Planned Giving Made Easy

2022 Practical Planned Giving Conference
September 19, 2022

Where does generosity come from?
Diversifying Revenue through Sustainer and Planned Giving

“Many nonprofits mistakenly believe that corporations and foundations comprise the bulk of charitable giving, but overwhelmingly, individuals/households are the biggest source.” –Giving USA, 2018

Why Planned Giving?

2021 contributions: $484.85 billion by source of contributions (in billions for action - all figures are rounded)

- 67% Individuals: $328.87
- 19% Foundations: $90.86
- 9% Bequests: $46.07
- 4% Corporations: $21.08

Giving USA, The Numbers

Giving USA, 2022
Why Planned Giving?

An estimated 3-5% of the average donor’s total assets are held in non-qualified cash.

Sample Donor Assets
- Cash
- Non-Qualified Assets
- Insurance
- Business Interests
- College Savings Programs
- Real Estate
- Annuities

What is a Planned Gift?

Any major gift, made in lifetime or at death as part of a donor’s overall financial and/or estate planning.

By contrast, gifts to the annual fund or for membership dues are made from a donor’s discretionary income, and while they may be budgeted for, they are not planned.
What is a Planned Gift?

1. **Outright gifts** that use appreciated assets as a substitute for cash, such as stock
2. **Gifts that return income or other financial benefits** to the donor in return for the contribution, such as a charitable gift annuity or charitable remainder trust
3. Gifts payable upon the donor’s death from a will, trust, retirement account, or insurance

Who are Planned Givers?

- Direct Marketing
  - Online
  - Direct Response
- Sustainer
- Mid-Level
  - Major Gift
  - Planned Giver
- Event
- Outright
Cultivating, Soliciting and Stewarding Planned Gifts is about building relationships

It is just as easy to remove someone from a will or trust as it is to add them.

Is Planned Giving Complicated?
Basic Planned Giving Program

**Cultivation**
- Establish a Legacy Society

**Solicitation**
- Passive
  - Adding language to existing marketing material
  - Adding information on website

**Stewardship**
- Continually adding value
- Retaining commitment

**Systems**
- Updating Gift Acceptance Policy*
- Acknowledging new commitments
- Tracking commitments
- Reconciling commitments with finance at time of gift
- Reconciling commitments with finance at death

*gifts accepted will vary depending on depth of program

Intermediate Planned Giving Program

**Cultivation**
- Identify a lead donor/gift
- Identify additional potential donors on file

**Solicitation**
- Active
  - Engage lead donor to be ambassador of program
  - Work to set meetings with identified donors to gauge interest (soft sell)
  - Leverage resources like Crescendo

**Stewardship**
- Continually adding value
- Retaining commitment

**Systems**
- Updating Gift Acceptance Policy*
- Acknowledging new commitments
- Tracking commitments
- Reconciling commitments with finance at time of gift
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Advanced Planned Giving Program

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<thead>
<tr>
<th>Cultivation</th>
<th>Solicitation holder educator engaged</th>
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<tr>
<td>• Planned Giving Website</td>
<td>- Actively soliciting planned gifts in donor meetings</td>
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<tr>
<td>• Planned Giving Newsletters</td>
<td>- Seminars for donors on will/trust/estate planning</td>
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<tr>
<td>• Planned Giving solicitations/appeals</td>
<td>- Building relationships with Centers of Influence</td>
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<th>Stewardship</th>
<th>Systems</th>
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Case Study
Basic Planned Giving Program

- Small religious organization – Your Local Church, Synagogue, Mosque
  - Has a loyal sustaining, mid-level, and/or major giving donor base
  - Has an aging donor base
  - As a skilled ED or DD to manage program when a gift notice is received
  - Establish systems to manage program’s reporting and financial procedures
    - Include one sentence in weekly bulletin about including organization in will/trust
    - Write one article a year for a newsletter about someone who has included the organization in a will/trust.
    - Include information on how to include organization in will/trust on website under “Ways to Give”
Case Study
Intermediate Planned Giving Program

- RaiseUp Families, Houston, TX
  - Has a loyal sustaining, mid-level, and/or major giving donor base
  - Has an aging donor base
  - Generating 1MM or more in annual revenue
  - Has at least one FT Development Director to manage the marketing, cultivation solicitation, and stewardship of Planned Giving donors
  - Establish systems to manage program’s reporting and financial procedures
  - Partner with Crescendo
    - Full Planned Giving Website
    - Marketing Materials/Newsletters
    - Campaigns
    - Team of experts at the ready

Case Study
Advanced Planned Giving Program

- Mercy Home for Boys & Girls, Chicago, IL
  - Has a loyal sustaining, mid-level, and/or major giving donor base
  - Has an aging donor base
  - Generating 35MM or more in annual revenue
  - Has multiple Philanthropic Advisors to manage the marketing, cultivation, solicitation, and stewardship of Planned Giving donors, as well as the management of gifts received to closure
  - Establish systems to manage program’s reporting and financial procedures
  - Dedicated web team to create and host all original content
  - Creates all marketing materials in house
How long will it be before this program starts bringing in money?

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<tr>
<th>Gift Type</th>
<th>Realized Time Horizon</th>
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<td>Appreciated Securities</td>
<td>1-6 months, once identified</td>
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<tr>
<td>QCDs from IRAS</td>
<td>1-6 months, once identified</td>
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<tr>
<td>Charitable Remainder/Lead Trusts</td>
<td>2-4 years</td>
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<td>Bequests, Beneficiary Designations, Etc.</td>
<td>5-10 Years</td>
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Considerations to Implementation

- Do it yourself
- Partner with Crescendo
- Outsource to an experienced professional
- Hire experienced staff

There are only so many hours in each day, so use them wisely!

Andrew M. Grumet
Nonprofit Organizations Chair
agrumet@polsinelli.com | 212.413.2882

Andrew partners with some of the largest multinational nonprofit organizations, foundations, mission driven companies, social entrepreneurs and philanthropists around the globe. For over 20 years, he has served as outside general counsel to numerous organizations providing practical and strategic advice. He has advised on some of the most significant transactions and projects, including, among others, structuring a variety of nonprofit/for-profit hybrids, impact investments, both social and development income bonds, one of the most historic art acquisitions in history, innovative incubator models, and some of the most widely seen cause marketing programs.

Recognizing that complex problems often require unique approaches, Andrew takes a collaborative multi-disciplinary approach to the clients he works with. His work with the Strategic Nonprofit Solutions team at Polsinelli exemplifies this approach and serves as a powerful value add to our work.

As an active speaker and media contributor, Andrew has been quoted in TIME magazine, The New York Times, The Wall Street Journal and The International Herald Tribune, among others. He serves as an Advisor to the Restatement of the Law of Charities and Nonprofits, a restatement that clarifies the law governing charities nationwide.
Before starting Broad Oaks, I worked as Director of Philanthropy for Mercy Home for Boys & Girls, one of Chicago’s oldest and most well-respected child services organizations. After building a high-performing philanthropy team and establishing metrics and expectations that cultivated long-term giving, I knew my greater purpose was to bring business acumen and creative tactics for more organizations. That’s when I established Broad Oaks Consulting.

When I partner with an organization, my goal is to be a trusted advisor, someone who can help prioritize your many competing tasks and obligations. I always begin our process by getting to know you. What is going well? What are the challenges? What is your board asking of you? What will it take to get there? While the challenges NPOs face are often similar, your needs, dreams and aspirations are unique to you.

I take a holistic approach, setting realistic goals and expectations that will help achieve your big vision. I will guide you on your journey, one step at a time. We will identify solutions tailored to you and work alongside your team while we implement our approach. I’ll use lessons learned from nearly 20 years in the for-profit wealth management and philanthropic industries, but I’m not in the business of developing cookie-cutter plans and campaigns for my clients.

Together, we will improve your strategic planning, revenue generation, and investment development. Plus, I know we’ll have a lot of laughs and heart-felt moments along the way.
PRACTICAL PLANNED GIVING CONFERENCE
SPEAKER EVALUATION

Date: ____________________  Speaker: ________________________________

Name (optional): ________________________________

Please rate the following:

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<th>Excellent</th>
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<th>Neutral</th>
<th>Fair</th>
<th>Poor</th>
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<td>OVERALL</td>
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<td>Were your major objectives for this session met? Was the content of the session vital, timely, substantive?</td>
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<td>Comments:</td>
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| II.  | 5         | 4    | 3       | 2    | 1    |
|      | RELEVANCE |      |         |      |      |
|      | Was the subject matter directly related to the requirements of your job? |
|      | Comments: |      |         |      |      |

| III. | 5         | 4    | 3       | 2    | 1    |
|      | VALUE     |      |         |      |      |
|      | Do you believe the benefits of this session were worth the time, effort and cost? |
|      | Comments: |      |         |      |      |

| IV.  | 5         | 4    | 3       | 2    | 1    |
|      | SPEAKER   |      |         |      |      |
|      | How was their presentation style? Did the session move along at the right pace? Did they have appropriate knowledge on the topic? |
|      | Comments: |      |         |      |      |

| V.   | 5         | 4    | 3       | 2    | 1    |
|      | MATERIALS |      |         |      |      |
|      | Were the materials clear and organized and appropriately helpful for the session? |
|      | Comments: |      |         |      |      |

| Vi.  | | | | | |
|      | What did you like the most about the session? |
|      | Comments: | |

| VI.  | | | | | |
|      | Any suggestions to improve future sessions? |
|      | Comments: | |

| XII. | | | | | |
|      | How many years of gift planning experience do you have? |