IS YOUR GIFT PLANNING PROGRAM CAMPAIGN READY?

Here's a simple truth: deferred and realized planned gifts account for 10% to 30% of annual philanthropic dollars raised. For many organizations, this amount is well above other fund development programs while remaining the most cost-effective fund development initiative. Where does your organization fall in this spectrum?

Let's define a few terms:

Planned Gift: A non-cash gift or gift commitment made during or for post-lifetime that considers overall financial and estate plans.

Major Gift: A gift considered to be at a leadership level for an organization, made in one year or over multiple years.

Blended Giving: A combination of annual, major and deferred gifts such as a bequest, retirement plan designation, charitable trust or gift annuity.

Creating opportunities for ALL of these types of giving is crucial to take your philanthropy program from sustainable to transformative. Many fund development staff members are not talking about planned giving options with donors. Nor are they ready to vet and receive these non-cash assets. Much effort often goes into pre-campaign planning; however, there is often little discussion or implementation of "how" non-cash gifts can be made and received, causing confusion and roadblocks.

The IRS reported that in 2016, donor tax returns for individuals ages 65 and older revealed 48% of the value of gifts made were in the form of

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non-cash assets. Mature donors have assets that are highly-appreciated and represent a federal tax burden upon their sale. If your organization is prepared, you can make a gift more beneficial for your donors, often resulting in larger gifts in the form of annual, major, blended or deferred gifts.

How do you consistently count bequests that impact your organization well into the future? Why is this important? It's important because the value of today's commitment is not always the value of the actual bequest realized in the future. For example, if a volunteer leader makes a $1 million commitment to your organization as part of his future estate planning, he then receives a gift credit for this bequest at full, seven-figure face value. What if months or years later, that same donor decides to replace that future $1 million commitment with a present-day cash gift that represents only 20% of the future commitment, stating the seven-figure bequest of the future is currently only worth 20% of the commitment. How does your organization handle and acknowledge this? This can be tricky. Your current recognition policies should define and account for these types of situations.

What can your organization change to be more efficient and effective, while increasing the impact of gifts?

If your organization can't say yes to all of the following questions, there is tremendous opportunity to maximize your philanthropic efforts and to increase your likelihood to raise blended and transformational gifts:

- **Assessment** – Have you conducted a program assessment from a third party?
- **Gift Planning Staff** – Does your staff have the proper tools and training in place to take the program to the next level? Are there collaborative relationships with internal stakeholders such as the legal, finance and marketing teams?
- **Training** – Do front-line gift officers view planned gifts as a priority? Are they providing continuous opportunities to maximize a donor's current giving in major gift proposals?
- **Accepting Illiquid Assets** – Is your gift acceptance policy an up-to-date, documented process and does it reflect what gifts you will accept? Is there a system in place to receive and vet these types of gifts?
- **Campaign Counting** – Does your campaign policy state what you will count in the campaign when it comes to deferred gifts such as bequests and retirement plan designations? Are you counting full face value or future value of deferred gifts that are both revocable and irrevocable?
- **Marketing** – Is your annual and planned giving marketing plan integrated? Do you have a cache of planned giving donor stories to integrate into the organization's overall marketing plan and strategy? Is it clear who is responsible for each step in the process, from identifying and creating the stories to distribution to perspective donors?
- **Recognition** – Does your lifetime donor recognition society include deferred planned gifts? Can donors name a physical space with a deferred planned gift? Do you thank your donors and communicate the specific impact their gifts will have?
- **Champion Leadership Volunteer** – Do you have a champion that can give personal testimony as to why they've made a planned gift, or even better, an annual, major and deferred gift?

Research shows high-performing gift planning programs provide substantial impact to health care philanthropy. If you are unable to say "yes" to most of the questions above, consider fine tuning your program. Your initiatives can indeed guide the success of transformative philanthropy that serves as a true source of revenue for your organization.

About the Author: James Gold is a Principal Consultant with Accordant Philanthropy. You can reach him at James@AccordantPhilanthropy.com.