

CALIFORNIA PLAN YOUR GIVING PROJECT

Planned Giving

7 Pitfalls and How to Fix Them

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www.californiaplanyourgiving.org

CALIFORNIA PLAN YOUR GIVING PROJECT

5 YEAR STATEWIDE PROJECT

- CPYG project website is a resource for your organization
- Website content such as PSA's can be easily copied
- City Teams
- Over 500 generous Californians to date
- Iowa has adopted CPYG model
- Estate Adviser Conversation Tool*

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*Visit the "Resources" tab

Another reason to have the right estate plan: Your daughter-in-law, Lucy

- She has at least three personal shoppers on speed dial.
- Her poodle owns more designer clothing than you do.
- She suggests “upgrades” to your home each time she visits.
- She thinks you can buy happiness – and she measures it in karats.
- She likes to be seen at the trendiest night clubs in town; your son prefers to stay home with the kids.

What if your estate ended up in her control? Call me for a free consultation and learn how you can plan for the “Lucille” in your life. Or visit www.wyattlegal.com.



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Another reason to have the right estate plan:

Your grandson, Jack

- He wants to fight fires.
- You think he could be President.
- Your heart skips a beat when he says, "I love you."
- His parents do the best they can, but you still worry about his future.
- Will he have the resources he needs to maximize his potential?

Is there something your living trust could do for him? Call me for a free consultation. Learn how you can help the "Jack" in your life.

Or visit **www.wyattlegal.com**.




COMMON PITFALLS

CAFB participant responses:



COMMON PITFALLS

1. No Vision
 2. No Path or Process
 3. No Adequate Donor Data/Technology
 4. No Communication Methodology
 5. No Urgency
 6. Uncertainty
 7. No long-term commitment/resources
- 

COMMON PITFALLS

1. No Vision

Suggested Books:

- *“Endowment Building”* by Diana Newman
- *“The Power of Legacy and Planned Gifts – NonProfits and Donors Work Together to Change the World”* by Kevin Johnson

COMMON PITFALLS

2. No Path or Process

“5 Steps to Increased Planned Gifts”



COMMON PITFALLS

3. No Adequate Donor Data/Technology

“A ‘Cadillac’ software program isn’t necessarily the solution...you have more data than you realize.”



COMMON PITFALLS

4. No Communication Methodology

Conversation Template



COMMON PITFALLS #4

Conversation Template (Step 3 in the script)

- Connect, Thank & Discover Donor's Emotional Link
- Gather the donor's opinion/thoughts of whether they think other people would be interested in supporting your mission well into the future with a gift made after they no longer need their resources.
- Now moving into Step 4 of the script...

COMMON PITFALLS #4

Conversation Template (Step 4 – “Ever consider”)

Conversation Template



COMMON PITFALLS


5. No Urgency

Accountability



COMMON PITFALLS

6. Uncertainty

- Written vision and purpose for planned gifts
 - Ability to identify long-term donors and volunteers (5 yrs.+) and create a report
 - Board-approved written gift acceptance policies & procedures
 - Written donor recognition & stewardship policies & procedures
 - Ability to capture and retain donor interactions on planned giving so staff changes don't stop progress
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COMMON PITFALLS

7. No long-term commitment/resources

Suggestions:



COMMON PITFALLS

Suggestions:

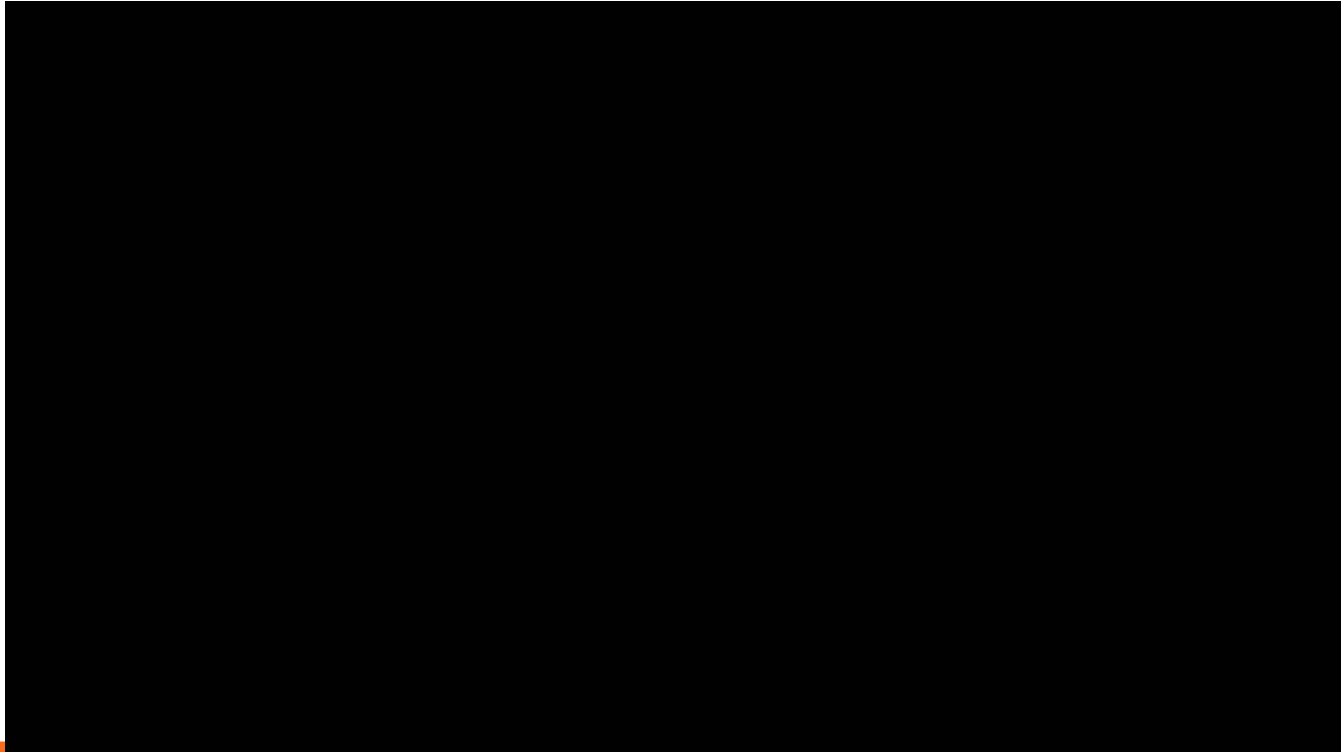
- Put together a Planned Giving Committee of mission-passionate, professional advisors who are willing to assist with technical issues and consult with your donors to work through personal issues to achieve clarity and comfort to complete the gift.
- Also work to get advisers to volunteer a free hour to talk with donors.
- Work with the fund raising staff so they have the comfort to converse with donors on planned giving opportunities by understanding they don't need technical knowledge because they have technical resources/advisors.
- Insure that every interaction with a donor ends by planning the next interaction.

UPCOMING CPYG TRAINING:

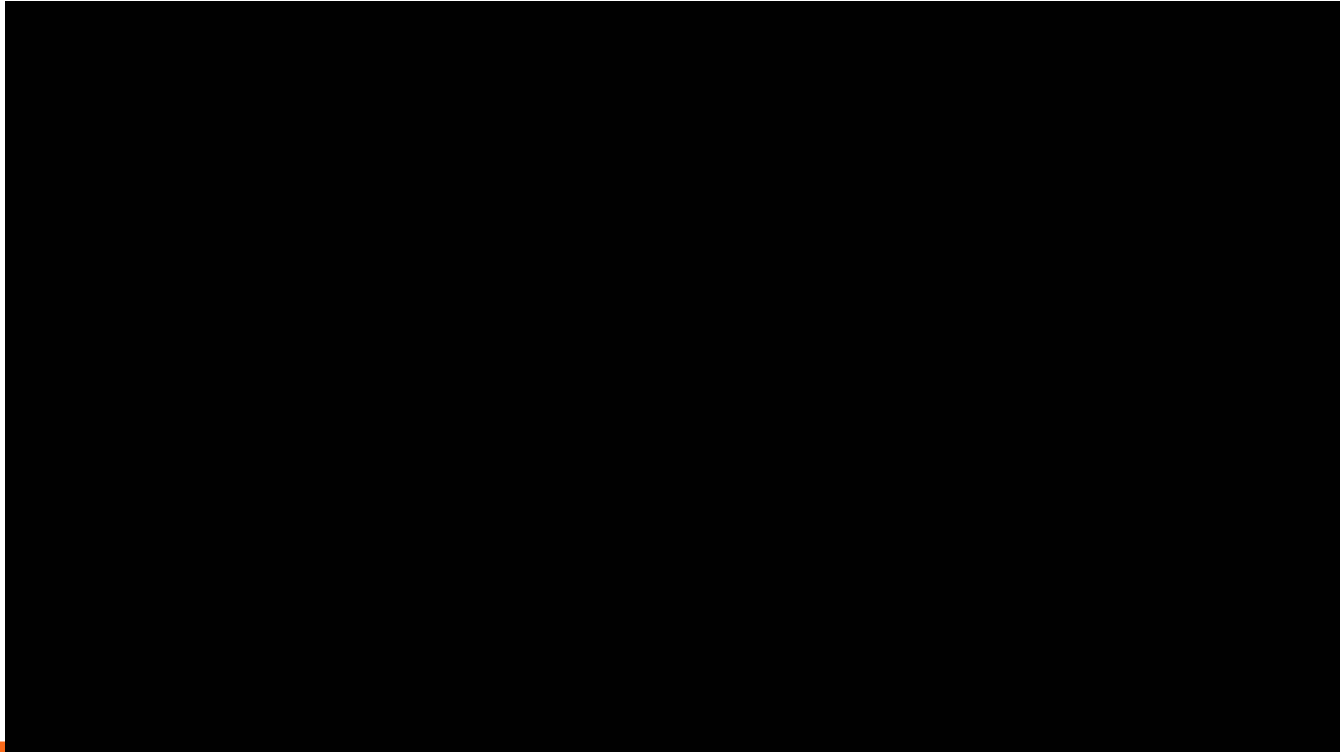
- ➔ **October 1, 2013** – *4th Annual California Plan Your Giving Day*
Applications open for 2014 Cohort
“Pump Up Planned Giving” Program
- ➔ **November 29, 2013** Application deadline
- ➔ **December 13, 2013** 2014 Cohort Selections Announced
- ➔ **January TBD 2014 9am – noon** Workshop: “Increase
Planned Giving – 3 Easy Steps”*
(\$50/per CBO for up to 3 persons)
- ➔ **February 6, 2014 11am – 1pm** KICKOFF
“Pump Up Planned Giving” 2014 Cohort*
8-mo. Training program for selected CBO’s
(\$800/per CBO for PUPG Team of 3-4 persons)

* Required for 8 mo. PUPG program

CALIFORNIA PLAN YOUR GIVING – PSA'S



CALIFORNIA PLAN YOUR GIVING – PSA'S



1. CREATE OR UPDATE YOUR ESTATE PLAN/WILL
2. INCLUDE YOUR FAVORITE CBO's IN YOUR PLAN
3. SHARE YOUR DECISION ON THE CPYG WEBSITE—
doing so can inspire others!

www.californiaplanyourgiving.org

Live. Give. Live On!

PLANNED GIVING – 7 PITFALLS AND HOW TO FIX THEM

Every day, generous donors make gifts to support causes they love. In the United States, we have a long tradition of giving – with 80% making donations each year. Yet – when it comes to making a gift from their estate – less than 1 in 10 of those donors do so. When asked, donors say they are interested in supporting causes – but many are unsure where to start, or even if their favorite charities are interested or able to handle such gifts.

If you have passionate supporters connected to your organization’s mission and know that you plan to be doing this work for the long haul, you owe it to those you serve to learn more about planned gifts to sustain your organization’s long-term viability. An effective planned giving program – so talked about, so wished for, but often viewed as a technical subject, can be overwhelming. It’s easy to understand why. You may feel that you need to become an expert in all the planned giving methods. You want to insure that your organization has gift acceptance policies, expert professional advisors, endowment policies and procedures, the right database management system to identify and track planned gift prospects, and the list goes on. And let’s face it, no one likes talking about death and taxes, let alone asking a donor to give their money to your organization when they (gulp) DIE.

If any of this rings true for your organization, you are not alone! The California Plan Your Giving Project (**CPYG**) is a state-wide effort to advocate for meaningful gifts to charity through estate giving. It was established to help Community Benefit Organizations (the best term for charities and IRS’s definition) throughout California and across the nation to begin and/or re-invigorate a planned giving program. Here are the seven common pitfalls impeding successful implementation of a planned giving program and **CPYG** tools and suggestions to overcome them:

- 1. No vision.** Absence of a clear vision of what estate gifts can do for the long-term viability of the organization often leads to a lack of commitment by leaders to include planned giving and endowment-building as a small yet consistent part of the fund raising agenda.

Suggestion: Getting educated and engaged in this opportunity is imperative. Two books to consider:

- *“Endowment Building”* by Diana Newman and
- *“The Power of Legacy and Planned Gifts-How Non Profits and Donors Work Together to Change the World”* by Kevin Johnson

Your organization should have a vision and a supporting policy on how planned gifts will be used. This could be anything from building an endowment to spending the money on “the greatest need” currently.

Stating a vision in a short concise statement is imperative to supporter communication. Here are some examples:

- By including a bequest to the Smith Film Center in your will, you will be investing in the future of our film education community outreach program for generations to come.
- Your estate gift ensures that the Food Bank of ABC will be here to collect and distribute food to the hungry here in Smith County now and for future generations.

- Through your estate gift to our endowment, you are saying "This is an organization worthy of my resources and I expect ABC Charity to be fulfilling its mission far into the future."

2. No path or process. Knowing how to approach the topic of planned giving with long-term donors and getting an actual gift into a donor's estate plan may seem overwhelming.

CPYG developed the Five-Step Track overview with related tools to help your organization implement a program

Step 1 – Screen long-term donors by amount and length of giving and create top 25 list.

Step 2 – Connect with your top prospects to request a donor conversation.

Step 3 – Converse with donors for their advice and as appropriate a follow up communication. (See pitfall 4).

Step 4 -- Support donors who would do a planned gift with resources to complete their gift

Step 5 – Confirm and recognize the completion of the gift with the donor.

3. No adequate donor database or system to organize outreach to donors. The communication with prospective donors about estate giving often requires a number of steps, so being organized is exceedingly important. And once a gift commitment is made, it is frequently a number of years until the gift "matures", making good records more important than ever.

Your system should ensure you are able to

- 1) identify long-time donors by dollars given yearly and length of giving;
- 2) track the prospect information received;
- 3) follow the prospect through the five step process towards a completed gift;
- 4) steward the planned gift donors going forward.

Suggestion: Computer support is critical to all organizations in this day and age so allocating resources to get the proper technology is imperative.

- Visit www.TechSoup.org or NTEN www.nten.org to learn about software
- Develop a system to keep track of your outreach efforts – computers make things faster, but having a thoughtful system is core
- Implement staff procedures to ensure accurate and timely donor data compilation and input.

4. No communication methodology. The lack of an effective, comfortable donor approach for conversations about planned giving limits programs to Website information, newsletter articles, and letters to donors. However, written communication is only one small part of a planned giving program. Seeking an end-of-life gift from passionate supporters (donors and volunteers) goes beyond inserting a check box on printed materials that says, "To learn more about putting us in your will..." A long-time, mission-connected donor once said, *"My favorite organization sends me newsletters with their tax ID number and a request to put them in my will, but they have never had a conversation with me. I think that's creepy."*

CPYG developed a conversation script to talk with donors on various aspects of the organization. This approach means that there are only questions asked of the donor and ONLY to gather information. It is not an "ASK." Staff and volunteers have said that this approach is fun, easy and enjoyable. It only requires someone to be a good listener and enjoy hearing donors' answers. Questions include:

- *What is their personal experience with the organization and their satisfaction as a donor?
- *What is their emotional connection to the mission? People usually give based on emotions, especially with a planned gift.
- *How they think a planned giving program started or expanded would go over with others?
- *Would they ever consider a planned gift themselves?

This process accelerates planned gift prospect identification which is finding the donors who are open to the idea of planned giving. These tools also answer staff and volunteer reluctance and fear about planned giving conversations. Executive Directors who have used these tools say this conversation approach makes it comfortable and easy for both the donor and the community benefit organization's personnel/volunteers to engage in a planned giving conversation. (See conversation template to be handed out at workshop.)

5. **No urgency.** Current giving has urgency, but there usually is no deadline or goal to create urgency for planned giving. So it's easy to have no or limited commitment, let alone actionable procedures, to implement a small, weekly allocation of time to planned giving.

The **CPYG** Eight-Month *Pump Up Planned Giving Program* (PUPG) was set up to create urgency and accountability.

The program provides an actionable framework to:

- Have the organization's leadership (Board and Staff Leaders) embrace a planned giving program as a priority.
- Clarify organization's planned giving goal and measurement and have a structure for celebrating goal accomplishment.
- Develop a method for regular results tracking, ensuring consistent planned giving activity. **CPYG** uses a Google Doc spreadsheet to report weekly activities which only requires a 1-2 hours a week commitment plus a monthly conference call with the participating organizations.

Your organization can also adopt a "Pump-Up Planned Giving" structure to create urgency and accountability. Without structure we all know that planned giving program intentions and actions fall by the wayside.

6. **Uncertainty.** Organizations hesitate talking to donors because there is uncertainty that they have all the tools necessary to start a planned giving program. The vast majority – 80% - of planned gifts are made using the simplest techniques – a bequest in a will or trust, or beneficiary designation for a portion of an insurance policy or a retirement plan such as an IRA.

CPYG created a planned giving review/audit checklist to assist community benefit organizations assess their organizational readiness to begin a planned giving program and ensure they have the appropriate resources to move forward. While there are no legal requirements for beginning a planned giving program, it is essential to have a vision for planned gift revenue and insure appropriate policies are in place to guide the use/retention or sale of planned gifts, such as appreciated assets. Participants in the eight-month "Pump Up Planned Giving" program participate in a high level 1-hour review which address:

- Written vision and purpose for planned gifts
- Ability to identify long-term donors and volunteers (5 yrs.+) and create a report
- Board-approved written gift acceptance policies & procedures

- Resources for best practice gift acceptance policies can be found at: <http://www.councilofnonprofits.org/nonprofit-gift-acceptance-policy>.
- Written donor recognition & stewardship policies & procedures
 - Resources for best practice donor recognition policies overview can be found at: http://www.adrp.net/assets/documents/bestpractices/adrp_best_practices-donor_recognition.pdf
 - Sample recognition plan can be found at: <http://www.cvfundraising.com/resources/tools/sample-donor-and-gift-recognition-policy>
- Ability to capture and retain donor interactions on planned giving so staff changes don't stop progress.

7. No long-term commitment/resources. Estate planning implementation and changes to existing plans are a personal process for the donor that takes time. Many organizations don't have the consistent focus, intent or resources to sustain a planned giving goal and see the donor through to the end of the gift process. Community benefit organizations also assume that wealth gatekeepers (attorneys, CPAs, financial advisors, bankers) talk to their clients (your donors) about including charity in their plans. However, according to the 2012 Bank of America philanthropy report, 80 percent of philanthropic-minded individuals expect their advisors to bring up the idea of including charity in an estate plan, while less than 10 percent of advisors actually do.

Suggestions: To ensure long-term commitment and increase resources:

- Develop a communication team to work with staff to have the initial conversation with long term donors. Key skills needed are desire to engage with donors and the ability to listen.
- Develop a planned giving committee of mission-passionate, professional advisors who are willing to assist with technical issues and consult with your donors to work through personal issues to achieve clarity and comfort to complete the gift.
- Work with advisers to volunteer a free hour to talk with donors.
- Train fundraising staff so they have the comfort to converse with donors on planned giving opportunities by understanding that they have advisor partners as resources for technical expertise.

Don't let these pitfalls stop you. With the tools and resources to overcome them, you can focus personal conversations with passionate supporters on creating a legacy by planning today to give tomorrow. For more information about the California Plan Your Giving Project or tools and resources, visit www.californiaplanyourgiving.org.

About the California Plan Your Giving Project:

The State of California legislature declared October 1, 2010, 2011 and 2012 as California Plan Your Giving Day. A volunteer group initiated efforts to increase the number of people who leave charities in their estate plan with a mission to make charitable giving in estate plans commonplace. Those who make this commitment, register their intention on the website. To date, over 540 people have done so. Visit www.californiaplanyourgiving.org to register your intention and to find out more information.