

Building donor relationships



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**FORMS**

Planned Gifts Tracking Reports Template

PGB2-0502

WEEK 5

Counting and Recognizing Gifts

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| --- | --- |
| **BACKGROUND** | The Importance of Policies |
|  | Standards Development |
|  | Implementing a Gift Counting and Recognition Policy |
|  | Ensuring Complete Transparency for Donors |
| **PROJECTS** | Draft Your Gift Counting and Recognition Policy |
|  | Create Your Planned Giving Tracking Reports |
| **DOCUMENTS** | PGB2-0501 – Gift Counting and Recognition Policy Summary |
|  | PGB2-0502 – Planned Gifts Tracking Reports Template |

**Time required:** 1 hour

**What it covers:** Policy for counting and recognizing all gifts, including planned gifts, to ensure consistency in reporting and compliance with national standards.

**Why:** Planned gifts often do not mature until the future, and without a carefully thought counting and recognition policy, not only will your charity struggle to quantify gift commitments, it will also be more likely to offend well-meaning donors.

**How to get it:** [www.PlannedGivinginaBox.Com/PGB2-0501](http://www.plannedgivinginabox.com/PGB2-0501)

[www.PlannedGivinginaBox.Com/PGB2-0502](http://www.PlannedGivinginaBox.Com/PGB2-0502)

BACKGROUND

Gift counting and recognition are hot button issues for charities. Too often, charities ignore this important area until faced with a donor who wants far more recognition than the gift deserves. Without a *formal* policy, the organization has no leg to stand on and usually grants the donor’s request, even though it is not in the best interest of the organization. Worse still, other donors see that example and then ask for similar treatment, leading to bad counting, bad naming and charities overstating their fundraising results.

To combat bad naming and recognition policies, the **Council for Advancement and Support of Education (CASE)** and the **Partnership for Philanthropic Planning (PPP)** each created **gift counting standards** for outright and planned gifts. These national organizations worked long and hard to put together their policies, but could not agree in every detail about how counting and recognition should work.

Included as [www.PlannedGivinginaBox.Com/PGB2-0501](http://www.plannedgivinginabox.com/PGB2-0501) is a sample gift counting and recognition policy summary which combines the best of these two standards into an eight-page policy document which you can adapt for your charity. The combined strategy calls for your charity to cease counting and recognizing all dollars raised in a single category. Instead, it implements a program which has your charity count **three separate numbers** which should not be added together. They are:

1. **Category A** – **Outright Gifts:** The total of outright gifts and pledges received, reported at face value.
2. **Category B** – **Irrevocable Deferred Gifts:** The total of irrevocable deferred commitments, which will be received at an undetermined time in the future, reported at face value.
3. **Category C** – **Revocable Gifts:** The total of revocable deferred commitments, which may be received at an undetermined time in the future, reported at estimated current value.

Using this methodology, your charity has **complete transparency** for your donors.

All gifts are “counted” and “recognized” at face value, regardless of the type of gift, the date of maturity, or even the likelihood of maturity. However, everyone knows that Category A gifts are current gifts for certain now, Category B gifts are future gifts for certain at an unknown time in the future, and Category C gifts are future gifts for an uncertain amount and time in the future.

No longer will your charity have to worry about showing someone who has named you as the beneficiary on a $1 million face term life insurance policy as a $1 million donor. Instead, that donor is placed in Category C, so your charity is not depending on a gift which is not likely to ever mature to your benefit.

PROJECTS

**Project 7: Draft Your Gift Counting and Recognition Policy**

* Download the gift counting and recognition policy template at: [www.PlannedGivinginaBox.Com/PGB2-0501](http://www.plannedgivinginabox.com/PGB2-0501).
* Review the template with your internal staff leadership.
* Customize the policy to meet your organizational goals and objectives.
* Please insert the name of your charity *only* at the very beginning of the document where indicated by **[YOUR CHARITY]**. Note that the “YOUR CHARITY” (no bold, no brackets) designation used in the rest of the policy summary is intended as a generic reference and is *not* to be replaced with the name of your organization.
* Share the draft with your volunteer committee for their feedback.
* Present the draft for approval by your Board.
* Add the final policy to the documents you share on Board member visits.

**Project 8: Create Your Planned Gift Tracking Reports**

With your counting and recognition policies in place, you will now need to create new tracking reports to account for these three different categories of gifts. Keep in mind that the templates assume that your charity will eventually offer the full range of planned giving options to your donors. This means that there are many categories, probably more than you will use at first. However, by adopting the template reports, you’ll be ready when your program continues to grow in year two and beyond.

To create your reports:

* Download the planned gifts tracking reports template at: [www.PlannedGivinginaBox.Com/PGB2-0502](http://www.plannedgivinginabox.com/PGB2-0502).
* Review the template with your internal staff leadership
* Customize the policy to meet your organizational goals and objectives, working in collaboration with your advancement services director or your database provider
* Please note than in the PGB2-0502 five-year reports we have included the different **tenders** (in the gift structure report) and the different **structures** (in the gift tender report) in the far right column *simply as a reminder* for your convenience. You DO NOT want to print out those columns in your reports.
* Share the draft with your volunteer committee for their feedback
* Add the final report to the documents you share on Board member visits

There are both multi-year and detailed reports for tracking gifts by tender type and by gift structure. Once the reports are created, you can use them to track all of your gifts, including outright gifts, planned gifts and expectancies.

DOCUMENT PGB2-0502

Planned Gifts Tracking Reports Template

To access the template, double click on the Excel icon below and save it to your computer.

