PLANNED GIVING TOOLKIT

A GUIDE FOR NON-PROFIT PROFESSIONALS

Leave10

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Leave10

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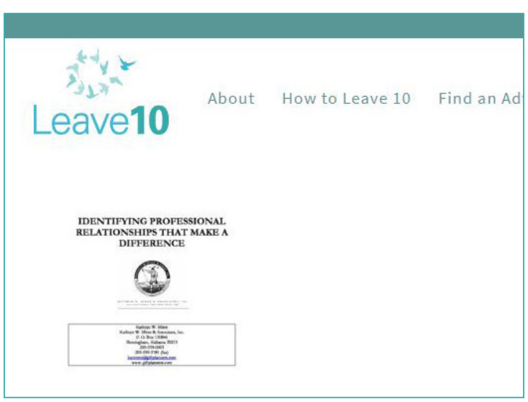

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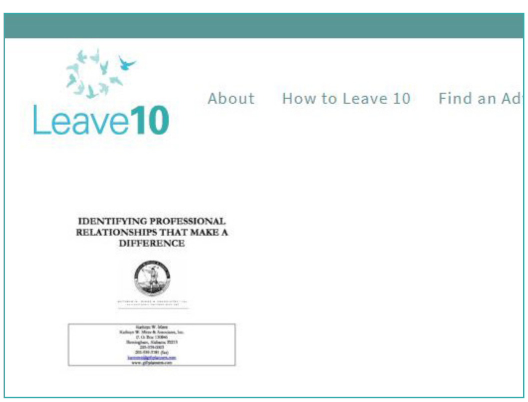

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INTRODUCTION

Welcome!

It is wonderful that you are interested in setting up or improving a planned giving program for your organization. We believe that all organizations benefit when they add a planned giving focus to their fundraising efforts.

This Leave10 Toolkit will provide you with guidance and tools for how to get your planned giving program started or grow what you already have.

What is Leave10?

The Leave10 organization aims to build better communities by transforming as many people as possible into philanthropists, specifically focusing on inspiring individuals to leave at least 10% of their estate to charitable organizations.

Americans are considered among the most charitable people in the world. According to the World Giving Index, 63% of them make charitable donations, 46% volunteer their time for causes they care about and 73% report helping strangers.

And yet, fewer than 8% include a gift to charity in their estate plans.

Leave 10 wants to change that disconnect by educating, inspiring and encouraging individuals to aspire to leave at least 10% of their estate to charity.

Leave10 does this by:

- Educating individuals on the vital role of philanthropy in families and estate plans
- Serving as a resource on planned giving for nonprofits and professional advisors
- Motivating individuals to include charitable organizations in their estate plans

What is planned giving?

Planned giving is a way of making a significant gift during life or at death that is part of a donor's overall financial or estate plan. It is typically motivated by a desire to make a meaningful or enduring impact on a cause the donor cares deeply about. It goes beyond "checkbook giving" in that it often involves gifts from a donor's assets rather than income. It also makes use of an asset transfer device such as a will, beneficiary designation form, deed, contract or trust agreement. While most planned gifts provide future support, such as bequests in wills or living trusts, there are some planned gifts that provide current support, such as gifts of real estate and charitable lead trusts.

Planned gifts offer the donor the opportunity to support their favorite charitable organizations in a meaningful way without giving large outright gifts of cash or compromising their current financial security. Planned giving might be a way to give a donor's life new meaning, allow them to keep doing good, even after death, and become a permanent statement of their values. Planned gifts also may offer substantial financial, tax and estate planning benefits for donors.

Why invest in a planned giving program?

Nonprofit organizations need a variety of initiatives to raise the necessary funds to support their work. Planned gifts are an underutilized source of revenue that many organizations have not promoted or mentioned to their donors. Yet for many organizations, planned giving has been the source of the largest single contributions they have ever received. Planned gifts are one way to help meet long-term goals and may allow donors to make a more substantial donation than they can in their lifetime. The potential is enormous.

Consider the following:

- America is aging. In 2030 those 65 years and older will represent 20.6% of the population.

- Baby Boomers hold 53.2% of household wealth or $52 trillion. They represent 21.19% of the population but are the source of 43% of all donations. Imagine the impact they can make if organizations engage them in planned giving. If they left 5% of their estates to charity that would mean $2.6 trillion in charitable bequests.
- Charitable bequests represent multiples of the lifetime giving of donors and increase exponentially as the estate value increases. Bequests from estates of $500,000 to $1 million represent 3.73 times of donors' lifetime giving. Those from estates of $5 million or more represent 11.65 times their lifetime giving.
- Currently, 9% of all giving or $43.2 billion is in the form of charitable bequests. That's despite the fact that only 32% of Americans have wills and less than 6% of Americans with wills have a charitable beneficiary. Imagine what would happen if more people learned about the value and ease of incorporating charitable gifts in their estate plans.

Benefit #1: future focus

A planned gift is typically a future or forward-looking gift and typically, a donor will not consider donating to a non-profit that cannot show plans for a long and healthy future.

Although, taking stock of an organization's current growth direction should always be welcome, it takes great effort and strategic use of resources to run a successful nonprofit. Sometimes it is easy to get lost in the demands of the present. Nonprofits are juggling so many things at once that financial forecasting and planning does not always attract much attention. However, just thinking about implementing a planned giving program can force nonprofits to consider their futures.

Through launching a planned giving program an organization will be forced to express its case for long-term support and development professionals, who will be soliciting planned gifts, have to be able to answer questions about the future of the organization. A planned giving program can lead to not just increased giving, but a refreshed focus on the future for an organization.

Benefit #2: large gifts

Who doesn't love a major gift? One major gift can change the entire course of a nonprofit's service initiative. The only downside to major gifts is that they are scarce.

We all know a variation on the famous statistic that 90% of a nonprofit's funds come from just 10% of its donors. That statistic tells us two key trends:

- Major gifts can make or break a nonprofit's fundraising goal
- Nonprofits would see considerable increases in their funding if they could just find more major gifts donors.

Want to know a not-so-secret secret? Planned gifts can match or exceed major gifts in size, and they are more universally accessible, because donors who make planned gifts do not have to be wealthy. Seeking planned gifts opens your nonprofit up to new large donation possibilities.

Benefit #3: power boost giving

Wealth is not a limiting factor for planned gifts. There are donors across the country who want to give major-gift-sized donations, but do not have the flexibility in their budgets to do so. Planned giving works around that.

Take a donor who has given a series of small gifts for years. The donor comes to events that you host, volunteers to make calls during phonathons, and is always actively praising your nonprofit on social media. That same donor can allocate a gift in her will that leaves her money to your organization when she no longer needs it.

In many ways, planned giving is a major gifts equalizer. It is one of most democratic ways of participating in philanthropy.

"Planned giving donations are among the largest gifts a nonprofit will receive, often 200 to 300 times the size of annual gifts. Even those fundraisers that just dip a toe in the planned giving waters are earning 50 percent to 100 percent more than those that aren't. This means if you don't have a planned giving strategy, you're losing out on a boatload of funding. And another group is getting the funding that could have been yours."

– PLANNEDGIVING.COM

GETTING READY FOR PLANNED GIVING

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 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.

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)

TYPES OF PLANNED GIFTS

Simple Gifts at Death

Charitable bequests

By far, the most common type of planned gift is a bequest by will. It is also generally among the easiest types of planned gifts your organization can receive. So, set aside any fears you may have of complicated gift planning! Establishing a simple bequest program can have great impact on an organization over time and promoting gifts by bequest should be the bedrock of a planned giving program.

When a donor creates their Last Will and Testament or Living Trust, typically with help of an estate planning attorney, she decides where she wants her material possessions to go after death and may include gifts to the organizations she cares about. The donor may state a specific dollar amount, asset, or percentage of her "residual estate" to go to one or more charities, after debts, other expenses and specific bequests to individuals are paid.

To help donors know how to properly include a gift to your charity in their will or living trust, your organization should offer suggested bequest language. (see sample bequest language in section Resources)

Beneficiary designations

There also are assets that can be transferred after death by beneficiary designation. Examples include life insurance policies, retirement and other investment accounts, and bank accounts with "payable on death" designations. Because these do not require a will or attorney, they are the simplest planned gifts to arrange and are most quickly received as they are paid to the beneficiary outside of the probate process. Probate is a legal process that takes place after someone dies that involves proving that a deceased person's will is legally valid, executing their instructions and paying applicable taxes. Some donors may choose to name charities as beneficiaries on these types of assets instead of, or in addition to, naming charities in a will. To be named in a beneficiary designation form, the donors will need an organization's legal name, Tax ID and address.

TIP: An estate planning advisor's job is made easier by having your organization's suggested bequest language, official name, tax ID number, and contact information available on your website so it can be easily referenced for bequests and beneficiary designations.

Split-interest gifts

Split-interest gifts refer to more complex planned gift arrangements that divide the gift between the charity and the donor. Typically one would own the income or lifetime interest while the other would own the remainder or residual interest.

Charitable Remainder Trust

A charitable remainder trust (CRT) is an irrevocable trust in which the donor transfers cash or property to a trustee and, in return, the donor or other individuals named by the donor as income beneficiaries receive income from the trust for life, or a specified term of years, not to exceed 20 years. When the trust terminates, the corpus is distributed to the charities named as the charitable remainder beneficiaries.

There are two main types of charitable remainder trusts:

- A Charitable Remainder Annuity Trust (CRAT) pays a fixed dollar amount, annually, based on the initial fair market value of the property transferred to the trust. For example, if a donor transfers $100,000 to an annuity trust and selects a payout percentage of five percent, the named income beneficiaries will receive $5,000 per year until the trust terminates, regardless of whether the trust principal increases or decreases in value over time. Annuity trusts are generally favored by donors who are more interested in receiving a fixed income than they are in chancing market volatility.

- A Charitable Remainder Unitrust (CRUT) provides fluctuating income payments to the income beneficiaries, based on a fixed percentage of the annually revalued trust corpus. For example, if a donor transfers $100,000 to a unitrust and selects a payout percentage of five percent, the named income beneficiaries will receive $5,000 in the first year. But, if in the second year, the trust grows in value to $110,000, the income beneficiaries will receive $5,500, enjoying the benefit from the appreciation experienced by the trust. Market volatility has a direct impact on the income payments received each year by the income beneficiaries. The trust document must provide a payout percentage of at least five percent.

CRTs offer several compelling benefits to donors: They can convert highly appreciated, often underperforming assets into lifetime income for the donor. Because CRTs are tax-exempt, appreciated assets sold in the trust avoid payment of capital gains tax. Donors enjoy a significant income tax deduction and also reduce the size of their taxable estate. All these financial and tax benefits accompany a strategy that enables them to make a significant deferred gift to causes they care about.

Charitable Gift Annuity (CGA)

A Charitable Gift Annuity is a simple contract between the donor and the charity whereby the donor makes an irrevocable transfer of cash or property to the charity. In return for the contributed property, the charity agrees to pay a fixed amount of money each year for the lifetime of one or two individuals. The payout rate offered by a charity is typically based on recommended rates from the American Council of Gift Annuities. The annuitants have the option to defer receiving their annuity payments until some future date, provided that this decision is made at the time the contract is written.

In addition to fixed payments, a Charitable Gift Annuity provides other benefits to donors including a significant income tax deduction, capital gains tax savings when appreciated assets are contributed, partially tax-free payment in almost all cases and the satisfaction of supporting a worthy cause.

Larger charities and some community foundations offer CGAs. Since these are contracts that guarantee payments for the donors' lifetimes, charitable organizations offering them must have a strong asset base and sophisticated accounting platforms for administration. A charity must register to offer CGAs through its state insurance commissioner and meet certain compliance standards. For some organizations that do not have the expertise or capacity to administer CGAs, creating a partnership with your local community foundation or The National Gift Annuity Foundation is an excellent option.

Charitable Lead Trust

A charitable lead trust (CLT) is an irrevocable trust arrangement that pays current annual income to the nonprofit organization for a specified period of years, with the trust principal reverting to the donor or the donor's family when the trust ends. The annual income payment by the trust is similar to an outright gift of cash, for the charity is free to use the cash as soon as it is received, subject, of course, to any restrictions placed on the gift by the donor. For a charity, it is a wonderful advantage to know they will receive a regular annual payment. Such predictable payments can provide a cornerstone of support that can be transformational for a smaller organization. CLTs usually start at a minimum of $500,000 and require experienced legal, tax and financial advisors to establish and oversee the trust.

Typically, donors utilizing Charitable Lead Trusts have large estates and are seeking relief from gift or estate taxes. CLT donors qualify for a gift tax deduction that discounts for gift tax purposes the value of the assets that will eventually pass to their heirs. At the end of the trust term, their beneficiaries will receive the trust assets. Any asset growth that occurs in the trust will be distributed to the beneficiaries free of gift or estate taxes.

Retained Life Estate

Under a retained life estate, the donor irrevocably deeds a personal residence or farm to charity, but retains the right to live in it for the rest of his or her life, a term of years, or a combination of the two. The term is most often measured by the life of the donor, or of the donor and the donor's spouse. The donor receives a significant income tax deduction for the present value of the remainder interest.

When the term ends, typically when the last of one or more tenants dies, the charity can either keep the property for its own use or sell the property and use the proceeds as designated by the donor. An agreement should be established with the donor to clarify the responsibilities they will have to maintain the property and ensure taxes and insurance are paid.

(Source: Establishing a Planned Giving Program by Dean Regenovich and Gordon Fischer Law Firm)

IMPORTANT NOTE: If you are providing this information to donors, please use the following wording: "(Name of your organization) does not provide legal or tax advice. All donors should consult their tax advisors to properly determine the tax consequences of making a charitable gift."

Current Gifts of Non-Cash Assets

Gifts of assets such as stock, real estate, and tangible personal property, although given for the current use of a nonprofit organization, qualify as planned gifts by virtue of their dollar value and complexity.

Appreciated stock

Publicly traded or closely held stock represents the most common type of noncash gift. Nonprofit organizations prefer gifts of publicly traded stock because they are highly liquid—they can be sold quickly by a phone call through a broker—and have readily ascertainable fair market values, published daily online and in newspapers like the Wall Street Journal. It will be necessary for your organization to open a brokerage account to receive such gifts.

Real estate

Real estate is the second most common type of noncash gift, but proceed with caution. There are a number of issues a nonprofit organization should address before accepting a gift of real estate. Is the estate subject to a debt? Are there liens or encumbrances on the real estate? Is the donor the sole owner, or is the property jointly owned with others? Once accepted, will the organization be able to sell the property within a reasonable period of time, and if not, does the organization have funds available to pay for the insurance, taxes, and maintenance? Will the organization retain the property and use it for its exempt purpose? Have environmental tests been conducted on the property to ensure that it is not contaminated? Many organizations require Board approval before accepting gifts of real estate. Some even create a real estate checklist that must be satisfied before the proposed gift is presented to the Board.

TYPES OF GIFTS RESOURCES

Samples:

- Bequest language
- Real Estate Gift Acceptance Procedure Manual, by the University of the Pacific
- Charitable Gifts of Noncash Assets, by Bryan Clontz

ENDOWMENTS

An endowment is a donation of money or property to a nonprofit organization, which uses the resulting investment income for a specific purpose.

You can think of an endowment like a never-ending IRA for a nonprofit organization – it can create an income stream for the life of the organization. Growth of the endowment will depend on successful investment management and additional donations to the fund. At some point, your endowment may be large enough to cover your annual budget. Imagine not having to fundraise!

Your Strategic Plan, Board Resolution and Gift Acceptance Policies all may outline the establishment of an endowment fund and its purpose. You will want to determine your minimum to establish an endowment. It is suggested that a nonprofit have at least twice their annual operating budget as a minimum. Some nonprofits will seed an endowment with excess cash from its operations or fundraising. This is a good starting point, but to really make a difference, it is crucial that you involve your community of supporters. In most cases, an endowment is funded by a significant bequest or major gift of cash or appreciated assets. Funding can also come from other types of planned gifts such as income interest from a Charitable Lead Trust or the remainder interest of a Charitable Remainder Trust.

In the United States, the Financial Accounting Standards Board (FASB) has identified three types of endowments:

- True endowment (also called Permanent Endowment). In a true endowment, the donor states that gifts are to be held permanently as an endowment, either for general purposes or for specific programs as identified in a written agreement. The nonprofit organization can spend the interest accrued through investing the corpus.
- Quasi-endowment (also known as Funds Functioning as Endowment - FFE). Reserve funds, financial windfalls, or unrestricted gifts that the Board elects to put into endowment are quasi-endowments. The principal may be spent.
- Term endowment. An endowment created for a set period of years or until a future event (such as the death of the donor) is known as a term endowment. After the term runs out or the event takes place, the principal may be expended.

In addition to board oversight, many organizations will create an endowment committee to assist with administration of the endowment. They will set the endowment investment policy, select the investment manager, and establish the spending policy. Usually, only a portion of the interest or earnings from an endowment (typically 4 or 5 percent) can be spent annually to make sure that the original fund (corpus) grows over time. Community foundations can be an excellent resource for smaller organizations to place their endowments. They will provide administrative support and investment oversight, allowing the organization to focus on its mission.

Endowment funds impress donors, especially long-term, generous donors. Donors love the option of giving a gift that keeps on giving well into the future, and the opportunity to support the needs of the moment, such as operating and program funding.

A great way to kick off an endowment is through a campaign. Create a case for support, set a goal, and broadcast your message widely: "We're starting an endowment! Help us create a sustainable future for our organization." Or, "Leave a Lasting Legacy – Leave 10!"

ENDOWMENT RESOURCES

- "The Importance of Endowments" by the Council on Nonprofits
- Nonprofit Essentials, Endowment Building by Diana Newman
- "Getting Serious About Building Endowment" by Kathryn Miree

HOW TO DISCUSS PLANNED GIFTS

If you want to attract planned gifts to your organization, you need to know how to discuss this meaningful gift opportunity with your donors. Who should you approach for this? How do you prepare for these conversations? By learning about what is important to your donors, you can be better prepared for what to say. This section of the toolkit aims to answer those questions, demystify what is involved, and hopefully motivate you to just do it!

Find Your Main Audience

For many fundraising professionals planned giving is only one of their many responsibilities. That is why it is important to identify the target audience and prioritize with whom you should be building relationships. In the presentation Profiles, Clues and Cues of Planned Giving Donors (see section Resources), you will learn about the attributes typically associated with planned giving donors. These include the nature of their affinity with your organization as well as the demographics, financial profiles and giving behavior associated with increased planned giving inclination. Lastly, the presentation also provides some conversation clues and cues that would indicate a donor's possible suitability for different planned gifts.

As you review this presentation, start putting together a list of your top 10 to 20 candidates who meet a lot of the described attributes, prioritizing those you already know well. These will be the donors whom you should prioritize visiting and getting to know even more deeply. Do not worry if you list more than 20 donors whom you do not have the time to meet given your other responsibilities. You can ask other people in your organization to help cultivate relationships with these donors. In addition, you can engage these donors in other ways such as through donor surveys, webinars, and digital and direct mail appeals about planned giving, which are discussed in the section Marketing to the Masses.

How to Prepare

You don't have to be an expert in planned giving to prepare for these conversations. Most planned gifts are made through charitable bequests and beneficiary designations, vehicles you learned about in the section on Accepting Bequests. What is more important is your ability to convey the case for long-term support, credibly present yourself as a trusted liaison for your organization and learn about what is truly important to the donor.

In the presentation How to Prepare for Planned Giving Conversations (see section Resources) you will learn about the elements to consider when building a case for long-term support and the importance of telling your own personal story – what makes you unequivocally committed to your organization. Since seniors are a major part of your audience, you will also learn how to build trust with donors and effectively respond to some senior preferences and culture. Finally, you will also learn the different dimensions of donor discovery and suggested questions for learning about the donor's personal history, charitable giving motivations, family concerns, financial situation, and legacy concerns.

Another resource is the Osborne Group's Strategic Questions for Gift Planning (see section Resources), which provides additional questions for exploring your donor's motivations, world view, giving interests, attitudes, values and readiness for planned gifts. All these questions will help you engage your donors in meaningful conversations about what is important to them and enable you to discern how a planned gift can align with their deeply-held values and goals.

How to Talk About Planned Giving

Once you have built strong relationships with your donors and they have affirmed their desire to help your organization, then you can start introducing the idea of a planned gift in your conversations with them. There are many ways to introduce this topic. In the presentation How to Conduct Planned Giving Conversations, you are provided with the scripts for 12 Planned Giving Conversation Starters. These are very natural ways to introduce planned gifts to donors who already trust you. If the donors are open to exploring these planned gifts further, the presentation also provides instructions on how to conduct a planned giving solicitation visit from the recommended structure of that meeting to suggested language for soliciting bequests, IRA beneficiary designations, charitable remainder trusts, gift annuities, etc. All these scripts incorporate the recommendations from Dr. Russell James' research "Words that Work," which revealed which words to use in presenting planned gifts to elicit greater positive responses. These scripts take the mystery out of these conversations and can help you engage more confidently.

Ethics

Planned giving discussions should be informed by the highest standards of ethical practice. You need to serve the best interests of the donor and your organization and your actions should reflect your organization's long-held values. These include values such as professionalism, accountability, transparency and adherence to donor intent. Lapses in ethical practice can lead to the loss of donors' trust, long-term harm to your organization's reputation and even expensive litigation. The Donor Bill of Rights and The Model Standards of Practice of Charitable Gift Professionals include principles that should inform your interactions with donors.

DISCUSSION RESOURCES

- Powerpoint: Profiles, Clues and Cues of Planned Giving Donors
- Powerpoint: Preparing Yourself for Planned Giving Conversations
- Powerpoint: How to Conduct Planned Giving Conversations
- Sample: Strategic Questions for Gift Planning from the Osborne Group
- More Information: Donor Bill of Rights
- More Information: Model Standards of Practice for the Charitable Gift Planner

MARKETING

It is fair to say that marketing comprises at least 50% of the work of building and sustaining a planned giving program. A great place to start is to look for ways you can add planned giving information to your current efforts. An effective marketing plan should educate about the basic ways donors can include philanthropy in their estate plans, while also highlighting the powerful impact these gifts can have in furthering the organization's mission. The most effective marketing efforts for encouraging planned gifts include a slow drip of stories and information released consistently over time. By gauging reactions to these small stories you can build an understanding of what resonates with your prospects and allow for consistent, nuanced messaging.

Incorporating Planned Giving

Once a Board has approved efforts to begin soliciting and accepting planned gifts, a planned giving program can be integrated into existing marketing. Start with updating your website to add a page about gifts by will and trust, and beneficiary designations. As your program grows, you can add additional topics and information. Spend some time looking at planned giving web pages for other organizations to decide on the content, tone, and layout that feels like the best fit for your audience. Be sure to include contact information for the person who will serve as the primary contact for answering questions about planned gifts. (see Leave 10 content example in section Resources)

It is important to utilize all channels to reach donors. Examine your organizations social media channels and use them to inform about planned giving and drive traffic to your new web page. Also consider including an article or ad about your newly launched planned giving group in newsletters (print or digital) and eblasts. You can integrate planned giving into your annual appeals by adding a check box on every reply mechanism, whether print or digital. This will encourage your legacy donors to self-identify (so you can thank and steward them), as well as build awareness about your program. For example, one checkbox might read, "Yes, I've already included a gift to (organization) in my estate plans." The other checkbox might read, "Please send me information about gifts by will and the (organization's) legacy society."

An excellent way to steward your donors as well as inspire others is to find a one or more donors who have confirmed future gifts to your organization and ask if they would be willing to be featured in a donor story to help encourage others to make similar gifts. Include a photo, if possible, and interview the donor to learn more about them and their reasons for giving. Your donor story should also describe the impact their gift will have on your organization's mission and how that impact makes the donor feel. According to research, donor stories are the most effective means for marketing gift planning. Donors begin to see themselves in the stories of others, so it is important to feature as many different donors as you can – single, married, grandparents, older, younger, BIPOC, LGBTQ, etc.

If you haven't yet heard of Dr. Russell James, we recommend learning about his research on planned giving donors – including what goes on in their brains! (see section Resources for a brief article highlighting his work and a link to free materials). As you are creating all of your marketing materials, you will want to keep Dr. James' research in mind and his finding that familiar, simple language is the most effective. It is best to avoid legal and technical terms to the extent possible. You should be sending the message that it is easy and rewarding to plan for a future gift to your organization.

There are many third-party companies specializing in marketing and communications specifically for planned giving programs. Some companies are full service and offer everything from customized webpage design, to training and print materials in a comprehensive package. Others offer services a la carte, like producing a gift planning newsletter, writing donor stories, or conducting a donor survey. If your organization has the budget, using a marketing company to boost your organization's efforts may be a very practical option. (see vendor list in Building Your Resources – Resources List)

Don't be discouraged if your marketing efforts don't result in a tidal wave of new donors right away. The conventional wisdom is that it typically takes about three to five years to fully realize the benefits of a sustained marketing effort for a new program. The key is to stay the course and be consistent in finding ways to regularly remind your constituents that your organization is knowledgeable about accepting estate gifts, continue to provide good stewardship to those who have made a commitment, and always be on the lookout for donor stories to share.

Segmentation & Finding Prospects

If your organization has a large database full of friends and donors, or if you have additional staff time and expertise to dedicate to marketing for planned giving, you can further refine your marketing efforts to include segmentation and testing of various marketing messages and images. This means that you send different, or slightly different messages, to different groups within your database to learn what elicits the best response. For example, your newsletter content, donor stories and program/event offerings to those ages 45 to 65, might be slightly different than those offered to constituents over age 65. Another approach would be to tailor a message to donors who support a specific program area. Remember that you want donors to see themselves in your messaging. This can be accomplished by simply swapping out the photos used in a particular piece to speak to different groups.

Ideally, you will be able to review and track analytics from your communications, so that when different images and messages are tested you can determine which ones get the best response or highest open rate, and use that information to plan future marketing efforts. Once your list of legacy donors starts to grow, you can start developing some general profiles, or personas, for who they are, which can also help you to better target your marketing to others in your database who may be similar.

If your organization has donors that are giving via a donor advised fund (DAF) or qualified charitable distributions from an IRA, they might also be great planned giving prospects – specifically for a beneficiary designation on their DAF or IRA. Make sure they are receiving your planned giving marketing and follow up with a meeting request to talk in person. A few other cues that may help you identify your best legacy donor prospects include your most loyal, long-time donors and volunteers, donors over age 65, and any donors without children. Conducting a broad donor survey every few years is a great way to invite valuable feedback from your donors, and it is also an opportunity to uncover previously unknown legacy donors and prospects if you include similar questions to the "checkboxes" described above. This also applies to any campaign feasibility studies conducted with your donors. Get creative and always be looking for ways to get your planned giving message to the donors who are ready to hear it.

If marketing is 50% of a solid planned giving program, the other 50% will be following up with your leads and best prospects by phone, email, video-chat, and in person to discuss and eventually confirm their future gift intentions.

MARKETING RESOURCES

Samples:

- Leave 10 website content

More Information:

- Research on Planned Giving Donors from Dr. Russell James
- Dr. Russell James Free Materials: Training & Fundraising Strategies

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.

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.

COMMUNICATIONS & SYSTEMS RESOURCES

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

STEWARDSHIP

Stewardship of planned gift donors should reach well beyond a simple gift acknowledgement or other singular event to provide a continuum of stewardship. Although in most cases, planned gift funds won't be received for many years, it is important to treat your planned giving donors as you would any major donor with thoughtful contact and relationship building. As mentioned, bequests and beneficiary designations are by far the most common type of planned gift made, and it is important to always remember that a donor can change their mind—and their bequest—at any time. Keep in touch with these donors, who have indicated they consider your organization to be as important to them as family, using a stewardship calendar to have touch points throughout the year.

Capitalize on Existing Efforts

A stewardship program does not need to be complicated or necessarily add expense to an organization's budget. Examine existing efforts within your organization and include your planned gift donors. For example, does your organization offer a tour or other programs? Publish a newsletter, annual report or impact reports? Host occasional stewardship events for annual gift donors? Add your planned giving donors to these distribution and invitation lists.

Look at the records of planned giving donors and, if your stewardship program for annual fund donors is segmented by giving levels, consider at which level you will include your planned giving donors. The inclusion of planned giving donors in major donor events provides a wonderful opportunity to raise awareness about your planned giving group or "legacy society" among your major donors. Introductory comments at such events can welcome legacy society members and members can interact with your major donors. This interaction in turn can encourage understanding between both groups about the different funding needs and opportunities.

Other relatively simple and low-cost stewardship ideas include non-religious holiday cards throughout the year, birthday cards (only if the donor has provided her birthdate), calendars or other small, inexpensive item unique to your organization. However, be cautious with gifts, as planned giving donors are often older and don't want to collect more "stuff" or perceive that an organization is "wasting money." Ideally, plan to hand deliver such any gifts if possible. Cards might be designed and printed by your organization, or they can be purchased inexpensively and included with your other donor stewardship supplies.

As mentioned in the section on marketing, living donor stories are the most effective marketing tool to encourage planned giving by other donors. Profiling donors are terrific opportunities to deepen your relationship with your donors, expand your knowledge about their lives and their connection with your organization.

Recognize Comprehensive Giving

Regular annual fund donors are among your best prospects for planned gifts. The consistency and longevity in giving, no matter the size of their gifts, make such donors the ideal candidates for planned giving. Pull historical giving reports and consider how you might recognize long-time donors. Again, it doesn't need to be complicated or expensive. Perhaps a personalized letter from your CEO/Executive Director or a program leader, a handwritten note paired with an impact or annual report, or a phone call to thank these donors. Better yet, all three! And, be sure to include long-time donors in your planned giving marketing strategy.

If you do host donor stewardship events and print nametags, you can easily add the number of years the attendee has been supporting the organization and/or the name of your organization's planned giving group. It can be a conversation starter as guests mingle—and quite surprising how much donors covet a particular designation or sticker!

If your organization publishes donor acknowledgment lists in its annual report or newsletter, consider how you can structure your list to provide special recognition to donors that support your mission in multiple ways. Ideas include a special recognition club or even just a simple notation, such as an asterisk, to call attention to annual fund donors who have also included a deferred gift to an organization in their plans.

Legacy Societies

When donors include your organization in their estate plans, they have elevated you to the level of family. A wonderful way of recognizing that honor is to include donors in a group or club (sometimes referred to as a legacy society). Membership in this special group is an appeal that you can incorporate in conversations that invite donors to consider planned gifts to your organization. Some planned gift donors appreciate the recognition and extra attention associated with membership in such a group. Others prefer to remain anonymous and not to be "fussed over." A recent study conducted by Pentera and the Indiana University Lily School of Philanthropy revealed that the average realized bequest of legacy society members was two to three times higher than that of non-group members. This seems to suggest that the focused stewardship provided to legacy society members leads to reinforced and increased giving.

If you wish to start a legacy society, the article "Reaching New Heights with Your Legacy Society" (see section Resources) provides useful guidance in this endeavor, including how to launch this recognition club, samples of membership benefits and what an annual event and other stewardship benefits may look like. (See sample Legacy Society Brochure template in section Resources.)

Steward Family & Advisors

Many nonprofits are quite passive in receiving bequests and other types of planned gifts. Don't let this be your organization!

The importance of acknowledging and stewarding both family members and personal representatives, executors, or attorneys representing estates was mentioned in the Essential Planned Giving Donor Communications and Systems section, but bears repeating here. When your organization receives notice about a bequest, first, check your donor database and discover how the donor was connected with the mission of the organization, how long they had been a donor and their overall level of involvement. Then, call the attorney, executor or personal representative to acknowledge receipt of the notice and to express gratitude on behalf of your organization. Indicate the organization's knowledge about the donor, if he was a supporter, and how much his support meant over the years. If you don't find the bequest donor in your database, ask the attorney, executor or personal representative why the gift was included in the donor's will. Let the representative know how the gift will be used and the difference it will make and ask if there are living members of the family you can contact to thank, or if they would forward an acknowledgment on your behalf.

If the gift was large, your organization might consider hosting a small event, such as a tea or luncheon, with members of the family, your CEO/Executive Director, Board Chair and program director. If appropriate, offer a tour of your facility or program and talk about the difference the planned gift from their loved one will make to the people your organization serves. Be sure to ask them if they would like to receive your newsletter or other communications about your organization's work, and send any publication acknowledging the bequest to your donor's family or representative.

The person responsible for planned giving should be the one who receives mail regarding bequests and that person should always respond promptly. It is important that professional advisors, such as estate planning attorneys, recognize that an organization has the capacity and professionalism to receive and manage bequests and other types of planned gifts. Build a list of estate planning attorneys as you work with them and continue to cultivate them as well.

Meet with Donors

The best type of stewardship is to meet one-on-one with your planned giving donors. This can take place over coffee, tea or lunch, but is best when you are able to meet at your donor's home. Visiting your donor's home is a terrific way to learn more about her, her family, interests, and connections with your organization and mission and is often welcomed by your donor. You will likely find these meetings to be at least as enriching and engaging for you as it is for your donor.

As with any other donor meeting, plan and have a written strategy in advance of each meeting, so you can thoughtfully share proper gratitude, such as the many years the donor has given, questions you want to ask them, key messaging about your organization's recent accomplishments and challenges, and the next natural step in developing your relationship. Remember, current planned giving donors are the best prospects for the next planned gift! A bequest donor may also be interested in giving through an IRA, appreciated stock, a charitable gift annuity, or other type of deferred gift.

STEWARDSHIP RESOURCES

Sample:

- Legacy Society Brochure

More Information:

- Reaching New Heights with Your Legacy Society

METRICS

Measuring Success

Like other fund development strategies, it is important to track key performance indicators for a planned giving program. These metrics can inform annual goals and indicate the amount or actual and potential future income. Establishing and regularly sharing metrics with your organization's staff and Board can be successfully leveraged to build awareness of the program and its impact on the organization. This can lead to an ongoing commitment to planned giving, which is key to the program's development and long-term success of an institution.

Where to Begin

First, dependent on the quality and comprehensiveness of your organization's database, research the number and types of planned gifts your organization has received over the years, the amount of these contributions, and piece together the individual stories behind them. Record key data points in the database or on an Excel spreadsheet, such as the names of donors, type of gift, amount of gift, and any other helpful details that might be evident, for example, the age of the donor, whether or not he or she had been annual fund donor, volunteer or staff member, and so on. These facts can help you later in segmenting your database for prospecting purposes. Stories you are able to discover through your database or discovery conversations with longtime staff and volunteers, will provide specific examples for you to share with your organization's staff, Board and donors to help them realize the importance and potential impact of such gifts.

What to Track

The vast majority of planned gifts an organization has received are likely to be bequests. Calculate the average size of bequest your organization has received, discounting anomalies such as the largest and smallest contributions. Round that amount to the nearest whole number and use the figure, or a range, to track a projected bequest expectancy for your planned giving program. If your organization has not received many planned gifts, consider using a figure based on research readily available online. For example, according to the Nonprofit Research Collaborative's national Winter 2018 study, the average bequest at the median was in the range of $25,000 to $100,000. You may wish to use the conservative end of the range you identify.

Research your files for known bequest expectancies and other planned gifts and create a spreadsheet with the names of the donors and other information that might be available, such as their ages, whether they are members or annual fund donors, volunteers, staff, male or female, married or single, have children or are childless. As you get to know these donors – and you certainly should reach out to them to introduce yourself, thank them, and ask to meet with them to learn their stories and connection to your organization – you can fill in any pertinent missing data, which, again, can help you segment your database to prospect for supporters with a similar profile.

In a separate spreadsheet or through your data base, track bequest notifications. Include the donor's name; name and contact information of the attorney, personal representative or executor; date of notification; and expected bequest amount, if known. Some notifications will include a check with the total or a partial distribution. Record that information. Other estates will be subjected to probate or have other issues to settle, such as the payment of debts or sale of real estate. You will want to gain an understanding from the estate's representative of the issues, process and timing of this work. It is important to check in regularly for updates, which can gently help keep the process moving along. And, understanding the expected timing for distributions can help your organization map revenue expectations.

You will also want to track planned giving activities, such as the number of contacts with planned giving donors and prospects, including phone calls, correspondence, visits, and their participation in events. Interactions with professional advisors should also be recorded.

As author Larry Kerstein states in the PG Calc article "Measuring Planned Giving Progress" (see section Resources): with a sustained investment in planned giving activity, it generally takes around five years to see material increases in known expectancies and life income gifts, and even longer before seeing increases in realized estate gifts.

Build Awareness & Support

While, of course, an organization should not count on planned gift expectancies, the projected figure of total expectancies can illuminate the potential revenue that can be realized from a planned giving strategy. It will very likely be much higher than any other fund development strategy an organization is pursuing, and that helps build enthusiasm and commitment to the planned giving program.

Track the number of the planned giving group and set annual goals to increase membership. As new members are discovered or recruited, share the good news with the Board and staff to keep the planned giving program on their radar. Track the planned giving club membership along with the organization's other key performance indicators that are regularly shared with your Board.

The details of planned gifts from living donors should be kept in confidence, but every time a bequest notification is received from an attorney, personal representative or executor, let your Board and staff know. Share the donor's story (Long-time volunteer? Family benefitted from the organizations work?) with the board and staff. Such information helps to bring your planned giving program to life and enriches the storytelling resource available to you, your Board and staff as the program develops.

METRIC RESOURCES

- Tracking Metrics: "Measuring Planned Giving Progress"

WORKING WITH PROFESSIONAL ADVISORS

The term "Professional Advisors" is a bit of a catch-all. It refers to attorneys, accountants, financial professionals, and planned giving officers – all of the professionals who could help plan for a charitable gift. Professional advisors could provide legal expertise, strategy, technical expertise, giving vehicle recommendations, or they might help facilitate conversations or identify potential partners.

Sometimes the professional advisors work for the donors. They could have a high level of expertise in charitable giving (as an estate-planning attorney), or they may work in an area of practice that deals with significant wealth events (like inheritance or the sale of a business or property) for their clients, as trustees, accountants, real estate attorneys, and wealth managers.

Sometimes the professional advisors work for you – the recipient of a donation. In this case, their job is to provide counsel to you to help ensure as smooth a transaction as possible when receiving a gift and to ensure that the gift is both legal and legally defensible should the need arise. This is often provided by an attorney whose practice area complements the nature of the gift, but could also be provided by an accountant or even an in-house planned giving officer.

Beyond the professional advisors described above, many other professionals could fall into the professional advisor category. This includes business consultants, philanthropic advisors, and sometimes therapists or religious leaders.

Hiring Professional Advisors

When it comes time to hire a professional advisor or have them available to you for questions, know that there are often a few ways to accomplish it. First, some professional advisors work on a retainer model. That means that for a regular fee or retainer, they will make themselves available to you as needed. Note that within the retainer model, there are different types. What is fairly consistent is that having on-demand or highly technical access to a professional carries the highest premium. Others might work on a project model, where they will assess the scope of services they will provide to you and the timeframe for delivering that scope and supply bid for the entire project's cost. Still, others work an hourly basis, where they track their specific time spent working for you and bill after services.

When considering hiring a professional advisor, we encourage you to seek an advisor who demonstrates a commitment to ethics. Though professional advisors can work in numerous specialties, many of those specialty areas have professional organizations or certifications that mandate ethical practices such as CAP® (Chartered Advisor in Philanthropy), CFP® (Certified Financial Planner), CPWA® (Certified Private Wealth Advisor), or CPA (Certified Public Accountant), to name a few.

Developing a Network

Networking with professional advisors, particularly those practicing in the local community, can sometimes lead an organization to new prospects. Clients sometimes look to their professional advisors, such as attorneys, accountants, financial planners, and trust officers, to satisfy philanthropic objectives. Many financial advisors actively promote various planned giving instruments to their clients, recognizing that some clients will lose control over a certain percentage of assets at death due to estate tax. With proper lifetime planning, some planned giving instruments can allow individuals to redirect dollars that would have otherwise be lost to the government in the form of taxes to their favorite charities, thereby allowing the individual to determine how their hard-earned dollars are spent.

Some organizations formalize their network of financial advisors by creating a planned giving committee that meets periodically to create gift acceptance policies, review prospect lists, prepare articles for planned giving newsletters, and learn more about the organization's mission. Many professional advisors welcome the opportunity to learn more about an organization's mission, the programs it offers, and the people it serves.

Creating opportunities for advisors to come to an organization's site and observe firsthand the organization and its people as they carry out that mission may leave an indelible mark that may cause advisors to think of the organization when discussing philanthropic alternatives with their clients. Consider offering learning opportunities such as seminars or lunch-and-learns where the topic focuses on charitable giving strategies. Advisors especially appreciate it if continuing education credits are offered at these learning sessions.

Another important partner to include with your professional advisor network is your local community foundation. Community foundations exist to help facilitate charitable giving and connect donors with charitable interests. Community foundations understand the needs of a community or given population, raise funds from the public, and distribute those funds in the form of grants to organizations that meet those needs. Their philanthropic advisors have expertise in complex gifts or can help you connect with the right advisors to meet your needs. You can find some local community foundations on our Resource List.

BUILDING YOUR RESOURCES

The prior sections of this toolkit focused on bringing your organization into readiness for a planned giving program. If there is one takeaway that we would like you to understand as we conclude, it is this:

Don't worry. There are always professional people available to help you with complex gifts or general questions.

A second point would be that you don't have to be an expert in all areas, but do your best to broaden your knowledge. Many organizations fail to create a planned giving program because they feel that they lack professional expertise to manage it. As planned gifts are often more substantial than annual gifts, it is often well worth the expense to engage with professional counsel when needed. But, you also needn't be an expert in all areas of planned giving to grow a program in your organization.

Professional Development & Skill Building

In reading this toolkit, you are already taking the critical step of building your own knowledge in planned giving. Congratulations!

We have developed a Resource List to provide you with links to resources that will help you further your understanding of planned giving. This includes:

- **Books:** A curated reading list to help build your own expertise in planned giving. This includes not only books that provide technical expertise but also books that will help you better understand donor psychology, financial systems, and philanthropy – all essential in a well-rounded planned giving program.
- **Philanthropy-specific organizations:** Links to some organizations that provide counsel to donors on specific areas of fundraising, including engaging younger generations, grantmaking and social justice.
- **Professional organizations:** Links to organizations that promote education, ethics, and networking for professional advisors and planned giving professionals.
- **Helpful guides:** Links to best practices guides for planned giving.
- **Tools:** Aggregated information and technical resources for planned giving.
- **Planned giving marketing vendors:** Links to organizations that provide planned giving expertise and/or marketing services. These vendors are often accommodating in providing gift calculators, glossaries, and information on emerging issues.

RESOURCE LIST

Articles:

- Professional Advisors and Nonprofits – A Collaboration
- Identifying Professional Relationships that Make a Difference, Kathryn W. Miree
- Brain Scan Study Gives Fresh Insight into Charitable Giving Behavior, Rosen
- Charitable Gifts of Noncash Assets, Bryan Clontz

Recommended Books:

For Non-Profits

- Planned Giving in a Nutshell, Craig C. Wruck
- Planned Giving Essentials: A Step by Step Guide to Success, Richard D. Barrett
- The Complete Guide to Planned Giving, Debra Ashton
- Nonprofit Essentials: Endowment Building, Diana S. Newman
- Donor-Centered Planned Gift Marketing, Michael J. Rosen
- The Seven Faces of Philanthropy, Russ Prince, Karen File
- The Charitable Handbook, The National Underwriter

For Individuals

- The Golden Ghetto, Jessie O'Neill
- The Hidden Gifts of Helping, Stephen Post
- Philanthropy, Heirs and Values, Williams and Pressler
- The Price of Privilege, Madeline Levine
- Raising Financially Fit Kids, Jolene Godfrey
- Giving, Philanthropy for Everyone, Esperti, Petterson, Zeeb
- Inspired Philanthropy: A Step by Step Guide to Creating a Giving Plan and Leaving a Legacy, Tracy Gary
- Six-Word Lessons to Build a Sustainable Legacy, Tom Fowler

Training Resources:

- Videos, Articles and Books List by Russell James

Programs & Organizations:

- 21/64 (resources to engage the next generation) https://2164.net
- American Council on Gift Annuities www.acga-web.org
- The American College Chartered Advisor in Philanthropy (CAP)® Program www.theamericancollege.edu/designations-degrees/CAP
- Association of Fundraising Professionals Advancement Northwest and the International Association of Fundraising Professionals www.afpadvancementnw.org www.afpglobal.org
- Donor Search www.donorsearch.net/planned-gifts-complete-guide
- Estate Planning Council of Seattle www.epcseattle.org
- Free Will - www.freewill.com
- Leave 10 - www.Leave10.org
- Moonjar - www.moonjar.com
- National Association of Charitable Gift Planners https://charitablegiftplanners.org
- National Council of Nonprofits www.councilofnonprofits.org
- Nonprofit Library - https://nonprofitlibrary.com
- Philanthropy Northwest www.philanthropynw.org
- Planned Giving.com https://plannedgiving.com/about-us/what-is-planned giving
- Slide Share https://www.slideshare.net/rnja8c/talking-planned-giving-words-that-work
- Social Justice Fund - www.socialjusticefund.org
- Sound Philanthropy www.soundphilanthropy.com
- South Sound Planned Giving Council www.sspgcouncil.org
- Tacoma Estate Planning Council www.tacomaestateplanning.org
- The Fundraising Authority www.thefundraisingauthority.com/planned-giving
- Washington Planned Giving Council www.wpgc.org

Community Foundations:

Community foundations are public charities that encourage and facilitate impactful philanthropy in our local communities and beyond. Many community foundations can assist nonprofits with the acceptance and administration of different types of planned gifts, including charitable gift annuities, charitable trusts, and retained life estates, as well as manage endowments. Most community foundations have planned giving experts on staff and robust planned giving websites and related resources.

Local community foundations:

- Bainbridge Community Foundation
  www.bainbridgecf.org
- Community Foundation of Snohomish County
  www.cf-sc.org
- Community Foundation of South Puget Sound
  www.thecommunityfoundation.com
- Greater Tacoma Community Foundation
  www.gtcf.org
- Kitsap Community Foundation
  www.kitsapfoundation.org
- The Seattle Foundation
  www.seattlefoundation.org

Planned Giving Marketing, Software & Consulting Resources:

- Crescendo Interactive
  www.crescendointeractive.com
- PG Calc
  www.pgcalc.com
- PlannedGiving.com
  www.plannedgiving.com
- Planned Giving Design Center
  www.pgdc.com
- The Stelter Company
  www.Stelter.com
- LILTdesign.com
  www.liltdesign.com
- Thompson & Associates
  www.ceplan.com

Local Estate Planning Councils:

- Estate Planning Council of Seattle
  www.epcseattle.org
- Tacoma Estate Planning Council
  www.tacomaestateplanning.org
- Snohomish County Estate Planning Council
  www.scepc.org

THANKS & RECOGNITION

Many people contributed to this Toolkit and we thank them for their hard work.

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