



A Multi-Tasking Marvel:
*Mastering the Many Roles of
Gift Planning in a Campaign*

Presented by Chris Yates
Associate Senior VP, University Advancement
University of Southern California

PLANNED GIVING ROUNDTABLE OF ARIZONA
2014 Annual Summer Forum
Phoenix – June 3, 2014



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Fundraising Campaigns

- Big \$\$ goals (aspirational)
- Built around future/strategic plans for organization
- Raise awareness and expand donor base
- Inspire donors to dig deep
- Establish and sustain a new higher level of giving
- Invest in development

What to Count

- Gift planners bring an informed perspective on how/when to count deferred gifts
- Counterbalancing factors to be considered:

DONOR EQUITY/RECOGNITION/CREDIT
vs.
MAXIMIZING PARTICIPATION
vs.
DELIVERING ON EXPECTATIONS

Methods of Counting
Bequest Intentions in a Campaign

- Age 72, single female
- \$100,000 specific bequest
- Donor has a close relationship to the organization
- Estate's estimated value = 20X the intended gift amount.

Methods of Counting
Bequest Intentions in a Campaign

\$\$: Full Face value (no discount)

\$100,000

Methods of Counting
Bequest Intentions in a Campaign

\$\$: Net Present Value: apply IRS discount rate in standard discounting formula

\$69,744

Methods of Counting
Bequest Intentions in a Campaign

\$\$: Net Present Value incl probability factor:
NCPG (now PPP) valuation standards

\$52,308

PPP/NCPG Bequest Intention
Probability Factors

Use	If
95%	The donor has a close relationship to the organization, the amount is specific, there is a legally enforceable pledge and the estimated value of the estate is at least 20 times greater than the intended gift amount.
75%	The donor has a close relationship to the organization, the amount is specific, and estimated value of the estate is at least 20 times greater than the intended gift amount.
50%	The donor has a close relationship to the organization, the amount is specific, and the estimated value of the estate is at least 10 times greater than the intended gift amount.
25%	The donor has a limited relationship with the organization, the amount of the gift is specific, but it is impossible to estimate the value of the estate.
5%	The donor has no gift history or documented relationships and it is impossible to estimate the value of the estate.

Methods of Counting
Bequest Intentions in a Campaign

\$\$: Other methods of discounting, e.g.,
(Donor Age -15) = percent counted

\$57,000

Methods of Counting
Bequest Intentions in a Campaign
Alternative count: volume/number



1,2,3,4,5...

Counting Bequest Intentions in a Campaign:
A Brief History of National Standards

- CASE Campaign Reporting Standards (pre-2008)

“Don’t count revocable deferred gifts”

Counting Bequest Intentions in a Campaign:
A Brief History of National Standards

PPP

- PPP (formerly NCPG) Guidelines for Counting and Reporting Charitable Gifts (2005)
- Calls for separate reporting at face value:
 - Outright gifts and pledges
 - Irrevocable deferred gifts
 - Revocable deferred gifts

Counting Bequest Intentions in a Campaign:
A Brief History of National Standards

CASE

- Current CASE Campaign Reporting Standards (2009)

Calls for separate reporting as follows:

- Outright gifts and pledges at face value
- Irrevocable deferred gifts at face value
- Irrevocable deferred gifts at discounted present value
- **Revocable deferred gifts at face value**

Counting Bequest Intentions in a Campaign:
Survey results

Percent reporting they count BIs at:

Face value: **29%**
 Face value subject to limitations: **21%**
 Present value (IRS discount rate): **7%**
 Do not count: **43%**

A Tale of Three Campaigns



STANFORD (\$4.2 Billion)

- Never count revocable deferred gifts \$\$
 - Count bequest intentions by number (goal=1500)
- Count irrevocable life income gifts at present value (e.g., IRS deduction amount)
- Count realized bequests at face value
- Planned gifts = 12% of total raised

Full page bequest ad: first effort

TEAMWORK CAN BUILD A LEGACY.

OFFICE OF PLANNED GIVING
PHONE: 650.725.4877 OR 415.863.6266
INTERNATIONAL: 650.432-7254 (toll free)
E-MAIL: plannedgiving@stanford.edu
WWW: plannedgiving.stanford.edu

Remember Stanford

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Full page bequest ad: second effort

REMEMBERING STANFORD DOWN THE ROAD?

WHY SHOULD YOU TELL STANFORD ABOUT YOUR BEQUEST?

Make sure your wishes are understood and that your legacy will serve the university for the life to come.

The university wants to thank you during your lifetime and recognize you as a member of the Planning Council Society.

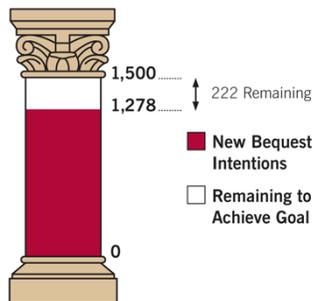
Working with Laurel Stanford's new website, bequests have built a solid foundation for the university's continued success. If you intend to remember Stanford in your estate plan, we are here.

Don't forget to tell us.

TO LEARN MORE, PLEASE CONTACT THE OFFICE OF PLANNED GIVING:
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Bequest Intentions "thermometer"



A Tale of Three Campaigns



USC (\$6 Billion)

- Never count revocable deferred gifts
- Count irrevocable/legally binding pledge of bequest at face value if donor is 70 or older
- Count irrevocable life income gifts at face value
- Count realized bequests at face value

A Tale of Three Campaigns



MICHIGAN (\$3.2 Billion)

- Count revocable deferred gifts (including bequest intentions) at face value
- Count irrevocable deferred gifts at face value
- Count realized bequests at face value
- Planned gifts = 18% of total raised

Thank you to Shari Fox at University of Michigan for sharing this information

However you count deferred gifts...

The Gift Planning Office is a key player

- Ensuring that counting policy is reflected in procedures that are established and maintained – the “go to” person
- Helping donors understand how their gifts will be credited/counted, as well as gift impact
- Developing and implementing appropriate gift documentation

However you count deferred gifts...

The Gift Planning Office is a key player

- Marketing – incorporating planned gifts into the campaign messaging
- Training – training, supporting and motivating fund raising staff and campaign volunteers
- Cultivating, Soliciting, Closing planned gifts
- Recognizing and Stewarding planned gift donors

Structured Gifts

- Critical to a campaign with high \$\$ goal, often for largest/lead gifts
- Combining outright and deferred gifts
- Complex assets
- Complex gift and pledge documentation

Structured Gifts

Example: Everything but the kitchen sink

\$5 million total gift that included

- Outright gift
- Charitable Lead Trust for children
- Life Insurance
- Charitable Remainder Trust for donor

Thank you to Paul Williamson (Kaspick & Co.) for sharing this example

Structured Gifts

Example: Cash Poor, Art Rich

Getting to a potential 8-figure gift

- Wants some cash now →
 - Bargain sale, Installment Bargain Sale, or Charitable Gift Annuity
- Wants to provide “allowance” to grandkids
 - Charitable remainder trust (20 year term)
- Whatever might be left over at death
 - Bequest

Make sure you are at the table

- Assert yourself early in the campaign planning stages
- Once counting policy is established, determine your leverage points
- Set a goal for deferred gifts in the campaign?
- Develop a marketing plan for deferred gifts as a component of the campaign, working in close collaboration with campaign communications staff

Make sure you are at the table

- Emphasize/articulate the critical importance of structured gifts for maximizing donor giving, especially in the early “silent” phase
- Ask to be involved in developing strategy for solicitations of trustees and other key donors
- Ask to be included in regular ongoing campaign strategy meetings

Make sure you are at the table

- Advocate for additional campaign resources (staff, marketing, events) needed to help you achieve your goal(s)
- Advocate for broad participation and shared responsibilities
 - other development staff, e.g., MGOs (set an annual bequest intention goal for each MGO?)
 - Board and other top volunteers (go for 100% Board participation in bequest intentions?)

And don't forget

You are building a gift planning operation that will sustain a higher level of deferred giving and awareness long after the campaign ends



QUESTIONS?