

PLANNED GIVING: A TOOLKIT FOR NONPROFITS

RESOURCES FOR LAUNCHING &
MAINTAINING A PLANNED
GIVING PROGRAM

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Robin Barefoot, JD
Legal and Policy Advisor/Director of Planned Giving
Triangle Community Foundation
robin@trianglecf.org
919.474.8370



As Director of Planned Giving, Robin is a senior member of the development team responsible for the growth of financial assets of the Foundation and works directly with donors and their professional advisors. Robin oversees the planning, negotiation and acceptance of traditional and complex gifts, including gifts of privately held businesses, real estate, restricted securities, non-cash assets as well as estate and trust administration. Her outreach to legal, accounting, tax and financial professionals promotes philanthropy generally and the resources available through the Foundation, and she offers technical assistance in structuring current or deferred gifts to meet the needs of their clients. In her role as Legal and Policy Advisor, Robin addresses tax, legal and regulatory issues related to the philanthropic activities of the Foundation, including its policies, and coordinates with retained outside counsel for matters in which the Foundation requires legal representation. Robin received a Bachelor of Arts degree in English at UNC-Chapel Hill and a Juris Doctorate *cum laude* from NCCU School of Law.



Douglas W. Benson, JD
Associate Counsel & Vice President – Planned Giving
Foundation For The Carolinas
dbenson@fftc.org
704.973.4594



Doug serves as Associate Counsel & Vice President – Planning Giving at Foundation For The Carolinas (FFTC). As a member of the Philanthropic Advancement team responsible for the growth of FFTC's assets, Doug works directly with donors and their professional advisors and offers technical assistance to help facilitate the structuring of current and deferred gifts to meet the needs of FFTC's clients. Doug also collaborates with other members of the Philanthropic Advancement team to coordinate the planning, negotiation and acceptance of traditional and complex gifts. In this role, Doug works closely with donors interested in making gifts of closely-held business interests to Community Investments Foundations (CIF), a supporting organization of FFTC, or gifts of real estate to Community Real Property Holding, Inc. (CPRH), another supporting organization of FFTC. Doug has spoken on a broad range of charitable and estate planning topics and frequently speaks about planned giving. Doug received a Bachelor of Arts degree in Economics, *cum laude*, from the University of Rochester and a Juris Doctorate, *cum laude*, from Duke University School of Law.

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INTRODUCTION

Planned giving is critical to the long-term success of any nonprofit organization. These materials provide you with tools which you can use in starting and/or growing your organization's planned giving program. They also discuss opportunities for partnership that are available at your local community foundation.

Interactive: Who's in the Audience?

- Executive Directors? Development Staff? Others?
- Brand new to nonprofit sector? 5 years? 10 years? Career?
- Organization size: \$1m or less? More than \$1m
- First planned giving workshop?

Interactive: What do you hope to learn today?

WHAT IS PLANNED GIVING?

Planned giving has many definitions, including the following:

- A process of charitable, legal, financial, and tax planning that enhances a donor's philanthropy and enables the donor to address financial and estate planning issues while making a gift;
- Strategies for making a gift based on a donor's personal, financial and estate planning decisions; and
- Any major gift, made in lifetime or at death, as part of a donor's overall financial and/or estate planning.

Planned giving is also referred to as:

- Deferred Giving
- Legacy Giving
- Gift Planning
- Endowment Building

Planned gifts typically:

- Are deferred until death
- Do not adversely impact a donor's annual giving (it may actually increase it)
- Are a donor's largest gift
- Are reserved for a donor's favorite charities

As discussed below, planned gifts have the potential to be transformational.

WHY IS PLANNED GIVING IMPORTANT?

In order to understand the importance of planned giving, consider the following questions:

- How many gifts greater than \$5,000 did your organization receive last year?
- If your largest donors died this year, what challenges would this present?
 - Would your organization be able to survive?
- What if you were the beneficiary of a \$1M bequest?
 - What would your organization do differently?

These questions help illustrate the important role that planned giving plays in an organization's long-term success. Planned giving is:

- Generally the best way to build an endowment
- A source of working capital to support growth
- Another source of major gifts
- An opportunity for many donors to leave a large gift at death which they can't or won't do during life.

In addition:

- Planned giving represents ~8% of total charitable giving in the United States
- Research shows that annual donors who make a planned gift often increase their annual giving.
- Planned giving is about not missing the opportunity.

Interactive: Q & A

- Let's define endowment?
- How does your organization's endowment tie into its planned giving efforts?
- Other thoughts about the importance of planned giving?

ASSESSING NONPROFIT READINESS

Prior to launching a planned giving program, your organization should consider whether it has laid an appropriate foundation. The following broad questions which can be used to assess the readiness of your organization to launch a planned giving initiative. They focus on various aspects of organizational stability, donor relations, programmatic clarity, and staff/board support as each relates to a sustainable effort to solicit and receive planned gifts. On the next few pages, each question is broken down into sub-questions which are intended to assist you in your assessment efforts.

1. Is your organization established and stable?
2. Do you have a recognized track record of success?
3. Is there sufficient staff and volunteer support?
4. Is there an existing donor base?
5. Do you know your donors?
6. Do your donors know you?

We will examine these questions one by one and look at the various issues you should consider.

1. Organizational History: Is your organization established and stable?
 - a. How long has your organization existed?
 - b. Do you have a strong Board in place?
 - i. Has the Board been stable?
 - ii. Have Board members made a planned gift?
 - c. What is the stability of professional leadership?
 - i. Years of service?
 - ii. Experience with planned gifts?
2. Track Record: Does your organization have a recognized track record of success?
 - a. Do you follow your stated mission?
 - b. Do you accomplish organizational goals? Are you financially successful?
 - i. Are donor gifts used wisely and effectively?
 - c. Does your organization “toot its own horn”?
 - i. Do you share your successes with donors and the community?
 - d. Is there a positive “community buzz”?

3. Staff and Volunteer Support: Is there sufficient staff and volunteer support?
 - a. Would the planned giving initiative be led by staff or lay leadership?
 - b. Do you have one or more lay leaders to champion planned giving efforts?
 - c. Do you have sufficient staff to support planned giving efforts?
 - i. Does your current staff have the expertise to support such efforts?
 - ii. If not, do you anticipate adding additional staff?

4. Existing Donor Base: Does your organization have an existing donor base?
 - a. Do you have an annual fund?
 - i. Is it successful?
 - ii. How long has it been in place?
 - b. How well does your organization track its donors and giving records?
 - i. Your current donors are generally your best planned giving prospects.

5. Communication With Donors: Do you know your donors?
 - a. Communication is paramount
 - i. Do you meet with donors regularly?
 - ii. How often are you in contact with donors to understand their motivations for giving?
 - iii. Do you thank donors for their gifts? How?
 - b. Donor Motivation
 - i. Why do your donors give in general?
 - ii. Why do your donors give to you?

6. Effective Communication: Do your donors know you?
 - a. Do your donors know and understand your mission and all the things you do?
 - i. It is important to tell them what you do and why
 - b. Do your donors know:
 - i. Your organizational history?
 - ii. Your plans for the future?
 - c. Do they know your challenges and opportunities?

In reviewing these questions, you may determine that your organization is not ready for a planned giving initiative. It's okay not to be ready yet. If your organization is not ready, now is the time to:

- Begin to take the steps to address any concerns
- Promote legacy gifts to a target audience
- Set a timeline for launching a broader planned giving initiative

Interactive: READINESS ASSESSMENT WORKSHEET	ANSWER	READY FOR INITIATIVE	NEEDS WORK
Is your organization established and stable?			
How long has your organization existed?			
Is there a strong Board in place?			
Has the Board been stable?			
Have Board members made a planned gift?			
What is the stability of professional leadership?			
Years of service?			
Experience with planned gifts?			
Do you have a recognized track record of success?			
Do you follow your stated mission?			
Do you accomplish organizational goals?			
Are you financially successful?			
Are donor gifts used wisely, effectively?			
Do you “toot your own horn”?			
Share your successes with donors?			
Is there a positive “community buzz”?			
Is there sufficient staff and volunteer support?			
Would the initiative be led staff or volunteer driven?			
Any volunteers to champion planned giving efforts?			
Do you have staff to support planned giving efforts?			
Does your current staff have the requisite expertise?			
If not, do you anticipate adding additional staff?			
Do you have an existing donor base?			
Do you have an annual fund?			
Is it successful?			
How long has it been in place?			
How well do you track donors and giving records?			
Do you know your donors?			
Do you meet with donors regularly?			
Do you thank donors for their gifts? How?			
Do you discuss donor’s motivations for giving?			
Do you know why your donors give in general?			
Do you know why they give to you?			
Do your donors know you?			
Do your donors know and understand your mission?			
Do your donors know your organizational history?			
Do your donors know your plans for the future?			
What are your challenges/opportunities?			

LAUNCHING A PLANNED GIVING INITIATIVE

The Elements

This section summarizes the steps your organization can follow when it is ready to launch a planned giving initiative.

1. Engage Board and Other Leadership
 - a. Engagement of your Board is critical:
 - i. Determine how planned giving ties into organizations strategic plan.
 - ii. Good opportunity to review your gift acceptance policy and discuss willingness to accept restricted funds.
 - iii. Consider creating committee to oversee initiative.
 - b. Board should also consider:
 - i. Risk Management Scenario
 - A. What if your largest donors died today?
 - ii. Impact of large bequests
 - A. Create an organizational wish list.
 - c. Participation of Board and other leadership is critical.
 - i. Have Board Members and other key leaders made planned gifts?
2. Prepare a Case Statement
 - a. What makes your organization unique?
 - b. What is your value to the community?
 - c. Why do you need planned gifts?
 - i. What would you do with amounts received?
 - d. Prepare talking points:
 - i. Include personal stories, as well as information about how many people you serve and how many lives you impact
3. Identify Prospects
 - a. Current/past Board members and your other leaders
 - b. Long-term donors
 - c. Clients and family members
 - d. Other donors and community members

4. Meet with Donors
 - a. Schedule time for planned giving conversations
 - i. Best way to reach out is by phone
 - b. During you initial call:
 - i. Discuss their past connection to you
 - ii. Set a time to meet to discuss planned giving
 - c. When setting up a meeting, determine:
 - i. Date, time, location and whether spouse will be joining

5. Recognize Donors Who Make Planned Gifts
 - a. Send personalized, handwritten thank you notes
 - b. Consider a “Legacy Society” for donors who make made a planned gift
 - c. Include donor stories on website/newsletters
 - d. Special dedication ceremony for surviving family members

6. Continue to Promote Planned Giving and Its Impact
 - a. Website
 - i. General info about planned giving (e.g., language for bequests)
 - ii. Provide the Legacy Society enrollment form on website
 - b. Annual Fund Mailing
 - i. Communicate how planned giving makes a difference
 - ii. Provide information about planned giving opportunities
 - c. Newsletter
 - i. Include testimonials of why donors make planned gifts
 - ii. Link the receipt of a planned gift to the impact of the organization
 - iii. Bring attention to new Legacy Society donors

LAUNCHING A PLANNED GIVING INITIATIVE

A Timeline

When you are ready to create a formal planned giving program for your organization, there are many steps to think about. Here are some guidelines to making sure your program gets off the ground smoothly.

Ground Zero

- Be sure your Mission/Vision/Core Values speak to the future and sustainability of the organization. Planned giving is NOT about present operational dollars.
- Include planned giving in your next strategic planning process.
- Consider your budget, reserves and present fundraising to verify that current financial needs are properly addressed.
- Analyze your donor base and patterns of giving. Understand the four stages of individual donor fundraising – identification, cultivation, solicitation, and stewardship.
- Establish recordkeeping and stewardship processes.

Prior to Lift Off

- **With your Board**

- Discuss and vote to allocate adequate resources in the form of staff time and marketing dollars to planned giving.
- Create a planned giving subcommittee or task force, if possible. Nominate a single board member to champion planned giving.
- Seek a commitment from board members to make a planned gift to your organization. The dollar value is less important than the firsthand experience and emotional commitment.

- **With Staff or Volunteers**

- Decide on an investment plan and fiduciary for dollars raised. It is important to be able to tell donors where and how endowment dollars will be invested and managed.
- Write policies and procedures for gift acceptance which include:
 - Types of gifts you will or will not accept; minimum gift levels, if any.
 - At what level gifts can be restricted for certain use or named by the donor.
 - Whether gift agreements are needed.
 - Sample language for bequests and trusts.
 - How anonymous gifts can be made and the donors' privacy protected.
- Track planned gift donors, your calls, meetings and solicitations to them and resulting gifts. Where possible get copies of planned gifts.
- Determine how to recognize planned givers . . . pins, legacy society, recognition society. Be sure to thank them and keep them informed.

Countdown to the Ask

- **With your Board**
 - If your organization does not have legal counsel, identify a lawyer or firm who will work with staff as needed to answer questions or review proposed planned gifts.
 - Request one or two planned gift prospects from each board member.
- **With Staff or Volunteers**
 - Draft a letter about how important it is to your constituency that assets be secured today for the organization's tomorrow. How will planned gifts further your mission -- programming, scholarships, new projects? Inspire donors with an example of deep need or powerful solutions brought to fruition through a legacy gift.
 - If you have an endowment, talk about building it. If you don't have an endowment, consider starting one. Write endowment policies and talk about endowment purpose.
 - Pre-screen professional advisors for your referral list to share with donors who do not have advisors of their own. You want friendly and competent advisors who will support and help implement strategies that will benefit your organization.
 - Make a list of people who have already included your organization in a will, estate plan, life insurance policy or other gift. Preserving anonymity where desired, publish the list in your annual report or on your website.

Now You Are Underway

- **With your Board**
 - Board members could accompany development staff or executive director on meetings with planned giving prospects.
 - Board members could phone or write a 'thank you' when a planned gift is confirmed.
 - Host or sponsor a luncheon or other recognition event for planned givers.
- **With Staff or Volunteers**
 - Integrate planned giving messages into all communications. Be sure information is available on your website that is easy to understand and user friendly.
 - Make sure your annual gift request provides a planned gift prompt, perhaps including sample language for will bequests or offering assistance with both restricted and unrestricted planned gifts.
 - Add a planned giving tag line to every gift acknowledgment letter.
 - Network whenever possible with professional advisors. Let them know you welcome the opportunity to work out planned gifts for their clients who wish to benefit your organization. Remember you are a referral source TO them as much as they can be a referral source to YOU.
 - Join a planned giving organization for news and training.

Interactive: Q & A

- What's the hardest step? Where is your organization in the timeline?

IT ALL COMES BACK TO BASIC DONOR RELATIONS

- How to have successful conversations with donors:
 - Take time to try to establish a rapport and put the person you're speaking with at ease
 - Be sure to listen
 - Find out what the person is saying about their connection to you, what is going on in their lives, etc.
 - Learn what motivates donors
 - Connect motivations with your organization's needs
 - Demonstrate your own passion and connection

- Things to Remember
 - Actively listen to donors
 - Be interested in what the donor has to say
 - Remember that planned gifts are about helping people understand they can make a difference in the world, beyond their lifetimes and leave a philanthropic legacy
 - Always send a personalized, handwritten thank you note
 - Even if the donor chooses not to make a planned gift

CONVERSATION STARTERS

It may feel awkward to bring up the idea of planned giving with your donors – because ultimately you are talking around or about their death. But the conversation doesn't have to and probably shouldn't begin there. If you can enter a conversation about why they support your organization and what's important to them, your question about their estate plan and intention to support your organization should be about their legacy.

Talk about the Donor's Loyalty . . .

- What inspired you to make your first gift to the organization?
- What has been your most meaningful or memorable experience with the organization?
- Tell me more about your experience as a volunteer with the organization.

Talk about the Donor's Values . . .

- Tell me why the organization is important to you.
- What are the values or principles of the organization that are most important to you?
- What is important to you in terms of the impact of your gift?
- One of our donors has shared with us that they believe they can best demonstrate their charitable values within their family by making a planned gift to the organization.

Ask the Donor's Advice . . .

- What would inspire you to make an estate gift to the organization?
- You've been a loyal donor to the organization for many years. Because you are so committed to our organization, we wanted to get your feedback on a planned giving program we are launching. There are three areas that we want to focus on growing endowment funds to support...Would you be willing to let us know if you find these priorities to be inspiring?

Help the Donor Honor Someone Else. . .

- Several donors have made gifts in honor of a parent or a spouse on the occasion of their birthday, wedding anniversary – or even a colleague on the occasion of their retirement. Is there someone in your life you would consider honoring in this way?
- Is there someone you would like to thank, remember or recognize with a planned gift made in their honor? A favorite teacher, professor, friend, coach or mentor?

Honor the Donor . . .

- Would you be willing to let us write a short article about your gift in our next newsletter?
- We would like to highlight your gift and reasons for making such a commitment with the hope that it will inspire others to consider their own legacies and planned gifts.

Interactive: ROLE-PLAYING EXERCISE

1. Break into groups of 3 or 4 persons; one person should keep notes on the chart below.
2. Each person tells the group his or her name and a nonprofit organization about which they are passionate, OTHER THAN his or her employer. The organization may be the person’s church, alma mater, children’s school, an organization for which he or she volunteers, or a nonprofit with which he or she formerly worked. A brief explanation about the organization’s mission should be provided.
3. Another person in the group volunteers to ‘ask’ for a planned gift or ‘start’ a conversation about planned giving as if he or she is the executive director or development director of the organization.
4. Each person in the group should have a turn at being ‘donor’ and ‘asking’ for the planned gift.

	PERSON 1	PERSON 2	PERSON 3	PERSON 4
PERSON’S NAME				
NAME OF ORGANIZATION				
MISSION				
‘VOLUNTEER’				

TYPES OF PLANNED GIFTS

A planned gift is one that originates during the donor's lifetime but is not available to the nonprofit organization until after the donor's death or some other later event. There are three categories of planned gifts.

Gifts Payable Upon Donor's Death

Bequest - A gift made by will. **80% of all planned gifts are bequests.**

1. A specific bequest is typically a stated dollar amount.
2. A residuary bequest is either the entire estate which remains after all other gifts are made, or a percentage of the remaining estate.

Life Insurance

1. **Beneficiary Designation:** your organization is designated as the beneficiary of the life insurance policy to receive death proceeds. Charity can be designated to receive 100% or a fractional percentage of proceeds, and can be either the primary or contingent beneficiary.

2. **Transfer of Policy:** ownership of a paid-in-full life insurance policy can be transferred to the named charity, or ownership of a policy can be transferred while the donor continues to pay the premium. The present value (not necessarily the face amount) of the policy is tax-deductible at the time of the transfer, and premiums are tax-deductible as paid by the donor.

Gifts that Return Income to the Donor

Charitable Remainder Trust -- A trust which makes annual payments to the donor or designated person(s) for a term of years (not to exceed 20 years) or the donor's lifetime. The payments are either fixed percentages or fixed dollar amounts; thereafter, the named charity receives the remaining trust assets. The amount of the payments depends upon a number of variables, including the age of the donor, the amount of the charitable gift, and the applicable federal rate for determining the present value of an interest for a term of years.

Charitable Gift Annuities -- Lifetime payments provided in exchange for donor's charitable gift, governed by the terms of an annuity contract between the charity and the donor. The amount of the payments depends upon a number of variables, including the age of the donor, the amount of the charitable gift, and applicable federal rate for determining the present value of annuities.

Gifts that Use Appreciated Assets

Charitable Lead Trust -- A trust that first makes annual payments to the named charity for a term of years and thereafter passes the assets back to the donor or the donor's children or grandchildren. Again, the payments may be fixed percentages or fixed dollar amounts, and the amount depends upon the donor's age, amount of the gift, and applicable federal rate.

Real estate – by deed, a donor can transfer either their entire interest or a fractional interest in real estate. The value of the interest transferred generates a charitable deduction to offset potential capital gains.

Retirement Assets –named charity is designated as beneficiary of retirement account. It is particularly advantageous to assign retirement accounts to a charitable beneficiary to avoid potentially significant tax consequences when the retirement assets are received by your family members or other designated beneficiaries.

Interactive: Question & Answer

- Which gifts have been offered to your organization?
- Which have been successfully accepted?
- Which have been turned down for lack of expertise or capacity?

PLANNED GIVING PROMPTS

Customize these prompts with the name of your organization, its mission and impact. Use them as part of your existing communication tools – your website, newsletters, annual solicitations, meetings and other outreach. Coordinate the language and look with your brand and marketing theme.

Bequest by Will

A legacy of giving

Including a charitable bequest in your will is a simple way to make a lasting gift to *Organization* and your community. You can leave a bequest to *Organization* by adding to an existing will or drafting a new one. Make a gift of a stated dollar amount, specific property, a percentage of your estate, or the remainder after distributions to other beneficiaries. In doing so you leave a legacy to *Organization* and your community, yet preserve and enjoy assets you might need during your lifetime. Plus, the assets distributed to *Organization* are exempt from estate tax. For more information about how your charitable bequest can benefit *Organization*, please contact XXX. We also recommend that you consult with your tax advisor or planning professional.

Life Insurance

A simple way to give a significant gift

Giving through life insurance is one of the simplest ways to make a significant contribution to *Organization* and establish your legacy of giving. There are two approaches: You can designate *Organization* as the primary or secondary beneficiary of either 100% or some percentage of the proceeds from the policy. Or you can transfer to *Organization* ownership of the policy – either paid in full or for which you continue making premium payments. The transfer of the policy is a present gift for which a charitable tax deduction may be taken, and your continued payment of premiums is each considered charitable contributions, deductible to the full extent of the law. For more information about how the gift of a life insurance policy can benefit *Organization*, please contact XXX. We also recommend that you consult with your tax advisor or planning professional.

Gifts of Real Estate

An unmatched opportunity to make an impact

You can turn the value of real estate into community good and receive financial and tax benefits with a gift to *Organization* of real estate. A rental house, vacation home or unimproved land can be gifted to *Organization* for sale. You avoid capital gains tax and the proceeds from the sale of the property will be used to support our work in the community. A gift of only the 'remainder interest' in your personal residence to *Organization* while you and your family continue to live in and fully enjoy your home as long as you like can also produce a charitable deduction. This is a retained life estate and works just as well with a farm or vacation home as with your principal residence. For more information about how your gift of real estate can benefit *Organization*, please contact XXX. We also recommend that you consult with your tax advisor or planning professional.

Gifts of Publicly-Traded Stock or Closely-Held Business Interests

Let your portfolio or your business profit the community

Shares of appreciated publicly traded stock are an effective way to support *Organization* and avoid taxation on the gain. We can receive stock gifts directly through your brokerage account; you receive a charitable income tax deduction, usually equivalent to fair market value as determined under IRS guidelines. We will sell the stock immediately and apply the net proceeds toward our mission.

Organization will also consider gifts of closely-held business interests such as corporations, limited liability companies, and limited partnerships if an acceptable means of converting the stock into liquid assets can be anticipated within a reasonable time. This may occur through redemption agreements, liquidation or asset transfers. These are complex transactions, so consultation with your tax advisor or planning professional is necessary. Please contact XXX at *Organization* for more information.

Gifts from Retirement Plans

The perfect gift asset

Retirement plan assets (those in qualified plans and IRAs) are ideal for charitable giving purposes because these assets are often heavily taxed when passed to non-spouse beneficiaries. To make a future gift of retirement plan assets simply requires a designation of *Organization* as the beneficiary of the plan. Making a present gift of retirement account assets during your lifetime has been permitted under recent law for certain tax years; check with your tax advisor before making a gift of retirement plan assets. Please contact XXX at *Organization* for information on the opportunity to make a planned gift with retirement assets.

Charitable Remainder Trust

Planning for the future - for you and your community

Giving through a Charitable Remainder Trust allows you to receive income for the rest of your life or a specified term of years, knowing that whatever remains will benefit *Organization*. You transfer assets into a trust and receive an immediate charitable deduction. The trust distributes regular income payments to you or to designated family members. You may choose to receive a fixed payment or one that changes with the value of the trust assets; payments can begin immediately, or you can defer them to increase your charitable income tax deduction. The amount of the payments and the amount of the charitable tax deduction depends on the age of the recipient and the applicable federal rate for determining the present value of an interest for a term of years. Upon the beneficiary's death or after a defined period of years, the remaining assets in the trust will transfer to *Organization*. For more information about how a Charitable Remainder Trust can benefit *Organization*, please contact XXX. Consultation with your tax advisor or planning professional will be required.

Charitable Lead Trust

Giving to Organization and your loved ones

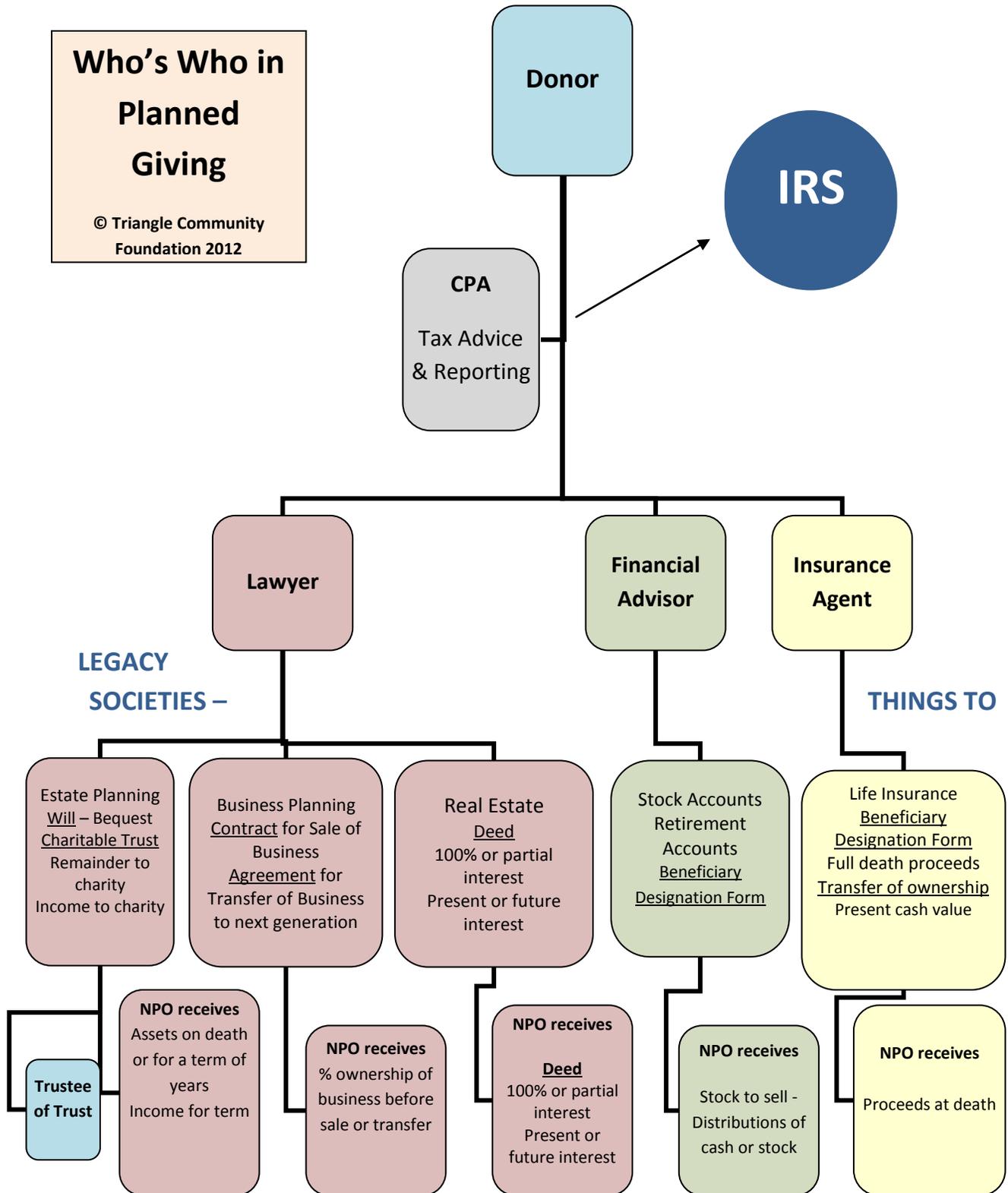
A Charitable Lead Trust permits you to remove assets from your estate and benefit *Organization* during the trust's term. Assets selected by you are transferred into a trust, which pays *Organization* an annual amount to accomplish its mission. During its term, the trust can be managed by experienced professionals, which may help your trust investments grow over time. When the trust terminates, either upon your death or after a specified number of years, its final assets are transferred to the family members you designate. Any growth in the trust passes to recipients, often with significant transfer-tax savings. Charitable lead trusts may also be created by will as part of your testamentary planning.

Charitable Lead Trusts offer financial benefits by sheltering investment earnings from income tax, too. However, at the time your trust is established, you may owe gift tax on the present value of your gift to the final beneficiary. Charitable Lead Trusts can be arranged to make annual distributions of a fixed percentage of the trust assets or distributions of a fixed dollar amount. For more information about how a Charitable Lead Trust can benefit *Organization*, please contact XXX. Consultation with your tax advisor or planning professional will be required.

Interactive: Discussion

- Match the professionals in the schematic below with the gifts just reviewed above.

WHO'S WHO IN PLANNED GIVING



CONSIDER

When creating a Legacy Society, there are many things to consider and decide for a well-thought out program. Don't fret! Following these simple questions as a guideline can help you outline a comprehensive plan.

Qualifications for Membership

Regarding the Gift:

- Is there a minimum gift level for membership?
- Must the dollar amount be revealed or estimated?
- What evidence of the gift will you require?
- Will any type of planned gift qualify?
- May the gift be contingent? May the gift be a future interest?
- Can the gift be either revocable or irrevocable?
- Must the gift be endowed?

Regarding the Donor(s):

- Is there a minimum age?
- Will you present a specific form to be signed? Will you allow the gift to be anonymous?
- Will survivors of the original donor be included as members?

What Benefits Will You Offer

Name listing:

- Annual report
- Wall of honor
- Newspapers/magazines
- Website

Recognition Mementos:

- Pins
- Token gifts with logo
- Paperweight, sculpture, book, bricks, plaques
- Photo opportunity with President

Events:

- Invitations to same events as current donors
- Exclusive events
- Special recognition at events – ribbon, corsage, etc.

When a Member Dies

Sympathy Gestures:

- Flowers or memorial gift at funeral
- Condolence letters to spouse/partner/children
- Permission to tell the gift story

Honoring the Gift:

- Will there be special recognition for gifts as they 'mature'?
- How will you tell the donor's story and the impact of the gift?
- Will there be a reporting of how gift was used?

Mechanics:

- Is the donor's name removed from public member listings on wall or in annual report?
- Are the names of deceased members marked with an asterisk on public listings?
- How do you indicate gifts which will be complete on the death of the second-to-die?

Interactive: DESIGN YOUR LEGACY SOCIETY	
Qualifications for Membership: About the Gift	
Is there a minimum gift level for membership?	
Must the dollar amount be revealed or estimated?	
What evidence of the gift will you require?	
Will any type of planned gift qualify?	
May the gift be contingent?	
May the gift be a future interest?	
Can the gift be either revocable or irrevocable?	
Must the gift be endowed?	
Qualifications for Membership: About the Donor	
Is there a minimum age?	
Will you present a specific form to be signed?	
Will you allow the gift to be anonymous?	
Will survivors of the original donor be included as members?	
What Benefits Will Your Society Offer	
Name Listing: annual report, wall of honor, newsletters, website	
Mementos: lapel pin, logo gift, special opportunities	
Events: invitations, exclusive events, recognition events	
When a Member Dies	
Sympathy Gestures: Flowers or memorial at funeral, condolence letter, permission to publish	
Honoring the Gift: special recognition as gifts mature, telling the impact of the gift	
Mechanics	
Is the donor's name removed from public member listings on wall or in annual report?	
Are the names of deceased members marked with an asterisk on public member listings?	
When a member dies but the gift will be complete on the death of the second-to-die?	

COMMUNITY FOUNDATIONS A Strategic Partnership

As you undertake the various strategies described in this toolkit aimed at improving your organization's proficiency with seeking and handling planned gift opportunities, you should consider your local community foundation as a key resource. Below is a brief description of a community foundation, general information about how they operate, and the unique value-add they offer to nonprofits, beyond being a potential source of funding.

What is a community foundation?

A community foundation is a tax-exempt public charity, the primary purpose of which is to expand the charitable resources of a community. There are more than 700 community foundations in the United States and the collective assets of the top 25 community foundations exceed \$35 billion. Community foundations enable donors to create donor advised funds and other gift funds which can be used to support public charities and meet critical short-term needs as well as establish philanthropic legacies and facilitate legacy gifts. In addition, community foundations have become increasingly active in the area of civic leadership, which is discussed below. Community foundations also serve the needs of nonprofit organizations by offering institutional fund management services and providing expertise in areas such as planned giving, stewardship and sustainability. These services increase the ability of a nonprofit to focus on its mission and can allow it to have a greater community impact. A community foundation's relationship with regional nonprofits can be beneficial to individual donors as they work with community foundations to accomplish their personal planned giving goals.

Which Funds at Community Foundations Support Nonprofits

Most funds held by a community foundation make distributions only to qualified 501(c)(3) public charities; the primary exceptions are scholarship funds and merit award funds. And while donor advised funds are the most well-known type of funds sponsored by community foundations, there are a number of other types of funds offered by most community foundations.

There are two fund types which can directly and/or exclusively support your organization:

- A designated fund is a fund through which the donor has specified that income and/or principal be used for the benefit of one or more specific public charities.

- An agency fund is created by a nonprofit organization which designates itself as the sole charitable recipient. Agency funds are created by a transfer of assets from the nonprofit and distributions are used to support the nonprofit's operating expenses, capital campaigns or special projects. An agency fund allows a nonprofit organization to benefit from a community foundation's asset management services and offers a high level of oversight and stewardship over the assets.

Community foundations typically have expertise in planned giving, and designated or agency funds at community foundations can be incorporated into virtually every planning technique discussed in this toolkit to help meet a donor's charitable goals. A designated or agency fund can be named as recipient of bequests or trust distributions, can be designated as beneficiary of life insurance policies or retirement accounts, and can be the charitable recipient of a planned giving vehicle such as a charitable remainder trust or a charitable lead trust. In this regard, there are a myriad of opportunities to utilize funds at community foundations to enhance your donor's planned giving.

Value-Add Services for Nonprofits with Agency Funds

Nonprofits that create agency funds at community foundations often enjoy a variety of unique benefits and services, including:

- **Expert Financial Management.** Community foundations offer diversified investment portfolios overseen by their board and/or an independent investment advisor under a sound investment policy.
- **Personalized Consultation.** Foundation staff can work with a nonprofit on complex gifts, planned giving and nonprofit best practices.
- **Recognition.** Organizations that have agency funds are often recognized as nonprofit partners in print and online publications.
- **Convenient Fund Access.** Online and/or printed fund statements are available for oversight by your organization and reporting on its Form 990.
- **Connections.** Community foundations often provide networking or educational convenings on community issues and needs, which the foundation's donors attend.

DON'T FORGET!

A quick reference guide to the most important things about creating your plan – don't get overwhelmed! With good planning and intention, your organization can benefit from a Planned & Estate Giving Program!

Remind Yourself!

- Planned gifts are gifts from the heart.
- It's 90% relationship, 10% solicitation.
- Therefore, planned gifts take time.
- You never know who is paying attention.
- Be worthy of the gift.

Remind Your Board!

- A typical planned gift is significantly larger than a donor's largest annual gift.
- Bequests are consistently among the top ten largest charitable gifts tracked in the US; in 2011, the largest bequest was **\$6 Billion**.
- Cash-starved times are best times for planned giving.
- Planned gifts do not adversely affect donor's cash flow, therefore, your annual giving is safe.
- Donors who make gifts through their wills typically increase the amount of their annual support.
- Anyone can make a planned gift.
- If you're not asking for planned gifts, someone else is.

PLANNED GIVING RESOURCES

Great places for information as you embark upon creating a plan for your organization.

Training

- NC Planned Giving Council (www.ncpgc.org)
- Association of Fundraising Professionals (www.afptriangle.org)

Library

- D Ashton, *The Complete Guide to Planned Giving*. Ashton Associates (2004)
- D Newman, *Nonprofit Essentials: Endowment Building*. Wiley & Sons, (2005)

Planned Giving Vendors

- R&R Newkirk for planned gift promotional materials: www.rnewkirk.com
- Planned Giving Design Center for tax resources and web solutions: www.pdgc.com
- Pentera for planned giving program support: www.pentera.com
- Stelter for complete giving support: www.stelter.com
- Planned Giving Tomorrow for easy to implement tools: www.plannedgiving.com

Other Nonprofits and their Websites

- For best practice discussions
- For samples of planned giving reminders

NOTES