



GETTING READY FOR PLANNED GIVING



gifts. Educate your Board and leadership about planned giving and obtain a commitment from them acknowledging the establishment of a planned giving program by passing a Board Resolution. (See sample Board Resolution in the section [Resources](#))

The Board Resolution formalizes the program and lays the groundwork for keeping the Board informed in the future, not only as Board members but as donors as well. The resolution also gives permission to designated staff or volunteers to discuss planned giving options and membership in a planned giving club (sometimes called a “legacy society”) with donors.

Readiness Checklist

Establishing a planned giving program does not have to be onerous. An organization can plan to accept planned gifts as one part of an overall fundraising strategy. The steps listed below are best practices for establishing a planned giving program — ideally, these are elements that should be in place before soliciting and accepting planned gifts.

My organization has the following in place:

- A basic understanding of planned gifts and their important role
- A Board resolution agreeing to pursue planned gifts as part of our donor strategy
- A designated “point person(s)” to be the contact and champion the planned gifts program
- An approved Gift Acceptance Policy
- A system to identify and track potential planned giving donors
- A professional advisory committee
- A budget line for expenses related to the planned giving program
- A marketing plan for the planned giving program
- A compelling case for supporting your organization today and far into the future
- A donor recognition and stewardship plan

Board Resolution for Planned Giving

In order to build an intentional planned giving program that will engage your strongest supporters, it is important to lay the groundwork and have “buy in” from the leadership and board of an organization – some of whom may be among the best prospects for planned

Gift Acceptance Policy

The purpose of a Gift Acceptance Policy (“Gift Policy”) is to identify the types of gifts accepted, to ensure full and adequate disclosure to all donors regarding the irrevocability of gifts, to minimize the risk associated with illiquid gifts, and to clarify the responsibilities of both the nonprofit organization staff and the Board of Directors in relation to gift acceptance and acknowledgment.

Key components of a Gift Acceptance Policy should include the types of gifts and assets accepted, responsibilities of the staff, gift acknowledgment, how the organization will accept and account for pledges, and the types of gifts that should be referred to an ad hoc Gift Acceptance Committee before they are accepted.

Organization staff should disclose to all prospective donors certain important benefits and liabilities that reasonably could be expected to influence the donor’s decision to make a gift. In particular, donors should be made aware of the following:

- The irrevocability of a gift
- Variance power to redirect the purpose of a gift if the original gift purpose becomes unnecessary, incapable of fulfillment, or inconsistent with the needs of the community
- Limitations on donor authority
- Philanthropic opportunities available, such as special funds and naming opportunities
- That staff will not, and are not permitted to, provide specific tax, legal or financial advice to a donor. They will instead encourage donors to seek the advice of those relevant professionals prior to committing a particular gift.





(See sample Gift Acceptance Policy in the section [Resources](#))

Policy for Counting Planned Gifts

Planned gifts are often the largest and most important commitments donors will be making to your organization and can be the source of up to 40% to 50% of campaign dollars. However, since most of these gifts are bequest intentions, they are characterized as “revocable” and therefore not included in audited financial statements until they “mature” and can be counted as a current asset of the organization. If we relied solely on accounting rules, the value of these gifts to your organization would not be recognized in a timely way, donors would not be honored and stewarded appropriately and staff would never get credit for the years spent cultivating planned giving relationships. All non-profit professionals recognize this lack of donor recognition as discouraging to gifts of any kind. (There is additional information on tracking Planned Gifts in the [Metrics](#) section.)

Thankfully, there are standards developed by nonprofit associations, such as the National Association for Charitable Gift Planners, the Council for the Advancement and Support of Education, the Association of Fundraising Professionals and the Association for Healthcare Philanthropy, to provide guidance for counting planned gifts and recognizing total production. It would be advisable for key members of the development staff, Board and finance office to review these guidelines and decide which to adopt in counting planned gifts. This will ensure that everyone is on the same page and communicating the right messages to planned giving donors and prospects about how their gifts will be counted and recognized. (see [Guidelines and Counting Charitable Gifts](#) in the section [Resources](#))

Professional Advisor Committee & Other Partners

As you build your planned giving program, consider recruiting professional advisors to your Board or create a committee of professional advisor volunteers. Estate planning attorneys, financial advisors, certified public accountants, trust officers and professionals with commercial real estate expertise can provide guidance with building the program, educate donors on planned

gifts, assess the merits and risks of certain gifts and serve as resources when questions come up. They can also help donors implement charitable gift plans.

Your donors and prospects will likely have a lot of questions, so aside from surrounding yourself with experts, it is always worthwhile to keep learning about various topics related to estate planning and planned giving. Consider joining the Washington Planned Giving Council (WPGC), South Sound Planned Giving Council or if you have advisor credentials yourself, you may want to join the Estate Planning Council of Seattle, Tacoma Estate Planning Council, or other similar organization in your area.



GETTING READY RESOURCES

- [Guidelines for Reporting and Counting Charitable Gifts](#) (NACGP)
- [CASE Update for Planned Giving Reporting Administration of Planned Gifts](#)
- Sample: [Board Resolution for Planned Giving](#)
- Sample: [Gift Acceptance Policy](#)
- [Understanding And Drafting Nonprofit Gift Acceptance Policies](#) by Kathryn Miree

Organizations:

- [Washington Planned Giving Council](#) (WPGC)
- [Estate Planning Council of Seattle](#) (for advisors)
- [Tacoma Estate Planning Council](#) (for advisors)
- [South Sound Planned Giving Council](#) (for nonprofits and advisors)

