

Best Practices in Gift Planning and How to Integrate Them into All of Your Asks

What is a Planned Gift?

"A Planned Gift is any gift, for any amount, given for any purpose -- operational, capital expansion, or endowment -- whether current or deferred, if the assistance of a professional staff person, a qualified volunteer, or the donor's advisors is necessary to complete the gift. In addition, it includes any gift which is carefully considered by a donor in light of estate and financial plans." – Robert F. Sharpe, Sr.

What is a Planned Gift (expanded)?

A way to help donors achieve philanthropic and financial objectives, including:

- Make a major gift
- Obtain a charitable income tax deduction
- Avoid or reduce paying capital gains taxes, currently at a maximum rate of 15%
- Avoid probate costs, often 2% to 8% of gross estate
- Reduce estate taxes, currently at 35% (will go to 55% in 2013)
- Reduce federal income taxes, currently at 10%, 15%, 25%, 28%, 33% (36%), & 35% (39.6%)
- Increase current yield from stocks and bonds
- Plan for retirement and family
- Provide permanent support to your organization

What is Planned Giving?

- A creative way to give, using many different types of assets.
- A way for donors to make gifts to an organization and potentially receive financial benefits.
- A way for donors to make larger gifts than they thought possible, and for some donors the only way to make a major gift.

The Goal of A Good Gift Planning Program

- Helping a donor give the largest possible appropriate gift that has the most value for a charitable organization at the lowest possible cost to the donor.

Communication Skills Are Critical

- How do you communicate best for your style?
- Learn to tell a story!

Why People Give (And Why They Don't)?

- The donor believes your cause has a worthy mission -- it's making a difference by either saving lives or changing lives
- The donor believes your institution has a financial need that they can help, either in whole or in part, with their gift.
- You asked them for their gift.

Giving is An Exchange Relationship

- Describe the benefits, not the features.
- Focus on and present outcomes for the donor and MOWAA.
- "It's not the dining room, it's what goes on in the dining room (...or the home or the assisted living facility)."

How to Ask for A Gift – Engaging People

- You Are MOWAA's Personal Representative
- You Know MOWAA's Special Stories
 - People
 - Equipment
 - Space
- You Attend/Visit Five Different Functions/Places With MOWAA Every Year

The Best Cultivation for a Gift is a Good Giving Experience.

- "Thank you for your gift"
- "We sold you a dream. This is how the dream turned out."
- "This is how we used your gift."

How to Ask for A Gift -- The Five I's of Fundraising

- Identify
- Inform
- Interest
- Involved
- Invest.

How to Ask for A Gift – Know the PAST

- Right Purpose
- Right Amount
- Right Solicitor
- Right Time
- Right Place

Understanding Your Target Audience

- Corporations (3-7%)
- Foundations (7-10%)
- Individuals (85%)
 - Trustees
 - Friends
 - Clients
 - Faculty / Staff
 - Alumni (Past Clients)

Understand the Different Types of Fund Raising (relevant to your Donor)

- Speculative fund raising
- Campaign/project fund raising
- Nurturing fund raising

Understanding and Balancing the Donor's Needs with Your "Asks"

- Annual Giving
- Special Giving
- Major/Ultimate Giving
 - What is a Major Gift Depends on the Organization
 - Usually for Capital or Endowment
 - Can Involve "Moves Management"

Begin the relationship with the mission of your organization uppermost in mind.

- Focus on outcomes for the donor and your institution.
- Charitable Intent and/or Financial Motivation

Four Ways To Give A Planned Gift

- Cash
- Appreciated Property (Stock or Real Estate)
 - Bargain Sale
 - Joint Sale
- Personal Property

Four Ways To Give A Planned Gift

- Outright Gift Given Through Will or Trust
- Life Insurance

- Gift of Residence with Retained Life Estate

Four Ways To Give A Planned Gift

- Charitable Remainder Trusts
- Charitable Gift Annuities
- Deferred Charitable Gift Annuities

Four Ways To Give A Planned Gift

- The Charitable Lead Trust

What Really Works: Visit Tips & Gift Cues

- Plan/schedule your visits
- Getting in the door
- Cultivate relationships
- Treat bequest donors like family

LISTEN for cues

- MOWAA is in my will.
- I'm paying too much in taxes.
- I can't afford to give up the income I get from my stocks.
- I can't give because I have to take care of my children.
- I don't want to cheat my kids out of their inheritance.
- I can't consider a gift until I sell my company and retire in a few years.
- I'm in the process of selling my company.
- We've decided to sell our vacation home; with the kids gone, we don't use it much anymore.
- My investments have done well over the years, but the dividends are low.
- I'd like to get a higher yield, but the capital gains would kill me.
- I'm tired of managing so many apartment buildings.
- I'm tired of being a landlord.
- I bought a piece of property in Scottsdale for retirement, but we've changed our mind.
- All we do is pay taxes.
- I need all of my assets for retirement.
- My money is tied up in real estate.

Plan Year-End Promotional Messages

- The final months of the year are traditionally the “season of giving” when many peoples’ thoughts turn to sharing with others.
- Many individuals receive work-related bonuses at the end of the year and they wait to see how much they will have to give to others.
- Those who own their own businesses often do not know how they fared for the year until the final months.
- Investors often “balance” their portfolios toward the end of the year and find that charitable gifts can be used to offset taxes due on gains they may have realized earlier in the year.
- The deadline for making tax deductible gifts is December 31, another reason many choose to make gifts later in the year.

Pick The Right Time!

- Provide Donors With An Incentive To Give This Year.
- Ask Your Donors to Accelerate Next Year’s Gifts Into 2011.
- Begin Promoting Long Term Opportunities For Planned / Deferred Giving.
- The Estate Tax Uncertainty Can Hurt Or It Can Help – Depending On Your Message.

What Should You Do?

- Implement Seasonal Development Activities
- Remind Your Donors.
- Insert Brochures in Thank-You Letters or Existing Newsletters.

What Are Your Year-End Messages?

- Gifts Of Cash
- Gifts Of Stock
 - Give the Gainers.
 - Sell the Losers.
- Notice – Assets Must Be Under Your Control By Dec. 31.

- Gifts Of Life Insurance
- Allow At Least 30 Days For the Transaction.

BONUS - What Are Your Messages?

- Gifts Of Real Estate
- Reserved Life Estates Are A Viable Gift Too!
 - Look A Gift Horse In The Mouth.
 - Due Diligence Is A Must and Requires Time.
- Allow At Least 45 Days For The Transaction.

Be Ready to React!

- Tax-Wise Charitable Gifts Often Require Advanced Action – So Notify Your Donors And Advisors Accordingly.
- Advise Gift-Processing Staff In Advance.
- Plan Your Time – Don't Over-Budget.

BONUS - Why Forge Relationships with Professional Advisors?

- Their Knowledge
- Mutual Benefits
- Client Relationships

What Do Advisors Want From You (The Ideal PGO)?

- The ability to convey (sell) the mission of their charity in an easily understood fashion.
- The PGO is *“first and foremost a goodwill ambassador for their organization.”* -- Charles Slamar, Jr., Vice President of the Bank of America Illinois



Russel A. Kost III, CFRE joined the Desert Research Institute as Vice President for Development in June 2008. As a member of the senior management team at the DRI, he directs the comprehensive fundraising efforts for DRI. Working with the Vice Presidents, Directors, and other senior DRI administrators and the trustees of the DRI Research Foundation, Russ develops and implements fundraising programs that generate private gifts in support of the DRI from local, regional, national and international sources.

Previously, Russ was Associate Vice President for Development and Alumni Relations for the University of Nevada, Las Vegas. During his twenty-three year tenure, he either directly raised or supervised the raising of over \$40 million in outright gifts and \$115 million in deferred and planned gifts for UNLV. As Director of Annual Giving, then Director of Major and Planned Giving, Director of Gift Planning, and Director of Principal Gifts, he established many of UNLV's fund raising programs.

Russ is a past President of the Las Vegas Chapter of the Association of Fundraising Professionals (AFP). He is accredited as a Certified Fund Raising Executive by AFP and was Las Vegas' 1997 Outstanding Professional Fund Raising Executive of the Year. Russ is Past Chair of the Board of Directors for the Council for Advancement and Support of Education (CASE) District VII. He served on the CASE *International Commission on Philanthropy*.

Russ regularly gives his financial support and expertise to many non-profit organizations. He has served as a speaker, trainer, or board member for numerous national and local non-profit organizations, including the John F. Kennedy Center for the Performing Arts, the Boys and Girls Clubs of America, the Colorado, Nevada, and Utah Planned Giving Roundtables, the National Intramural-Recreational Sports Association, numerous CASE District Conferences and the CASE International Assembly. His article "*Marketing to Donors' Professional Advisors*" was published in The Journal of Gift Planning.

Russ is available for consulting and presentations on any aspect of fundraising and planned giving, including: feasibility studies; program establishment plans; marketing plans; and, development audits. He can be reached at (702) 862-5366 or via e-mail: russel.kost@dri.edu

Russel A. Kost III, CFRE
Vice President for Development
Desert Research Institute
755 E Flamingo Rd, Las Vegas, NV 89119
(702) 862-5366; russel.kost@dri.edu