

Building donor relationships



**FORMS**

Society Membership Criteria and Benefits

PGB3-1101

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WEEK 11

Your Legacy Society

|  |  |
| --- | --- |
| **BACKGROUND** | Thanking |
|  | Recognizing |
|  | The Role of a Donor Recognition Society |
|  | Membership Criteria |
|  | Membership Benefits |
| **PROJECTS** | Develop Membership Criteria and Benefits for Your Legacy Society |
| **DOCUMENTS** | PGB3-1101 – Society Membership Criteria and Benefits |

**Time required:** 1 hour

**What it covers:** Developing the membership criteria and benefits to steward your planned giving donors

**Why:** An inclusive legacy society is vital to ensure that planned giving donors feel appreciated, because in most cases their gifts do not mature to the benefit of your charity until after their death, when it is too late for you to say thank you

**How to get it:** [www.PlannedGivinginaBox.Com/PGB3-1101](http://www.plannedgivinginabox.com/PGB3-1101)

BACKGROUND

*Thanking, Recognizing and Stewarding*

Because the vast majority of planned gifts do not benefit a charity until after the donor has passed away, developing an effective system to thank, recognize and steward planned giving donors is **vital** for your charity.

Each of these distinct activities warrants your attention.

*I once worked with a charity that had neglected its stewardship efforts because they were short staffed. It took them* ***nearly******four years*** *to reestablish sufficient trust with their planned giving donors to once again accept our stewardship visits with regularity. We’ll never know how many gifts* ***were lost*** *as a result, but there were many donors who told us that they had removed the charity from their will* because we did not seem to care *about their gifts.*

**Thanking**

Thanking requires proper acknowledgement of donations of time, talent and treasure, the three legs of donor participation.

As with annual fund donors, planned giving donors seek a **contemporaneous thank you** at the time the donor informs your charity about the gift, indicating that you intend to use the gift where it will be directed. Then they will expect you to provide reports of the **progress of that program** for the duration of the donor’s life. By connecting a planned giving donor to the people at your charity who are providing the service to be funded or who benefit from it, planned giving donors *will feel secure* that their gifts will come to good use.

* The thank you process and **the relationship that follows** create a trust that your charity will use the gift as intended, *even after the donor is not there* to ensure that you do so.

Because planned gifts will not mature until the future, planned giving donors must feel confident that your **board members are engaged and committed** to the future. Each of your board members should be asked to join the stewardship society, to *increase their visibility* and *investment* in the organization. Board members should also be utilized in the thanking process. It is very powerful for a new planned giving donor to receive a thank you note or telephone call from a board member. It emphasizes that the gift is valued and will be used for its intended purpose.

**Recognizing**

Most charities **struggle** to effectively recognize planned giving donors. Because these gifts usually do not mature until the future, there is often a misconception of “fairness” that comes into the conversation. Charities can feel that it is *unfair* to treat a planned giving donor the same as a major donor, since the gift from the planned giving donor *has not yet been irrevocably transferred* to the charity.

However, as Penelope Burk points out in her seminal work *Donor-Centered Fundraising*, recognition and stewardship for major and annual donors are **not a post-gift activity** but *an investment in the next gift*.

The same holds true for planned giving donors. The recognition and stewardship you give them today are for *their ultimate gift*, the one that comes when that donor passes.

**The Role of the Legacy (Donor Recognition) Society**

The legacy society is the most common method of recognizing planned giving donors to your charity. It allows you to *publicly recognize gifts that will not mature until the future*, as well as to immortalize those who have died leaving planned gifts.It honors those individuals who support your charity’s mission and love the organization enough to create **a gift of great significance** for it. The most common legacy society functions include:

* Thanking and acknowledging planned giving donors, many of whom will not be alive when their gifts mature and come to benefit your organization
* Maintaining and strengthening planned giving donors’ relationships with your organization
* Providing a vehicle for ongoing communication with planned giving donors (stewardship)
* Engaging planned giving donors with the organization and its mission on an on-going basis (stewardship)
* Focusing attention generally on the value of planned gifts to your organization
* Encouraging others to consider and make their own planned gifts

**Membership Criteria**

Membership should be extended to all individuals, and their spouses, who have:

* Set up an endowment to benefit your organization
* Included your organization in their estate plans
* Named your organization as a beneficiary of a trust, life insurance policy, charitable lead trust or retirement plan; or
* Created a life-income gift (charitable remainder trust, pooled income fund, charitable gift annuity)

*Donors don’t necessarily understand why they are in one society or another. By putting together donors who have a similar vision for the long-term of the organization, rather than focusing on the gift vehicle they have chosen to get there, it is* ***more donor-centered*** *and better for your future. Give it a try. I think you’ll find it is more effective.*

**Membership Benefits**

Membership benefits should be customized to **combine thanking and recognizing** your planned giving donors for their long-term commitment to your organization while showing them the **long-term impact and outcomes** created by their planned gifts and those of others. Some possible benefits of donor recognition society membership include:

* For New Members:
  + Thank-you letter or personal thank you call from Board President
  + Thank-you letter from the CEO/President
  + Certificate of Membership
  + Memento (pin, paperweight, mug, clock, picture frame, etc.)
  + Special mention in the annual report
* For Existing Members
  + Listing in the annual report (both before and after death[“memorial” status])
  + Invitation to recognition society events (written, followed up by personal invite from a Board member via telephone)
  + Birthday card
  + Thanksgiving Day card
  + Annual phone call from Board member
  + Newsletter (Send to all members and those who have inquired about a legacy gift in last five years):
    - Donor profiles showing the impact and outcome of gifts, as well as donor motivations to make gifts; do not emphasize how the gift vehicles or tools work; maintain donor focus
    - Articles that are helpful in practical terms for your donors’ financial planning generally
    - “Letters to the Editor” section
    - Tax law updates (keep these readable and non-technical)
    - Contact information for those on your staff that donors should reach out to for assistance
  + Social networking to encourage donors and other supporters to interact
* For Deceased Members (after their gift is actually made)
  + Acknowledgement to family
  + Collection of gift
  + Demonstration that funds are used as donor intended
  + Recognition after death to show long-term gratitude to donor
  + Ongoing connection with family to show long-term impact of gift (stewardship)

Once you start to steward donors, you should never stop. They need to feel appreciated for the rest of their lives. Make sure your organization is *committed* to **long-term stewardship**, or don’t start a planned giving program.

*When your recognition society is small, instead of a stewardship newsletter, do a quarterly letter from* ***a personality*** *in your organization who has been around a long time and is well respected. This might be the President, but it also might be the retired head of the alumni association as well. If you have the right kind of person, you’ll know who I mean. This quarterly letter can be individually signed and have a personal note appended. Not only will it get a lot of attention, it will make the donors* feel especially important as insiders*. When the group gets larger, you can do a newsletter. See Module I –* Marketing and Outreach *(Month 9, “Donor Letter/Newsletter”) for a newsletter template and step-by-step instructions.*

PROJECTS

**Project 7: Develop Membership Criteria and Benefits for Your Legacy Society**

Download the legacy society membership criteria and benefits template at [www.PlannedGivinginaBox.Com/PGB3-1101](http://www.plannedgivinginabox.com/PGB3-1101). Customize the template to include the criteria and benefits appropriate for your organization. Pay particular attention to **who is delivering which benefits**, to ensure that you can manage the entire process easily.

DOCUMENT PGB3-1101

Society Membership Criteria and Benefits

**Legacy Society Membership Criteria**

Membership should be extended to all individuals and their spouses who have:

* Set up an endowment
* Named **[YOUR CHARITY]** in their estate plans
* Named **[YOUR CHARITY]** as a beneficiary of a trust, life insurance policy, charitable lead trust or retirement plan, or
* Created a life-income gift (charitable remainder trust, pooled income fund, charitable gift annuity) for the benefit of [OUR CHARITY]

**Membership Benefits**

*New Members:*

|  |  |  |
| --- | --- | --- |
| **Activity** | **Timeframe** | **Person Responsible** |
| Thank you phone call | Within 7 days | Board President |
| Thank you letter | Within 48 hours | President/CEO |
| Certificate of membership and memento | At annual luncheon or within 7 days of luncheon if not attending | Director of Development |
| Tagged in annual report | Annual report | Director of Development |
| Friend on Facebook | Within 7 days | Director of Development |

*Existing Members:*

|  |  |  |
| --- | --- | --- |
| **Activity** | **Timeframe** | **Person Responsible** |
| Listed in annual report | Annual report | Director of Development |
| Birthday Card | Annual on birthday | Director of Development |
| Thanksgiving Day Card | Annual in November | President/CEO |
| Phone call from board member | National philanthropy day | Advancement Committee Chair |
| Update Letter | First Wednesday of each calendar quarter | Retired alumni chair |
| Facebook Updates | Monthly | Director of Development |

*Deceased Members:*

|  |  |  |
| --- | --- | --- |
| **Activity** | **Timeframe** | **Person Responsible** |
| Condolence card | Upon notice of death | Director of Development |
| Acknowledgement of gift | Upon receipt of distributions | Director of Development |
| Collection of gift | Within 10 months of death (per estate admin procedures) | Director of Development |
| Funds put to intended purpose | Within 10 months of death (per estate admin procedures | Director of Finance |
| Recognition after death | Within 1 year of death | Director of Development |
| Long-term impact of gift | At least annual for 5 years | Director of Development |