Quick Plan Commentary

(You will notice *Quick Plan Commentary* is silent on a few of the items listed in *Quick Plan.* The Coach judged them self-explanatory.)

1. Develop draft of planned giving case statement

This is by far the most important and often the most neglected step in effectively marketing planned gifts. Starting with your planned giving committee or its equivalent, draft a "Case Statement for Planned Giving." This should be a concise declaration of why your organization needs and deserves planned gifts, how much it's looking for, and how it plans to use the gifts once received. Next, work the case statement through the appropriate volunteer committees - finance, development, etc. - revising the statement as you go along. View each of these meetings as an opportunity to encourage planned gifts to those around the table. Then have the board of directors sign off on the case statement at a formal meeting. By now it should have a specific dollar goal, time table, and agreed upon objectives. The case statement should be presented to the trustees by you and at least one volunteer who has made a planned gift commitment. The volunteer should encourage his or her fellow board members to consider making their own planned gift arrangements, with technical support offered to them as needed. The development of a case statement is a fundamental fundraising technique often overlooked in planned giving. Having a case statement that appeals both to the head (specific objectives) and heart (the benefits to others as a result of planned gifts) gives you and your volunteers something to talk about with prospects besides techniques - though don't neglect to mention the benefits of planned giving strategies.

Moving the case statements through committees and through the board develops planned gift commitments fairly quickly - especially from volunteer leaders - provides personal stories for your newsletter that will, at minimum, be read by those who know the individual planned giver you are profiling, and makes the planned giving program something the organizations' board takes some responsibility for, rather than seeing it as "(Your Name Here)'s project." The case statement approach is seldom as tidy as presented here. Its only virtue is that it works better than using mailings, seminars, newsletter articles - all useful tools - without having a fully developed and institutionally approved case statement to back them up.

2. Form planned giving committee able to meet about four times a year, with major focus on one-to-one meetings with prospects

The job description of a planned giving committee is standard issue and needs little comment. (See *Your Committee* in *Getting Started).* Suggestions for the committee's composition, meeting frequency and statement of purpose should be fine tuned to your needs and resources. But if you've read the Coach's committee job description, you see a bias toward those who have a deep commitment toward your organization rather than toward those with technical expertise only. We need to control our compulsion to invite onto these committees anyone who is an attorney, accountant or financial planner. The skills these professionals have can be valuable for your program, but without devotion to the cause they can be dead weight.

A nonprofit organization serving the elderly had a donor list of about 500 names. Over a five-year period they recruited 80 new members to their legacy society. The marketing strategy for this brilliant success was simple. Three volunteers, all of who had made planned gifts, called up prospects and asked if they could visit with them. They met with those willing, told them about the legacy society and asked them to join by naming the organization in their wills. Many did. Many wanted to think about it. The volunteers went back to those who wanted to think about it. If the volunteers needed technical assistance, they asked the director of development for help. She called in experts as needed. The disproportionate success of this program resulted from the shrewd selection of planned giving committee members: they were all people who cared about the organization.

Most planned giving committee selections reveal a bias toward the technical and use the often
wistful assumption that devotion to the cause will follow from service on the committee. Technical expertise is not unimportant to the success of your planned giving program but it is secondary to personal commitment to the cause.

3. Ask board members to approve case statement and make their own planned gift commitments

Some nonprofit organizations must deal with board members who are not convinced that *any* financial commitment to the cause is essential to their role, much less a planned gift. Other organizations have board members who give annually, but who have never thought of planned giving as a board responsibility. Given these realities, you want to present the case for planned gifts by board members in three steps: education, motivation, and personal one-to-one solicitation. In the best of all worlds, your planned giving committee carries out these steps with your help.

The educational step consists of the review and approval by formal board resolution of the planned giving case statement. Board members will take the planned giving program personally and seriously only if it is presented to them personally and seriously. A thoughtfully and attractively presented case statement serves notice to all that the planned giving program is a serious undertaking that requires board vision, leadership, and commitment.

Along with explaining the case, the board presentation should describe the standards of practice that must guide the board as it monitors the planned giving program, and the basic planned giving methods available to them as donors. This presentation can be given by staff. It is meant to soften the beachhead for the next step: motivating the board to make their own planned gift commitments.

4. Motivational presentation to Board of Directors with volunteer/planned giver as main speaker

Assuming the board has already been introduced to the case for planned giving and basic planned giving techniques. a board member who has made a planned gift must make a case for his or her colleagues to do the same. This can be done at a regular board meeting. Most often, the board member briefly describes how and why he or she has included the organization in an estate plan. The technique described will most likely be quite simple, a bequest in a will or living trust. But whatever technique the speaker describes—bequest, IRA or insurance designation, charitable trust, or other method—their personal witness is indispensable to move planned giving from just another quickly forgotten agenda item to an essential board responsibility. At the same time, educational and motivational presentations made to the board as a group will have little effect unless followed up one-to-one. Some argue that the one-to-one approach should be restricted to board members with some years of service. It seems a bit forward to hand a newly installed trustee a model codicil to his or her will. But it is not out of place to ask those who have been on the board three or more years to consider adding their names to the legacy society roster.

5. Set up system of technical support

How we handle inquiries says more to the prospective donor about our planned giving program than our brochures and seminars. A simple way to help make a proper impression is to insist on a same-day or, at least, next-day written response to all inquiries.

One way to insure quick attention to donors' general questions is to use Planned Giving Coach's model letters. They will, at least, provide general information to a prospect calling you after reading your planned giving brochure or newsletter article. The conversation may break down, however, if you don't have the technical support to allow you to address a donor's more specific concerns: the approximate tax and income consequences of their establishing a charitable remainder trust, for example.

Those new to planned giving can often confuse a technical support group with a planned giving committee. As mentioned above in Item 2, "we need to control our compulsion to invite onto (planned giving) committees anyone who is an attorney, accountant or financial planner." Planned giving committees should consist of individuals who are above all else known for their devotion to your organization. The technical expertise of committee members can be helpful, but is secondary to their role of promoting planned gifts to a cause they believe in.

A technical resource group made up of estate planning professionals may help provide you with answers to estate planning or planned giving questions that go well beyond the proper wording for bequests. It is likely that you will need a technical resource of some kind that can provide you quickly with tax and income projections for proposed charitable remainder trusts, or help you explain the difference between a gift annuity and an annuity trust to a prospective donor. If you cannot find a volunteer resource able to meet your needs for technical back-up, you can discuss some kind of sharing arrangement with a nonprofit organization with planned giving staff and software, or contract with Planned Giving Coach or another planned giving consultant to do so.

6. Hold (put a specific number here) in-person conversations, preferably with volunteers involved

The 1986 Tax Reform Act gave a big boost to planned giving programs by eliminating most tax shelters while leaving the tax benefits of charitable trusts virtually unchanged. This sharply increased interest in planned giving techniques. But the '86 Act did not immunize planned giving programs from the need to follow basic fundraising principles.

Organizations that remember and practice two rules of traditional fund raising - "people give to people" and "the board must lead" - will have more planned giving success than those who do not. They will identify more completed planned gifts and motivate more supporters to make planned gifts. Your organization can provide useful tax and financial information to your donors. But so can most of the other nonprofit organizations that have your donor's name on their mailing list. What will lead your donor to make a planned gift to your organization rather than to another? Very likely a personal connection of some kind and an appealing case statement will make the difference.

An organization serious about making personal calls a part of their planned giving program should start with their own board members and then visit those who are faithful long-time contributors to the organization. A volunteer who has made a planned gift, accompanied by you, if possible, should meet with the prospect individually and convey a simple message: "We would be honored to enroll you as a member of our legacy circle." Getting volunteers and staff to the point where they feel at ease delivering that message and handling the questions that may follow requires some training and rehearsal, much as volunteers are trained for major gift or capital campaigns. Fortunately, if they are familiar with and persuaded by the case statement, the concise explanation of why the organization needs and deserves planned gifts, they will have something they can talk about with comfort and enthusiasm. They also need to have a rudimentary grasp of basic planned giving techniques, or at least how to get the prospect in touch with someone who does. They also need to practice focusing on the interests of the person they are approaching. But more than anything else, they need to make the calls. If they do so, they will experience a surprising willingness on that part of those they visit to include the organization in their estate plan.

7. Make planned giving presentation(s) to volunteer groups

A succinct presentation to your organization's volunteer groups on the planned giving program, with a few examples of completed gifts, has all the benefits of an elaborately planned estate planning seminar with none of the anxiety. Without having to develop a mailing list, print invitations, and hope that responses come in, you find yourself in front of a sizable audience that has a demonstrated commitment to your cause. Taking twenty minutes at one of their scheduled meetings respects the volunteers' time and allows you to cover a few planned giving basics.

The presentation should be low-key, informative and built around case histories. At one such meeting a staff member described how a donor set up a charitable remainder trust funded with real estate and touched briefly on pooled income fund contributions. Then a board member, also a member of the volunteer group, spoke of how she and her husband came to leave a bequest to the organization. The entire presentation took about twenty minutes. A similar presentation made a few years earlier led directly to a $135,000 pooled income fund contribution. Keep the presentation brisk, personal, non-technical and tuned to the audiences interests. Above all, arrange to have one of their own talk about his or her planned gift. That’s the part of the presentation they will remember.

8. Provide Planned Giving Committee and Board with an orientation to planned giving ethics and techniques

Planned giving touches on once-in-a-lifetime decisions with long term legal and moral consequences. Laying down clear ground rules for the planned giving committee from the outset beginning will give the members a sense of confidence and safety as they work to promote planned gifts.

The basic issues are not difficult to understand: The planned giving program is educational only, not advisory. Your nonprofit organization has the right and responsibility to inform donors of their giving choices. But you have neither the right nor the responsibility to advise donors as to what strategy is best for them. That is the role of the donor’s independent qualified advisers. It is your organization’s job to present a variety of philanthropic tools to meet donor goals, not to push this or that device that is the darling of the development department or, worse, a strategy favorable to a committee member's business. It is also your job to disclose fully to do the donor how those involved in promoting or implementing planned gifts are compensated.

What follows are ethical standards developed and approved by the National Committee on Planned giving and the American Council on Gift Annuities. Like the Ten Commandments, they were developed to deal with alarming practices in the field as well as to prevent future misdeeds. It takes little imagination to hear angry accusations and cries of dismay echoing faintly between the lines of the Model Standards of Practice that follow. Make sure each of your committee members has a copy.

Model Standards of Practice for the Charitable Gift Planner

Preamble

The purpose of this statement is to encourage responsible gift planning by urging the adoption of the following Standards of Practice by all individuals who work in the charitable gift planning process, gift planning officers, fund raising consultants, attorneys, accountants, financial planners, life insurance agents and other financial services professionals (collectively referred to hereafter as "Gift Planners"), and by the institutions that these persons represent.

This statement recognizes that the solicitation, planning and administration of a charitable gift is a complex process involving philanthropic, personal, financial, and tax considerations, and as such often involves professionals from various disciplines whose goals should include working together to structure a gift that achieves a fair and proper balance between the interests of the donor and the purposes of the charitable institution.

I. Primacy of Philanthropic Motivation

The principal basis for making a charitable gift should be a desire on the part of the donor to support the work of charitable institutions.

II. Explanation of Tax Implications

Congress has provided tax incentives for charitable giving, and the emphasis in this statement on philanthropic motivation in no way minimizes the necessity and appropriateness of a full and accurate explanation by the Gift Planner of those incentives and their implications.

III. Full Disclosure

It is essential to the gift planning process that the role and relationships of all parties involved, including how and by whom each is compensated, be fully disclosed to the donor. A Gift Planner shall not act or purport to act as a representative of any charity without the express knowledge and approval of the charity, and shall not, while employed by the charity, act or purport to act as a representative of the donor, without the express consent of both the charity and the donor.

IV. Compensation

Compensation paid to Gift Planners shall be reasonable and proportionate to the services provided. Payment of finders fees, commissions or other fees by a donee organization to an independent Gift Planner as a condition for the delivery of a gift are never appropriate. Such payments lead to abusive practices and may violate certain state and federal regulations. Likewise, commission-based compensation for Gift Planners who are employed by a charitable institution is never appropriate.

V. Competence and Professionalism

The Gift Planner should strive to achieve and maintain a high degree of competence in his or her chosen area, and shall advise donors only in areas in which he or she is professionally qualified. It is a hallmark of professionalism for Gift Planners that they realize when they have reached the limits of their knowledge and expertise, and as a result, should include other professionals in the process. Such relationships should be characterized by courtesy, tact and mutual respect.

VI. Consultation with Independent Advisers

A Gift Planner acting on behalf of a charity shall in all cases strongly encourage the donor to discuss the proposed gift with competent independent legal and tax advisers of the donor's choice.

VII. Consultation with Charities

Although Gift Planners frequently and properly counsel donors concerning specific charitable gifts without the prior knowledge or approval of the donee organization, the Gift Planners, in order to insure that the gift will accomplish the donor's objectives, should encourage the donor, early in the gift planning process, to discuss the proposed gift with the charity to which the gift is to be made. In cases where the donor desires anonymity, the Gift Planners shall endeavor, on behalf of the undisclosed donor, to obtain the charity's input in the gift planning process.

VIII. Description and Representation of Gift

The Gift Planner shall make every effort to assure that the donor receives a full description and an accurate representation of all aspects of any proposed charitable gift plan. The consequences for the charity, the donor and, where applicable, the donor's family, should be apparent, and the assumptions underlying any financial illustrations should be realistic.

IX. Full Compliance

A Gift Planner shall fully comply with and shall encourage other parties in the gift planning process to fully comply with both the letter and spirit of all applicable federal and state laws and regulations

X. Public Trust

Gift Planners shall, in all dealings with donors, institutions and other professionals, act with fairness, honesty, integrity and openness. Except for compensation received for services, the terms of which have been disclosed to the donor, they shall have no vested interest that could result in personal gain.

Adopted and subscribed to by the National Committee on Planned Giving (now Partnership for Philanthropic Planning) and the American Council on Gift Annuities,
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Partnership for Philanthropic Planning
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9. Begin publishing planned giving information, especially donor case histories:

Despite the bias of Planned Giving Coach, it is not true that planned gifts result from personal meetings only. The use of printed materials will always be needed to cast a broader net. But the limitations of printed materials have increased as the market for planned gifts is cluttered with requests for bequests or pamphlets in praise of the tax and financial advantages of charitable trusts. A number of groups that once received a good response to their planned giving mailings and seminar invitations are getting dismal returns now. But if for most of us *brochure-driven* planned giving is a thing of the past, brochures and newsletter articles are not. We need to inform our donors, and we cannot do so without relying on printed and emailed materials. But we must make these materials as personal as possible if we expect them to be read.

The development of the planned giving case statement both develops planned gift commitments fairly quickly—especially from volunteer leaders—and provides personal stories for your newsletter that will, at minimum, be read by those who know the individual planned giver you are profiling or have circumstances similar enough to the person profiled to make the article of interest.

The current wisdom of the field tells us that our printed materials should not offer something for everyone, but should be narrowly targeted. One small private college sent out a pamphlet to alumni ages fifty to seventy entitled "You've Got To Be Kidding!" It briefly told of the disastrous tax consequences of an IRA left directly to heirs in an estate plan. As a result of that mailing, one donor told the school that he is leaving half his IRA to them. This is a substantial commitment. His IRA now stands at $1.3 million with more contributions and more growth of principal to come. But he has planned the most tax-effective gift he will ever make, costing his heirs only 30 cents on the dollar. No one claims that this targeted flyer was the sole cause of the gift. But it effectively reinforced the donor's other motivations.

It is my own bias that our mailings should always say something about the mission of our organizations, if only through pictures. Whenever possible, the mailing should look as though it could not have come from any other organization than our own, even though eighty percent of the content may be standard planned giving fare.

10. Develop planned giving "Legacy Society" recognition program

The use of a recognition program for planned giving donors is important for two reasons. First, it disciplines organizations to pay attention at least once a year to their planned gift donors. Second, it provides a simple bench mark to measure the success of their marketing efforts: either legacy circle membership is growing or it is not. (Since many donors are reluctant to have planned gifts publicly recognized, always offer the option of anonymous membership in the legacy circle.)

A simple head count of legacy circle members concentrates attention on the strengths and weakness of a planned giving program, particularly one that tends to concentrate solely on attendance at seminars and number of brochures mailed. A more balanced accounting combines a review of time line of activities (were they carried out?) with a review of legacy circle membership (did it increase?).

The recognition methods should be proportionate to the size of your legacy society membership. At minimum, you will want to list the members in your annual report. You may also want to invite them to an event. If you're just beginning and have twenty or so members, invite them to attend an already established recognition event for donors. As the group grows, consider a luncheon to bring them together. Just make sure there are enough attendees to make the effort worthwhile.

11. Explore possibility of estate planning seminars

In certain markets, estate-planning seminars seem to be at the tail end of their cycle. Sponsored by a few venturesome charities years ago, they are now regularly and widely promoted by both nonprofit and for-profit organizations. In these overexposed markets, seminar attendance is not what it once was. Even so, charities continue to sponsor estate-planning seminars. They have the advantage of providing face-to-face communication between the nonprofit sponsor and its supporters on a subject that can benefit both. Charitable bequests, still the most common planned gift, require a written estate plan. Seminars can help donors get this task done. Seminars also offer a forum to present the tax and income benefits of charitable trusts.

Some volunteers and staff tend to make seminars the centerpiece of their planned giving programs. The temptation toward seminar-centered planned giving marketing is especially strong when someone, sometimes committee volunteers, are hoping to find a promotional platform for their financial or estate planning products and services.

Seminars, especially those targeted to the interests of specific donor groups, help promote planned gifts. But seminars, like brochure-driven planned giving programs - can also serve as a refuge for the faint-of-heart. The planned giving committee's main objective is to recruit members into their legacy circle. That is best done through personal conversations. Staff and volunteers who have mailings and seminars scheduled but have no quantified commitment to meeting with individuals need to rethink what they are about.

Sometimes nonprofit organizations present seminars that flow from their unique strengths. Hospice organizations have an advantage in the estate planning seminar area. The public seems to assume that a hospice center will know what it is talking about when it comes to wills and trusts. Religious organizations have a built-in

marketing network - their parishes and congregations - that offer natural communities for educational programs. Health organizations have given estate planning seminars additional drawing power by adding one of its health professionals to the panel of speakers. The San Francisco Division of the American Heart Association revived a flagging seminar program some years ago by developing a presentation entitled "Planning for Health and Wealth" and adding a nutritionist to the program. Although it seemed a bit of a stretch to some members of the planned giving committee to link cholesterol levels and living trusts, the audience was more interested in the subjects treated rather than tidy connections between them. Treating topics which are of high interest to donors and which a nonprofit can address with authority adds value to what might otherwise be just another estate planning seminar.
(For detailed "how to" suggestions on staging an estate planning seminar, see *Seminars* under *Presentations.*)

14. Review five-year donor patterns with committee

Planned giving is a slippery activity to set goals for. Counting planned gifts received says little about the effectiveness of your current efforts. Comparing yourself to other organizations may either make you and your volunteers needlessly discouraged or mistakenly complacent. Start instead with a straightforward analysis of current giving patterns to your organization over the past few years. This will give you a reasonable foundation for estimating results from your planned giving program. For this modest exercise, neither you nor your volunteers need much more than a simple five-year grid that lays out how many people have given and in which categories, and how many repeat donors you have (see grid below). A review of the grid brings realism to projections of how long your legacy society's list should grow over the next twelve months. The grid is like a fundraising health chart for your organization. It lets you know receptive your supporters will be to requests for planned gifts.

Donor Patterns (Number of Gifts from Individuals Only) Over Past Five Years

Year					
$25-99					
100-249					
250-500					
1,000-2,499					
2,500-4,999					
5,000-9,999					

10,000 +					

15. Survey a few other comparable institutions

One of the chief benefits of attending fund raising conferences is talking with conference participants and hearing what they've tried. Valuable marketing information is often the gold buried in these exchanges. The same kind of information can be got through phone calls to directors of development or planned giving staff at comparable organizations outside your market area. Find out what other folks are doing. In this way you can provide yourself and your planned giving committee with field-tested marketing ideas.

A retirement center recently established a plan that allows new residents to place an undivided partial interest of their former homes in a charitable unitrust, move into the center, have their buy-in fee of several thousands of dollars deferred until their home sold, and enjoy for life the income from their charitable trusts, with the retirement center named as the trust's major remainderman. This very sophisticated unitrust plan for new residents was the result of about six calls to other nonprofit retirement centers, one of which had used the plan successfully for several years. Their director of planned giving graciously mailed the caller a thick packet of information containing everything from simple promotional materials to model contracts. In a very brief period of time the retirement center had all it needed to implement the same program.

The survey was conducted by phone by the center's administrator, who also served as a member of the planned giving committee. She was known to those she called and simply asked her fellow administrators what their institutions were doing to promote planned gifts, and what had and had not worked. Her reward for this hour of effort was a planned giving idea that probably could be franchised to nonprofit retirement centers across the country.

