **Collaboration with Alumni Relations and Annual Fund**
- ❖ **Collaboration with Penn Medicine**

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Collaboration with Annual Gifts



- **Then: stretch for 50th – then a let down**
- **Started with “Old Guard”**
- **Now: legacy goals for ALL reunion classes**
- **Joint visit and ask goals**
- **Analytics - annual gifts DOUBLED with legacy membership**



Penn Medicine Gift Officers



- **Visits – solo or with GPO**
- **GP asks**
- **New legacy society members (annual and campaign goals)**
- **GP training requirement**
- **Annual portfolio review with GPO (identify expectancies and prospects)**
- **At meetings and updates**




Conclusion

**One size does not fit ALL campaigns –
but consistency, transparency and fiscal integrity
are
*CRITICAL***

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Questions and Answers



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Still Have a Question?

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