Planned Giving Council
of Greater Philadelphia

PGCGP

The Planned Giving Course
Session 5: Planned Giving in Comprehensive Campaigns: Organizational Infrastructure for Planned Giving

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Discussion Points

- Growing influence of planned gifts in campaigns
- Setting campaign goals for planned gifts
- Campaign infrastructure
- Recognizing, reporting, and counting gifts
- Promoting "blended gifts" in a campaign
- Stewarding planned giving donors

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Myth:
Planned Gifts Don't Belong in Campaigns

Fact:
They are ESSENTIAL to campaigns!

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Gift Planning in a Campaign

- Campaigns have changed
- Competition for dollars
- Boomers are concerned about costs of retirement, education, health care, and family
- Deeper relationships with donors are critical with a sensitivity to their needs and the ability to be creative and flexible
- PG may account for up to 30% of campaign goal
- PG represent opportunity for engagement

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Gift Planning in a Campaign

- Will "jump start" a planned giving program
- Creates awareness – opportunity to educate (donors, prospects, staff and volunteers)
- Provides a sense of urgency – closes gifts

- *Uncovers existing gifts and values*

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Ideal time: Strategic Planning

- Include PG at feasibility stage
- Assess organizational readiness (staff, resources, donors, policies)
- Get "buy in" from the start - from campaign
- leadership, staff, volunteers and key donors
- Include in Campaign Goals
- Establish that PG is not a "fallback"
- Regular reporting

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Goal Setting in Campaign

Setting Planned Giving Campaign Goals

Consider the campaign priorities and organization's culture when setting the goal

1. **Dollar Goal:** PG percentage of campaign
   - Irrevocable deferred goal
   - Revocable deferred goal

2. **Engagement/Number Goal:** How many new legacy society members do you plan to add?

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Engage and Organize Leadership

- Dialogue/Educate leadership and volunteers
- Perhaps create committees:
  - ❖ planned giving committee
  - ❖ development committee
  - ❖ gift acceptance committee(s)
- Educate and empower fundraisers
- Develop systems to implement, track and communicate (for **all phases**: cultivation, solicitation, *and* stewardship)

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Campaign Dashboards

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Establish/update Gift Acceptance policies

Establish/update Endowment policies

Establish/update Counting policies

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Gift Acceptance Policies

- Establish institutional parameters and guidelines
- Identify the various offices within the organization responsible for the receipt, recording, depositing and acknowledging of all charitable contributions
- Adhere to counting and reporting standards
- Follow ethical fundraising practices
- Define the function, authority and membership of the Gift Acceptance Committee

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Endowment Policies

- Ensures the organization will be around in the future to carry out its mission
- Establish institutional parameters and guidelines
- Might include Permanent/Quasi/Term – Restricted/Unrestricted/Temporarily Restricted
- Investment and Spending Guidelines
- Counting and reporting standards
- Follow ethical fundraising practices

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Counting Policies

The difference between counting, valuing, accounting and crediting and stewarding a gift:

- **Counting and reporting** are arithmetic activities
- **Valuation** is an assessment of the actual value of an item to the person or organization that possesses it
- **Accounting** is based on a set of generally accepted guidelines and principles (FASB)
- **Crediting** is institution specific and represents how an organization grants recognition to its donors

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Counting Policies
What to count and how to count it?

Planned Gift considerations:

- Age
- Revocable vs. Irrevocable
- Gift Agreement
- Face value or discounted
- How to establish value?

*Specific dollar vs.
Percentage or Residuary*

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Reporting and Counting Standards

Type of Gift	National Association for Charitable Gift Planning	Council for the Advancement and Support of Education
Irrevocable	Count at face value if made during campaign	Same with requirement that both face value and discounted value must be reported to CASE. Lead trusts: report total value of payment stream as a pledge with annual distributions recorded as pledge payments as received, regardless of term of the trust.
	Report separately from outright gifts and revocable gifts	Same

Source: 2008 NCPP Paper by Laura Hansen Dean and Phil Oswald
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Reporting and Counting Standards

Type of Gift	Partnership for Philanthropic Planning	Council for the Advancement and Support of Education
Revocable	Count at face value if pledged during campaign and documented	Same with comment that institutions "may" want to consider age requirements with examples: Less than 50, not counted; 50 to 69 ; count at discounted value 70 and older; count at face value
	Report separately from outright gifts and irrevocable gifts	Same

Source: 2008 NCPP Paper by Laura Hansen Dean and Phil Oswald
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CGP Counting Guideline's
Key Principles

- Clear, transparent and easily understandable
- Comparison among organizations across the broad charitable community
- The donor's perspective
- Focus on counting and reporting, not accounting, valuation or crediting
- Campaigns are finite, with a specific timeframe

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Don't just measure dollars!
Remember:
Non-financial goals of the campaign

Participation(Legacy Society Membership)

Conversations

Education

Collaboration

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Make it
a team effort!

Train and involve your staff and volunteers
- ➢ Identify prospects
- ➢ Listening tips and questions to ask
- ➢ When to call in a gift planning colleague
- ➢ Thinking about assets (not just income)
- ➢ Blended gifts

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Blended Gifts
- Hybrid gift: current and planned gift
- Allow donors to see their legacy in action
- Provide current philanthropic support
- Require us to learn more about donors and engage in a deeper relationship
- Require cooperation, collaboration and breaking down silos
- Empower fundraisers to show donors how to access all their resources to accomplish their philanthropic goals

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Blended Gift #1: Endowed Fund

$150,000 gift to establish Named Endowed Fund
Annual impact is approx. 5% or $7,500

Bequest or Beneficiary Designation
- $150,000 revocable gift intention
- Recognition today – impact in the future

Term Funding
- $37,500 outright gift (cash or appreciated assets) – can be a pledge (five-year $7,500)
- Impact today

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Blended Gift #2: Income & Flexibility

Need for supplemental retirement income
Not sure of financial needs in the future
Desire to do – and see - something today

- **Income – Flexible Deferred CGA**
- **Bequest or Beneficiary Designation**
- **Outright gift (cash or securities)**
  (five-year annual pledge)

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Ethics: High Standards of Care in Planned Giving

1. Know your donor and understand what's motivating the gift
2. Understand the gift fully and get advice and counsel when needed
3. Work with your donor's professional advisors – legal, financial, accounting
4. Maintain complete written records, including agreements with donors
5. Provide appropriate stewardship

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Recognizing and Stewarding Donors

What is Stewardship?

Communication and Engagement

- What's the plan?
- What does the *donor* want?
- Who is responsible?
- Are planned giving donors recognized the same way as cash donors?
  - Is there a double-standard? Should there be?
- Should we recognize spouses?
  - (But the hard credit is to the donor)

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Thank You!

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