MODULE II

BACK OFFICE OPERATIONS

This toolkit will transform your career in gift planning. Period.

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Congratulations!
Most fundraisers just don't get it. But you do.

Why do so few fundraisers pursue planned gifts when it's so easy? Because planned giving is proactive, and most folks are reactive. If all fundraisers were proactive, their nonprofits' endowments would be bursting at the seams, and fundraising drives wouldn't have all the urgency of a fire drill.

Yet after surveying 2000 fundraisers, the majority are still singing the "We need cash now!" blues — the same tune they were singing 10 years ago. What is it they don't get? You simply can't get different results by repeatedly doing things the same way. In fact, that's the definition of insanity.

But you're different. You get it. You recognize the importance of planned giving to your organization, to its endowment — and to your career. You know the time for planned giving is *now*. And you've equipped yourself with a powerful tool to propel you and your organization to success.

As Zig Ziglar says, see you at the top!

Disclaimer

The advice contained herein as well as the documents are not intended to provide legal, tax, investment, or other professional advice, and it should not be relied upon as such. It is a group of tools to help you build a top notch, planned giving program. For assistance in specific cases, obtain the services of a competent attorney or other professional advisor.

Results cannot be guaranteed should you use this product. Each nonprofit has a unique mission and audience, requiring customization of these materials by the purchaser.

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Outline of Documents

The weekly timeline is an implementation suggestion only. Last three rows intentionally left blank. All these documents come with detailed instructions and forms.

		TOPICS
SUGGESTED WEEK-BY-WEEK STEPS	1 - 2	Are You Ready? Evaluating Your Mission
	3 - 4	Getting Your Board on Board
	5	Infrastructure – Counting and Valuing Gifts
	6	Infrastructure – Gift Acceptance Policies
	7	Infrastructure – Gift Agreements
	8	Infrastructure – Estate Administration
	9	Infrastructure – Ethics and Complying With Regulations
	10-11	Planning for Next Year
	12	Program Evaluation

A Question to Start With…

Why do most start-up planned giving programs fail to produce results? Because the organization jumps directly to the most complex gift vehicles and strategies without putting their own house in order first. This is a crucial and easily-overlooked step that helps ensure the long-term success of your planned giving program.

Here's how to start out right:

- Determine if your mission is appropriate for long-term support.
- Illustrate how endowments advance your mission today and will do so in the future.
- Engage your board and senior leadership through an internal case to ensure their investment in your planned giving program — both today and for the long-term.
- Build your planned giving infrastructure, including gift acceptance, counting and valuation policies.
- Draft procedures to administer completed planned gifts and comply with federal and state regulations.
- Create both short- and long-term plans of your planned giving program.
- Finally, evaluate your program regularly using activity measures, not dollars. Don't worry, though — the dollars are sure to follow.

What this Toolkit Is

Back Office Operations features simple, manageable, step-by-step tools and know-how to create an effective back office for your planned giving program.

Who It's Designed For

Back Office Operations is perfect for the shop that wants to start a new planned giving program, or for updating an existing planned giving program to raise planned gifts more efficiently and more effectively. You need to spend your time meeting with prospects, not sitting in an office worrying about drafting your estate administration process.

Back Office Operations provides all the core elements of an effective back office — all you need to do is customize them to your organization.

What Back Office Operations is Not

Over 80% of planned giving revenue comes from basic gifts: when donors name your charity as the beneficiary of a will, retirement plan or life insurance policy. Therefore, *Back Office Operations* does not include:

• materials to help you register to issue charitable gift annuities
• sample charitable remainder or lead trust documents
• detailed explanations of complex planned giving techniques.

Once you get your fundamentals in place, you can then pursue these more complex tools.

What Else Will You Need?

You should involve your board and volunteers in the process of building your planned giving program. There is no better way to ensure success than engaging your board members and volunteers and enlisting them as champions for the program to help it grow.

Some tips to consider:

- Planned Giving Committee.
  We suggest that you put together a small planned giving committee made up of board members friendly to planned giving and one or more volunteers who have already planned for the long-term future of your organization through a planned gift or by setting up an endowment. A quick meeting to introduce them to The Box is an excellent way to launch the program, particularly when working on Module II.

- Get Opinions From Your Board.
  Board members and volunteers love to be asked for their opinions. And frequently their input adds value since they are the best prospects you have. Each time you create something new from The Box, ask them to review it and give you feedback. You'll be amazed how much this improves the quality of what you produce.

- Customize!
  Don't be afraid to rewrite materials and customize them to fit your charity and include your branding. The more you adjust the materials to be about your mission, your successes, your impact and your long-term outcomes, the more effective you will be. This is especially true when drafting your internal case to get and keep your board on board.

A Few Recommendations

- If you decide you *must* register to issue gift annuities now, there are several companies you can call for assistance.
- If you do not want to register to issue gift annuities (we recommend you wait until you get the other elements of your program in place), but you have a donor who "just has to have one," consider using Dechomai Foundation, Comerica Charitable Foundation or your local community foundation to issue the gift annuity or your behalf.

Before you dive into the implementation schedule, though, we want to clarify a few things to make your progress faster and easier.

Learning and Doing

This module is a learning experience — learning by absorbing and understanding the **background** information we give you and learning by putting that information to use in **projects** to build your back office operations for pursuing and accepting planned gifts.

These two learning modalities are **equally important**. Together they offer the powerful synthesis that will help you empower and endow your organization through planned giving.
For best results, we've balanced the learning and doing *for* you.

"Personalization" Pays

In many places **we suggest you "personalize" the content**. What does this mean?
On the simplest level, it means inserting your organization's name and your own name in the appropriate spots. We've indicated locations in the content; look for bolded brackets and capitals such as "**[ORGANIZATION NAME]**". It also means putting a personalized salutation on a letter, such as "Dear Jane," instead of "Dear Valued Alum."

Important: Please remember to *delete all the bolded-brackets-and-capitals* cues from the documents before you publish them!

The highest level of personalization is the kind you compose and include that refers more specifically to your organization, its mission, the personalities and projects involved, etc. This type of personalization requires more than a cut-and-paste approach, but it is well worth the effort in terms of program development.

Keep It Simple

You can start this module anytime, even mid-year or year-end. Remember, the best time to start your planned giving program was 20 years ago. The next best time is **right now.** And you can make adjustments as needed to the suggested schedule.

But we recommend you try to *keep this product as intact as possible*. Like all of our materials ***Back Office Operations*** has been painstakingly designed and integrated to work for you straight out of the box. All you must do is execute the plan. Why tamper with perfection?

We've done all the preparation **so you can focus on what you do best**: meeting with prospects and raising money! Ready?

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Each Step At-A-Glance

Each Step comes with specific instructions and accompanying forms (if any).

Weeks 1 – 2
Are You Ready? Evaluating Your Mission

BACKGROUND	Donor-Centered Planned Giving Defined
	Not Just Cash and Stock
	The Importance of Legacy Gifts
	Gifts That Continue, Even in a Down Economy
	Broad Appeal – Everyone is a Planned Giving Prospect
	Increased Overall Support
	Examples of Planned Gifts
PROJECTS	Complete the Readiness Questionnaire
	Create Your Volunteer Committee
	Ask Your Volunteer Committee to Complete the Readiness Questionnaire
	Start to Measure Your Success
DOCUMENTS	PGB2-0101 – Readiness Questionnaire
	PGB2-0102 – Planned Giving Committee Memorandum
	PGB2-0103 – Planned Giving Activity Tracking Report

Weeks 3 – 4
Getting Your Board on Board

BACKGROUND	Purpose of the Planned Giving Case
	Intended Audience
	Content
	Goal
	Focus
	Uses
PROJECTS	Draft Your Own Internal Case
	Board Member Visits
DOCUMENTS	PGB2-0301 – Sample Internal Case
	PGB2-0302 – Internal Case for Planned Giving Template
	PGB2-0303 – Planned Giving Leadership Questionnaire

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Week 5

Counting and Recognizing Gifts

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

Week 6

Gift Acceptance Policy

BACKGROUND	Gift Acceptance Policies Prevent Problems
	What You Can Accept
	What You Can't Accept
	How to Evaluate Gifts Offered
PROJECTS	Drafting Your Gift Acceptance Policy
DOCUMENTS	PGB2-0601 – Gift Acceptance Policy Template

Week 7

Gift Agreements

BACKGROUND	Establishing Understanding Between Your Nonprofit and Your Donor
	One of the Most-Often Overlooked Program Components
	Preventing Loss of Future Support
PROJECTS	Draft Your Binding, Non-Binding and Estate Gift Agreements
DOCUMENTS	PGB2-0701 – Binding Gift Agreement Template
	PGB2-0702 – Non-Binding Statement of Intent Template
	PGB2-0703 – Binding Estate Gift Agreement Template

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Week 8
Estate Administration

BACKGROUND	Estate Administration Process and Procedures
	My Donor Has Died — Now What?
	Notice of Administration/Probate
	Open the File
	Be Patient, But Not *Too* Patient
	The Distribution is Finally Here
	Closing the Estate File
	Retirement Plans, Life Insurance Policies and Payable-on-Death Accounts
PROJECTS	Customize Estate Administration Procedures
	Customize Estate Administration Letters
	Put the Process to Use
DOCUMENTS	PGB2-0801 – Estate Administration Procedures Template
	PGB2-0802 – Estate Administration Template Documents

Week 9
Ethics and Complying with Regulations

BACKGROUND	Rules of Ethics
	State Regulation
	Registration to Do Business
	Registration to Solicit
	Registration to Issue Charitable Gift Annuities
PROJECTS	Adopt the Model Standards of Practice for the Charitable Gift Planner
	Review Compliance with State Regulations
DOCUMENTS	PGB2-0901 – Current PPP Model Standards of Practice

Weeks 10 – 11
Planning for Next Year

BACKGROUND	Where You Are and Where You're Going (Module I)
	Where You Are and Where You're Going (Module II)
	Where You Are and Where You're Going (Module III)
PROJECTS	Draft an Operating Plan for Next Year
	Draft an Operational Timeline
DOCUMENTS	PGB2-1001 – Planned Giving Operating Plan Template
	PGB2-1002 – Planned Giving Operational Timeline Template

Week 12
Program Evaluation

BACKGROUND	Congratulations!
	The "Planned Giving Activity Tracking Report"
	Measuring Activity Instead of Dollars
PROJECTS	Evaluation Report
DOCUMENTS	PGB2-1201 – Planned Giving Activity Tracking Evaluation Report