

By the Numbers, It's a Cinch!***Beginning or Augmenting a Planned Giving Program******Part II*****By Thomas G. McCarty, PhD, Senior Counsel****WHAT ARE THE KEYS TO SUCCESS?**

Achieving rewarding results in a planned giving program requires a number of basic factors. Many other variables may come into play, but there is general agreement among experienced gift planners on what it takes to be successful.

Board Commitment

The Board must agree that long term financial stability for the organization is a priority. They must support the idea that planned giving is a critical component in achieving that stability.

Ample Budget

The Board must be willing to provide enough budget dollars to fund a planned giving program with the understanding that a significant return on investment is unlikely to occur for 10 years.

The main funding categories are salaries, fees, subscriptions, software, travel and entertainment, library, telephone, print materials, postage, capital equipment, office supplies, and professional memberships.

Highly Trained Staff

Appointing a program director with a verifiable record of achievement in the planned giving arena will produce quicker results. This person must have an excellent technical aptitude coupled with the knack to establish trust and confidence with prospects. A talent for reading between the lines and resolving a donor's problem with a creative solution is invaluable.

Having the right person in this position is pivotal to success. Budget constraints may prohibit the hiring of a full-time director. If so, the charity may rely on part-time help or an experienced contracted independent representative to assist in running the program.

Adequate Office and Meeting Facilities

The program will need a permanent office location with enough space for small meetings. Choosing hotels is wise for larger seminars in view of the space, location, ADA and food requirements. The homes of Board members and volunteers are the best places for focus groups.

Consistent Contact with Donors and Advisors

There must be consistent contact with donors by mail, telephone and one-on-one. Cases involving potential charitable trusts may take 6 to 18 months to close. Communication from a knowledgeable source about what comes next is the link which donors value the most during this time.

The gift planner plays the role of facilitator. The gift planner should inform the donor's attorney, CPA, financial planner, stockbroker or insurance underwriter of each step. The advisors will then begin to realize that the charity does not intend to take action with a client unless they are in the loop. This builds trust and credibility.

Practicable Prospect Management

The charity should establish a "moves management" program, preferably using software designed to support it.

It is also important to profile, rate and rank prospects using weighted criteria such as age, marital status, sex, financial ability, and giving records. Tallying the ratings should produce lists of the top 10, 25, 50 and 100+ prospects in rank order. The Prospect Evaluation Grid (produced by Jerry Panas (ranks prospects by financial capability and current interest or involvement. It is an excellent way to start.

Informative Expectancies Reports

By tracking expectancies, the charity can determine approximately when it will receive the assets and how much they will be worth, both in future and present values. Information should be retrievable in a variety of ways such as by donor, by total expectancies, by date, and by type of planned gift. Using Windows software is a necessity.

Effective Print Materials

Informative, relevant, readable, precise and up-to-date planned giving brochures on a wide variety of topics will give the program a boost. It is important to order supplies with a view toward ever-changing tax laws, and to promptly discard outdated materials. If possible, use a company that invites the return of unused supplies for credit whenever a tax law change occurs.

Kicking off a program with a new quarterly donor newsletter strictly devoted to gift and estate planning topics is fundamental to success. Buying the content and putting it in the charity's wrapper is the most cost-effective way to produce the letter.

Consistent mailing to a receptive population, such as older retirees and wealthy individuals, is important. A simple response card will produce results over time. This supplements the charity's existing newsletter mailing.

A separate quarterly newsletter directed to professional advisors will reap rich rewards. The mailing list may range from 500 to 2,500 addresses. By showing the professional community what kinds of services the charity can do for them, the chances of being included in an estate plan increase dramatically.

Suitable Recognition

Conferring membership in an honorary recognition society is beneficial. Publishing the membership list at least annually will encourage others to join. Membership should have its privileges with perks such as invitations to dinners and free admission to special events. This will motivate many donors to let an organization know about a planned bequest. Annual dinners and periodic social events make membership attractive.

Pragmatic Policy Manual

The Board should establish policies on the types of gifts the charity will offer or accept. Setting minimums for gift annuities, pooled income funds and named endowment funds is necessary. Creating a workable manual at the outset will prevent many problems from arising. The manual should describe gift vehicles and methods; appraisal rules; applicable tax law; procedures for transferring property; suggested bequest forms; and related details.

Policies serve as a guide and the Board should clear any exceptions in advance. The existence of a policy may be useful in turning down a particular gift in sensitive situations. Distributing the manual to members of the Board, staff and professional advisory panel is a good idea. Updating the manual each year and providing change pages to all holders is imperative.

Meaty Seminars

Donors will respond to timely and informative presentations involving local professional advisors or nationally known speakers. Well-planned and executed annual estate planning seminars frequently attract some of the wealthiest prospects.

Co-sponsoring the seminar with a prominent local bank or another organization reduces costs and helps guarantee excellent attendance. Repeating these events over time can leave a lasting favorable impression for the sponsoring charity.

There is a soft-sell message in these larger seminars. The sponsoring charity gets on the shelf in the front of the donor's mind as being able to provide win-win solutions. When the donor is ready to do serious estate planning later on, he or she will more than likely be open to suggestions from the charity's gift planning representative.

On the other hand, smaller focus groups permit the intense cultivation of selected prospects under very favorable conditions. Time spent over cake and coffee discussing estate planning issues and current needs at the charity can bear immediate results. Donors will feel "safe" in this comfortable low pressure setting among their friends. They will be receptive to the information presented.

Active Professional Advisory Group

Fact #1: Every significant planned gift will involve professional advisors.

Fact #2: Any estate planning case by its very nature will require the services of a variety of professionals.

The two facts lead to an inescapable conclusion: the cultivation of professional advisors is imperative.

Indifference to the needs of local estate planners will work against establishing a successful planned giving program. By taking active steps, a charity has set the stage for favorable treatment in future cases. Seeking dealings between friends who enjoy mutual esteem, not strangers hampered by mutual distrust, is the goal.

There is a proven method for involving these agents of wealth with a charity. By appointing them to a committee or an advisory council, the charity has brought them

"inside the walls." In return for giving them exposure to potential new clients, the professionals will help promote the mission of the charity in the community.

Knowledgeable Outside Counsel

A search for counsel should precede program start-up. A gift planning consultant can help design and administer a program, making sure things get off to a good start. This person may even work directly with donors as a contracted independent representative. A consultant can be invaluable for doing technical research and resolving difficult problems.

Ideally the law firm retained by the charity will have an estate planner on staff. In other cases, a charity may need to locate an attorney who will serve as the legal resource for the planned giving program.

Persuasive Illustrations

Conveying the meaning of complex ideas requires understandable presentation materials. Donors need charts, tables and text to grasp the benefits of making a gift. Professional advisors need spreadsheets and detailed documentation to determine what will work best in a particular case.

Simple personalized proposals significantly enhance the ability to persuade. Fortunately, excellent illustration software is available from several well-known sources. Acquiring software, keeping it updated, and becoming trained in its use will pay big dividends.

CONCLUSION

It has often been said that planned giving (like many other worthy undertakings) is not for the faint of heart or short of wind. Citing another fundraising cliché, it is definitely a marathon, nor a sprint. However, with proper planning, wise use of volunteers (to include professional advisors), and good old-fashioned persistence, success can be achieved.