



## ESSENTIAL DONOR COMMUNICATIONS & SYSTEMS



After building consensus about proactively seeking planned gifts, revising gift acceptance and gift counting policies, preparing for planned giving conversations, and creating a marketing plan, it is time to focus on the giving systems within your organization.

- How will you respond to inquiries?
- How will you confirm legacy gift intentions?
- How will you track, or code confirmed planned giving group members in your database?
- What do you do when you learn that a planned giving group member has passed away?
- How do you acknowledge gifts of real estate or closely held stock?

### Responding to Inquiries

Once you begin having planned gift conversations with your donors and marketing your new program (See Marketing to the Masses) you will want to keep track of those who have expressed an interest. Because creating or revising one's estate plans can often take many months or even years and is often revisited during the course of one's life, it is important to make plans for how to stay in touch with donors over an extended period of time. In essence, a donor who includes your charity in his will is placing your organization in a similar status to a family member. So, you will want to treat them like the major donor and beloved supporter that they are. Develop an efficient way to track or code in your database those donors and prospects who have reached out and asked for information. Communicate with them periodically, get to know them, and continue deepening their relationship with your organization.

After they have expressed initial interest, send a personalized letter thanking these donors for their interest and enclose a packet of basic information to share with them that includes:

- suggested bequest language (see sample in Types of Gifts [Resources](#))
- information about your planned giving club
- a bequest confirmation form or survey (see sample in section [Resources](#))
- other pertinent and current information about your organization tailored to their interests

### Confirming & Tracking Legacy Gift Intentions

Confirmation of bequest (and beneficiary designation) intentions ideally should be in writing, completed and signed by the donor, on a form your organization develops specifically for this purpose. (see sample Legacy Confirmation Forms in the section [Resources](#))

While some donors may not want to include a dollar amount in writing, and others may want to remain anonymous, it is critical to have a way to track and confirm your organization's legacy commitments and donors. You will also want to develop a way to code planned giving donors in your database so you can communicate with them and steward them as a group, as well as track the growth of your program. You should also track and steward those who have offered their verbal intention to leave a legacy gift. (See How to Discuss Planned Giving to learn more about forming a planned giving group or "legacy society".)

Upon confirmation of bequest intentions (by returning a legacy confirmation form), a gracious thank you letter should go out promptly. (see sample in section [Resources](#)) Some organizations send birthday and/or holiday cards through-out the year, share periodic impact and annual reports, and invite group members to events and tours. We recommend asking to meet with these important donors and find other ways to offer a personal touch at least once or twice per year.





## When a Donor Passes Away

First and foremost, there is the important matter of expressing condolences and gratitude to the surviving family members whenever possible. Consider sending a condolence card or having a letter template ready to customize and send to a surviving spouse or children. (see sample in section [Resources](#)) Many planned giving officers also make a point to attend any funeral or memorial services for deceased legacy society members, particularly when the donor had a long association with the organization.

Make sure the family, personal representative or executor (a person or institution appointed to carry out the terms of a will) has the contact information for your organization. You may need to do this through the law firm representing the estate.

If you receive notification of a bequest from a law firm, call the attorney right away to introduce yourself and acknowledge receipt of the notification. Let the attorney know how appreciated the legacy gift will be and how it will be used. If you don't already know, ask if there are surviving family members and if the attorney can help you express gratitude. They might reach out to the surviving family members to let them know your organization would like to express gratitude or, more likely, they will be happy to forward a card or letter to them for you. Law firms rarely hear from nonprofits that receive notification. This should not be the case! Communicating with the estate attorney can raise the profile of your organization within this important "Center Of Influence," and help the firm and executor understand that your organization welcomes, needs and can manage such gifts. We recommend getting to know and cultivate association with estate planning attorneys.

Ideally, there should be one staff person who is responsible for tracking the steps that happen in estate administration after a legacy society member has passed away. This person will serve as a point of contact for the personal representative or executor in charge of the estate, or the attorney representing the executor. If the estate is complex and must go through probate, it can take months or years to receive the bequest. Frequently, partial distributions will be made and your organization may receive several of them over time. It is important that you understand the plan and timeline

for distribution, track on this information, and occasionally check in with the attorney, executor or personal representative for a friendly update. As with other contributions, you represent the interest and intent of both your organization and your donor. Regular contact can help speed closure of these contributions, provide helpful revenue timeline information for your development and finance projections, and build relationships. You will need to have a general idea of how the probate process works and the notification requirements and timelines involved. (see a summary of Bequest Administration in section [Resources](#)) The process varies a bit from state to state, and the state where the donor resided is usually the jurisdiction where probate is filed with the county court. As noted, some estates may make partial disbursements of gifts to charity early in the process, after the creditor notification period. Other estates wait until the very end, after tax returns have been filed and approved, to fulfill any gifts to charity.

Be aware that gifts passing via beneficiary designation do not go through the court supervised probate process. Instead, the fiduciary company, like an IRA custodian such as Fidelity, Schwab, TIAA, etc., sends the gift directly to named beneficiaries. The simplicity of making a gift through beneficiary designation can be advantageous because it is easy for donors to do relative to other types of planned gifts, and the funds come directly to the charity without being subject to estate settlement. But, it can be a somewhat arduous process as each company has its own paperwork and requirements you will need to submit.

While it may seem tedious, and even a bit overwhelming to establish these new systems, your charity will be rewarded in the long run, because a new level of organizational maturity will be developed, and you will be well positioned to cultivate and steward your legacy donors. Ultimately, your nonprofit will be positioned to realize contributions that may have a transformational effect on your organization's ability to carry out its mission.





## COMMUNICATIONS & SYSTEMS RESOURCES

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### Acknowledging Gifts of Non-Cash Assets

Nonprofits want to make sure that donors feel appreciated and recognized for their generosity. In addition, IRS regulations require that before a donor claims a tax deduction for a charitable contribution the donor must have a bank record or a written communication from the charitable nonprofit documenting the contribution. As a result donors expect a nonprofit to provide a receipt for their contribution. IRS regulations place the responsibility on donors to make sure they have a written gift acknowledgment “for any single contribution of \$250 or more.” There is no legal requirement for gift acknowledgments for contributions of less than \$250 unless the donor receives something of value in return for the gift, which triggers special rules for “quid pro quo” contributions. For more background, see “IRS Publication 1771 - Charitable Contributions: Substantiation and Disclosure Requirements” and “IRS Publication 526: Charitable Contributions” in the section [Resources](#)).

For non-cash contributions of more than \$500 but not more than \$5,000, the donor must obtain a contemporaneous written acknowledgment from the charity and must also file a completed Form 8283 NonCash Charitable Contributions (see section [Resources](#)). Part V of this form will need to be signed by a representative of the charity, acknowledging receipt of the gift. The donor must also obtain a qualified appraisal for contributions valued in excess of \$5,000. The qualified appraisal is a cost to be borne by the donor.

#### Samples:

- [Bequest Language](#)
- [Response to Interest Letter](#)
- [Bequest Thank You Letter](#)
- [Condolence Letter](#)
- [Donor Appreciation & Recognition Policy](#)
- [Probate Tracking Process Checklist from Charitable Beneficiary IRA Distribution Resource Center](#)
- [Bequest Intention Forms](#)
- [IRS Publication 526: Charitable Contributions](#)
- [IRS Publication 1771: Charitable Contributions: Substantiation and Disclosure Requirements](#)
- [Form 8283 NonCash Charitable Contributions](#)

#### More Information:

- Tip sheet: [Saying “Thank you” to Donors](#)
- Bequest Administration: [Summary of Probate Process for Fiduciary Organizations](#)
- Powerpoint: [Best Practices for Estate Administration of Planned Gifts](#)

