

Building donor relationships



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**FORMS**

Internal Case for Planned Giving Template

PGB2-0302

WEEKS 3-4

Getting Your Board on Board

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**Time required:** 2 hours

**What it covers:** *Making the Case* with an internal document stating why your organization is investing in a planned giving program; and *Engaging Your Board* in the planned giving process with a leadership questionnaire and effective visit techniques.

**Why:** Most charities start and stop their planned giving programs because they lack a firm commitment to this type of fundraising. The internal case ensures that present and future staff and volunteer leadership remain committed to planned giving.

BACKGROUND

***The Internal, Donor-Centered Planned Giving Case for Long-Term Support***

An organizational case adopting a donor-centered, planned giving approach for long-term support is a critically important component to ensuring your organization’s commitment to long-term goals and objectives.

Note the case targets an *internal* audience rather than an external audience.

* **Purpose of the Planned Giving Case**
  1. Invoke the highest purpose of the organization’s existence — its mission — and demonstrate how the fulfillment of your long-term mission will be strengthened through planned and endowment gifts;
  2. Focus on the needs of your donors:
     + How planned and endowment gifts can be used to assure your donors that their support will enhance the part of your mission that is most important to them.
     + How donors can establish a meaningful and permanent legacy that meets your needs while also meeting their needs.
  3. Provide the rationale behind the request for planned and endowment gifts;
  4. Identify a range of long-term resource needs and objectives; and
  5. Serve as the springboard for creating a variety of communication and marketing efforts in support of your planned and endowment giving program.
* **Intended Audience** – The case is focused on your internal audience, particularly your volunteer board and staff, to help change the organizational perspective on giving. It is impossible to win over your external audiences if your board and staff leadership have not adopted and endorsed this approach. Once your organization adopts this approach*, the case serves as a constant reminder and educational tool* to ensure you stay on this path. Many charities lose their focus when board members change or a new executive director is hired. An internal case, with buy-in from the existing executive director and board, will ensure that the culture shift you create will last.
* **Content** – The planned giving case has ten core elements, including:

1. Description of the long-term mission and historic significance of your organization
2. Definitions of planned and endowment gifts
3. Stories of donors who have made significant planned and endowment gifts in the past that are supporting your organization today, including the impact those gifts have had on those you serve and the long-term outcomes those gifts have created for your organization
4. How planned and endowment gifts will help your donors create their own legacies with your organization to ensure your long-term future
5. How planned and endowment gifts will fit with your donors’ overall plans for the present and future generations of their families, to ensure a meaningful legacy beyond your charity
6. Your organization’s values and philosophy about long-term resource management, including legacy and endowment policies
7. Information about specific tools that will help donors achieve their long-term objectives for the charity, for themselves, and their families
8. Information about donor recognition and stewardship, to ensure that the charity maintains the legacy for all time
9. The name and position of the person at the charity who will coordinate the effort to encourage future and endowment gifts, and
10. A clear commitment to donor-centered service and confidentiality

* **Goal** – The goal articulated by the planned giving case *is not a dollar goal*. Instead, it is a goal of sustainability using this approach, even during difficult times. The true measure of success for the case is how effective the organization becomes in **engaging donors in the long-term mission** and their desire to support the charity not for just today, but in perpetuity.
* **Focus** – The focus of the planned giving case is to encourage a culture at your charity that supports and encourages donor-centered relationships that lead to planned and endowment gifts. The relationships are not between individual donors and fundraisers, but relationships among individual donors, their families, their advisors and your charity’s mission. **Donors who are tied to your mission become your long-term supporters.** By engaging their families in the process, you ensure that their legacies will be carried out, and may even find a new generation of potential donors. A true donor-centered approach also invites all of the advisors working with your donors to participate in process. A strong case will focus on why these kinds of gifts are important to your charity, to ensure this approach and culture is supported by proper resources now and in the future.
* **Uses** – The planned giving case statement has six main uses:
  1. *Change the culture* – The case statement reminds your volunteer Board and staff how a donor-centered planned giving approach enhances your charity’s mission today and tomorrow.
  2. *Tell the story* – Volunteers and staff need to be reminded of the impact and outcomes from gifts. The stories of matured future and endowment gifts are rich fodder to show impact and outcomes. Not just the immediate impact a gift has when it matures, for example, to build a building. But the impact it has later, when that building is used to care for sick animals which are then adopted by loving families, or whatever your mission might be. The reach of these gifts is long-term, if you tell some of the really long-term stories, it demonstrates the power of these gifts to fulfill your mission.
  3. *Obtain feedback* – Volunteers and staff often have reasons not to support future and endowment gifts. Sharing the case allows you to hear those thoughts and build consensus on the importance of long-term support.
  4. *Form the basis for communications materials* – The stories outlined in the case statement often can be reworked to show donors and prospects the long-term outcomes created by planned gifts.
  5. *Test the market* – Even though you have already determined that your organization is ready for planned giving, the case statement provides you with an additional tool to determine this. If you face significant opposition to adopting a well-articulated case, you need to spend more time educating volunteers and staff about the importance of these approaches. However, feedback will help you to refine your message so that it “hits the target.”
     + When your case is strong, it is easily reworked to become the basis of communications materials.
     + When your case is not compelling, it will fail with insiders and potential donors alike.
  6. *Recruit volunteer leadership* – The case statement shares your philosophy with prospective volunteer leaders. If they do not agree with the case, it gives you an opportunity to educate them or to avoid putting them on your Board.

PROJECTS

**Project 5: Draft Your Own Internal Case**

To get started, download and review the sample case at: [www.PlannedGivinginaBox.Com/PGB2-0301](http://www.plannedgivinginabox.com/PGB2-0301). It will help you to understand how you might format a case, illustrate how to tell impact and outcome stories, and provides a sample to follow when drafting your own version of the case.

Next, download the case template at [www.PlannedGivinginaBox.Com/PGB2-0302](http://www.plannedgivinginabox.com/PGB2-0302). Use the template to draft your own case, inserting your own information where it is required.

Once the draft case is completed, pass it by others on the staff to get their feedback, particularly the CEO. You will gather valuable information from your colleagues. With these changes complete, send it to your volunteer planned giving committee for their review. You will find that they can help you to stay on point and may have ideas for improving the content of the case. Once you have their feedback, you can finalize the case. You want the case to be strong for the next step in the process, sharing it with your Board.

**Project 6: Board Member Visits**

With your completed case in hand, the next step is to schedule meetings with your Board members so you can share and explain the case (and other materials as you develop them) and engage the Board in planned giving. Each Board member visit gives you the opportunity to share your progress in building your planned giving program and create buy-in for the effort.

Assuming a typically-sized board, just two visits per month should help you to accomplish your goal of meeting everyone to discuss planned giving during the year you implement Planned Giving in a Box. To assist in this process, download the Leadership Questionnaire at [www.PlannedGivinginaBox.Com/PGB2-0303](http://www.plannedgivinginabox.com/PGB2-0303). It includes the key questions you want to ask to learn about your Board members and engage them in the planned giving program.

Note that these visits are not meant to ask for a planned gift, they are for information sharing. However, you will find that many Board members will inform you of previously created planned gifts or want to ask about creating their own planned gifts. *This is a great result* and one you should encourage.

* Planning Your Board Member Visits

1. Schedule the meeting – Ask for approximately 30-45 minutes. Note that the later into the Planned Giving in a Box program that the meeting takes place, the longer the meeting will be so that you can review what you have done so far and what you plan to do going forward.
2. Send confirmation letter/e-mail/note – Include with your confirmation ***draft*** copies of materials, to the extent that they have already been developed in the Planned Giving in a Box program:
   * Internal case
   * Gift acceptance policies
   * Gift agreement templates
   * Number of identified gift planning prospects and ranking system
   * Marketing materials
   * Stewardship society materials
   * Sample bequest/beneficiary designation language
   * Operating plan for next year
3. Items to bring to the meeting
   * Copies of materials sent with confirmation letter
   * Leadership questionnaire
4. Agenda for the meeting
   * Thank the Board member for his/her time and participation
   * Review agenda
   * Reminder that all information shared is to help build and enhance the program
   * Describe the goals and objectives of Planned Giving in a Box
   * Review the internal case
   * Review other documents (if any)
   * Use leadership questionnaire to ask board member about your program and his/her thoughts. Please note that Questions 7, 8, 9 and 10 in PGB2-0303 may be optional depending on circumstances. You should familiarize yourself with them beforehand. Be sure to record the information on the questionnaire, it is your “call report” for the visit
   * Ask Board member to consider becoming a (charter) member of the stewardship society if the visit presents an opportunity to do so
   * Identify next steps (regarding his/her own gift) and set a time frame for follow-up
   * Thank the Board member and end the meeting in a timely way
5. After the meeting – Send a thank you note and confirm the next steps and time frame

*Some tips for a successful meeting: relax and be yourself; LISTEN as much as you talk; be sensitive to body language, facial expressions and voice inflection; express your enthusiasm and commitment in promoting planned gifts; be honest at all times – if you do not know the answer to a question, admit it and offer to get back to him/her with an answer.*

As you complete each Board member visit, be sure to record your results in the Planned Giving Activity Tracking Report each month.

DOCUMENT PGB2-0302

Internal Case for Planned Giving Template

[YOUR CHARITY]

Internal Case for Planned Giving

Statement of Purpose, Mission and History

**[INSERT STATEMENT ABOUT THE MISSION OF YOUR CHARITY, ITS PURPOSE AND HISTORY; INCLUDE INFORMATION ABOUT ANY PLANNED GIFTS THAT MAY HAVE BEEN MADE IN THE FOUDNING OF YOUR ORGANIZATION]**

What is Donor-Centered Planned Giving?

Planned giving is a powerful and meaningful way for individuals to give to **[YOUR CHARITY]** to ensure our long-term future, while also meeting personal planning objectives. Planned gifts (also called planned gifts, legacy gifts or deferred gifts) are constructed in the present by donors, but usually do not benefit **[YOUR CHARITY]** until some future date. Planned gifts generally take two forms, revocable and irrevocable. Revocable planned gifts allow donors to make commitments now but reserve the right to alter their plans up until death. The most common types of revocable planned gifts include naming **[YOUR CHARITY]** as the beneficiary of a will, living trust, life insurance policy, payable-on-death account, pension plan or retirement account. Irrevocable planned gifts are binding commitments now that provide for **[YOUR CHARITY]** in the future. Most often they take the form of life-income gifts including charitable gift annuities, pooled income funds, and charitable remainder trusts.

Donor-centered philanthropy is an emerging model for raising funds. Instead of asking what donors can do for **[YOUR CHARITY]**, it asks what donors need to accomplish for themselves, their families and their future using a values-based approach. It seeks out what is really important to them in their lives. It then asks how **[YOUR CHARITY]** and other charities they support can be integrated into their tax, estate and financial planning to help meet these goals. The tools of donor-centered planned giving provide donors with the ability to meet both their personal planning objectives and their philanthropic goals to leave a more meaningful and lasting legacy.

**The Important Roles of Endowments at [YOUR CHARITY]**

In order to maximize impact and long-term outcomes, the majority of planned gifts are designated for endowments. Endowments funds are invested to provide future cash flow for **[YOUR CHARITY]**. Some endowments provide the net-income earned by the fund each year, while others use a trustee-determined draw rate. **[DESCRIBE ONE OR TWO EXISTING ENDOWMENT GIFTS THAT HAVE ALREADY BEEN RECEIVED AND PROVIDE SUPPORT FOR EXISTING PROGRAMS]** These gifts illustrate one of two important ways that **[YOUR CHARITY]** uses endowments, to ensure the long-term future and viability of **[YOUR CHARITY]**. There are no more important gifts, as without these gifts **[YOUR CHARITY]** would have to rely solely on tuition and current gifts, both of which can drop dramatically when the economy is uncertain.

**[DESCRIBE ONE OR TWO EXISTING ENDOWMENT GIFTS THAT HAVE ALREADY BEEN RECEIVED AND WERE USED TO FUND NEW PROGRAMS]** This type of gift illustrates the second use of endowments, to fund and pursue new programs that it could not otherwise offer due to limited financial resources. Without the **[ENDOWMENT NAME]** Endowment, **[DESCRIBE A SPECIFIC OUTCOME/RESULT THAT WOULD NOT HAVE HAPPENED WITHOUT THE CREATION OF THE ENDOWMENT]**

Properly designed, constructed, managed and stewarded endowments strengthen the long-term well being of **[YOUR CHARITY]** by assuring a base of support. More importantly, they provide the means for our donors to impact our future.

**Why Should [YOUR CHARITY] Seek Planned Gifts Now?**

In 1998, John J. Havens and Paul G. Schervish, of the Boston College Center on Wealth and Philanthropy published a study projecting an astonishing $41 trillion transfer of wealth between 1998 and 2052, with over $6 trillion to benefit charities through estates during that time.[[1]](#footnote-1) Even if this amount is reduced by the recent economic downturn, a significant number of charitable bequest dollars have been, and will continue to be, transferred to charities in both the short and long-terms. In 2008, seven of the ten largest gifts to charity were in the form of bequests.[[2]](#footnote-2) Because this wealth is transferred when the donor no longer needs it to live on, bequest gifts are the largest gifts that donors can and do make.

*Gifts that Continue, Even in a Down Economy*

Planned gifts continue to be created and mature regardless of the economy. During difficult economic times, people are more likely to update their wills. Concerns about current income, the value of investments and decreasing retirement savings cause individuals to postpone philanthropy or consider planned gifts, since they do not impact the donor until death. Legacy Leaders recently completed an analysis of giving patterns since 1966, using data from Giving USA. They found that while giving from individuals, foundations and corporations either remained static or declined during recession years, planned gifts actually grew by 5% during recession years. This allows future gift revenue to serve as a “lifeboat” for **[YOUR CHARITY]** when all other forms of revenue, including endowment spending amounts, are going down.

*Broad Appeal -- Everyone Is A Legacy Giving Prospect*

Recent studies have debunked several myths about future gift prospects. The 2007 study, *Bequest Donors: Demographics and Motivations of Potential and Actual Donors.”* (the Bequest Study) conducted by the Center on Philanthropy at Indiana University (CPIU), found that the majority of individuals still do not have a will. Of those who do, only 7.5% have included a charitable provision. When asked why, the number one response in the 2000 National Committee on Planned Giving (now Partnership for Philanthropic Planning) study of donor behavior indicated that donors did not include a charitable bequest because it had never occurred to them. The Bequest Study also showed that donors age 40-60 are significantly more likely to consider a charitable bequest than donors over age 60, and that wealth level is not a factor in whether a donor considers a charitable bequest. Individuals who are engaged in **[YOUR CHARITY]**’s mission and focused on what it can accomplish in the future are the best future gift prospects, regardless of age or wealth.[[3]](#footnote-3)

*Increased Overall Support*

The Bequest Study showed that donors who had included a charitable bequest in their plans made annual gifts more than double in size than their counterparts who had not included charity in their estate plans. There are many reasons for this, including: the donor has elevated the charity to the status of a family member and has a much greater investment in the charity’s success; and the donor is providing greater lifetime support to a program that will be endowed later by a bequest. Planned gifts will increase not only long-term support, but also current support from **[YOUR CHARITY]**’s most loyal and engaged donors.

*We Are Ready*

[INSERT LANGUAGE ABOUT YOUR ORGANIZATION’S MOST RECENT STRATEGIC PLANNING PROCESS AND THER NEED FOR RESOURCES FOR LONG TERM SUPPORT] To implement the plan, [ORGANIZATION NAME] will need to increase current revenue as well as endowment. With clearly articulated immediate and long-term goals, we are prepared to share with prospects the impact they can have today and the outcomes they can create for tomorrow. We have a robust group of regular consistent donors, the type of people who are the most likely to consider and create planned gifts. [YOUR CHARITY] is committed to a long-term approach, with endowment and gift policies that ensure confidentiality and that donor wishes will be fulfilled. We have developed a stewardship program to share successes with donors and their families, illustrating the immediate impact and long-term outcomes created by their gifts. [INDICATE THAT RESOURCES HAVE BEEN DESIGNATED TO FUND THIS PROJECT FOR THE LONG TERM AND NAME THE POINT PERSON DESIGNATED TO IMPLEMENT THE PROGRAM]

Most importantly, we have a compelling mission, [RESTATE MISSION AND OUTCOMES CREATED BY PAST ENDOWMENTS OR PLANNED GIFTS]. Our planned giving program, if properly built and maintained, will allow us to pursue the next generation of endowments and long-term support to ensure our future.

1. Havens, John J. and Paul G. Schervish, “Why the $41 Trillion Wealth Transfer Estimate is Still Valid,” *www.bc.edu/research/cwp/features/wealth.html* [↑](#footnote-ref-1)
2. <http://blogs.wsj.com/wealth/2009/01/26/the-dead-more-generous-than-the-living-in-2008/> [↑](#footnote-ref-2)
3. Sargeant, Adrian and Shang, Jen, “Identification, Death and Bequest Giving”, *http://www.legacyleaders.ca/files/Sargeant-Shang%20Report.pdf* [↑](#footnote-ref-3)