

**21st Annual Arizona
Planned Giving Conference**

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**“Building and Sustaining
Relationships:
Where Professional Advisors
and Gift Planners Meet”**

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Introduction

***“No one can be
the best at everything.
But when all of us
combine our talents
we can and will be the best
at virtually anything.”***

--Dan Zadra

Introduction



Working together as a team

Key attributes **gift planners** bring to the team:

1. Familiarity with other “faces of the cube” (i.e., roles).
2. The “inside scoop” on the charity and available naming opportunities.

Working together as a team

Key attributes **gift planners** bring to the team, cont:

3. Familiarity with charitable techniques, studies and trends.
4. Time in the trenches—some gift planners spend 100% of time on charitable issues.
5. Price: services to the donor (and you) are free!

Working together as a team

Key attributes **advisors** bring to the team:

1. Expertise—estate planning, tax planning, etc.
2. Long-time relationships.
3. Knowledge of client's assets, income and net worth.
4. A position of trust.

What can we do together?

1. Join key groups.
2. Volunteer on a committee.
3. Be a donor!



View the situation from another's point of view

*Example: doctor as patient.

*Education vs. experience:
which matters to you?

Are we on opposite sides?

	<u>Advisor</u>	<u>Gift planner</u>
Name	Client	Donor
Degree	Law/accounting/etc.	??
Payment	Get paid a fee	Salaried
Experience	Varies	Varies

Ask...

Who does/should the client-donor listen to?

Who does/should the client-donor first speak to about a gift?

Who does/should the client-donor trust?

Who should be involved in gift discussions?

***“Great teams set aside
personal agendas
to focus all their resources
on a common goal.”***

--Al Schmitt

Example

Email from an Estate Planning
Committee member



Finding common ground

*We all tend to be “philanthropic”
-i.e., we want to do good and help others.

*What to do with these Millennials?!?

Note: Priorities to give differ across generations

*Some truisms.

Overview of Charitable Giving

Q: What is the #1 reason donors make gifts?

A: To support the mission of the organization.

- The charitable deduction makes giving sweeter.



Common Reasons to Give

#1 Gratitude

“I would like to say ‘thank you’
to the world!”

#2 Religious Mandate

“My beliefs require me to give.”

Reasons to Give, cont.

#3 Altruism

"I want to help others."

#4 Set an example

*"To those whom much is given,
much is expected."*

Reasons to Give, cont.

#5 No choice

*"Do you want to buy a box
of Girl Scout cookies?"*

#6 Benefits

*"I have been running around all week
with a smile on my face."*

Giving Statistics

- In 2013, charitable giving > \$335 billion.
➤ **\$335,000,000,000.00**
- Religion & education get the most \$\$.
- Charitable bequests = 8%.

***“Part of team success
is understanding
that there’s something bigger
and more important
than ourselves.”***

--Marcia Ann Gillespie

Bequests

- A **bequest** is simply a gift in a will. Also includes
 - May also include codicils, trusts, insurance policies, IRAs.
- Three key concepts:
 - #1 > 80 % of planned gifts to charity are bequests
 - #2 Largest gift in terms of number and size.
 - #3 Simplest (not always simple!) planned gift.
- Popularity of this gift option in the present economy?
 - **High!

Bequests, cont.

- Who usually introduces this concept?
- How can we work together?
 - Advisors:** Ask the charitable question:
 - Way #1: “Do you wish to designate one or more charities as beneficiaries in your will?”
 - Way #2: “Have you been involved with any charitable organizations and would you like to discuss ways to give to the charities you care about now and/or in the future?”

Bequests, cont.

- **Gift Planners** can:
 1. Update websites and have a page to email/fax/mail to advisors with suggested language for wills and contact information.
 2. Determine early on whether the advisor is savvy about charitable techniques and help in whatever way will make the advisor look good for his/her clients.

Charitable Remainder Trusts

- CRT = a separate legal entity – a trust - into which a donor transfers assets (cash, stock, real estate) and reserves an income stream – either fixed or fluctuating – for life or for a term of up to 20 years.
- Upon the passing of the donor or at the end of the term, one or more charities receive the remainder.

CRTs, cont.

Three key concepts:

1. 5% payout for life/lives and/or up to a 20-year term
Note: a typical trust lasts for 12 years
2. Flexible gift planning option
 - Can fund with a variety of assets
 - The same “tools” can be used with persons of different ages and wealth levels to achieve different results.

“A screwdriver can be used to drive a screw or it can be used to pry open a can.”
3. Can benefit more than 1 charity

CRTs, cont.

- Popularity of this gift option presently?
**High!
- Who usually introduces this concept to the client/donor?

CRTs, cont.

- How can we work together?
 - Advisors** can suggest this option to clients who are philanthropic with appreciated assets who might benefit from an income stream and a tax deduction.
 - Advisors** who know clients have a bequest in their wills can suggest “moving up” the bequest and gain a tax deduction.

CRTs, cont.

- Gift planners** can suggest to donors that their advisors be included in the discussion early in the process.
- Gift planners** can assist advisors by providing suggested language.

Charitable Lead Trusts

- CLT = a separate legal entity which pays a charity either a fixed or a variable income stream for a term of years, with the remainder distributed to one or more persons, often the donor's grandchildren.

CLTs, cont.

- Three key concepts:
 - #1 Clients/donors can achieve both estate planning and charitable goals with this gift option.
 - #2 The stream of payments to charity is like a multi-year pledge.
 - #3 Typically mid-6 figure gifts from wealthy clients.
- Popularity of this gift option in the present economy?
**High!

CLTs, cont.

- Who usually introduces this concept?
- How can we work together?
 - Advisors** should obtain the correct legal name of the charity and provide a copy of the trust and annual values to the charity.
 - Gift planners** can work with donors/advisors to identify naming opportunities and discuss use of the monies at the nonprofit.

Charitable Gift Annuities

- CGA = an agreement between one or two persons and a charitable organization to which the donors irrevocably transfer money or property in return for the charity's promise to pay a fixed income to the donors for life.

CGAs, cont.

- Three key concepts:
 - #1 Gain a “pretty good” fixed/steady income.
 - #2 Part of the payout is tax-free (return of principal).
 - #3 The older the donor, the higher the rates, tax-free income and charitable deduction.
 - Note: Donors can opt to wait to begin receiving the income stream, increasing future income.
- Popularity of this gift option in the present economy?
 - **High!

CGAs, cont.

- Who usually introduces this concept?
- How can we work together?
 - Advisors** can learn about this technique as one more charitable tool which is especially useful with older clients, those who want to reduce future taxable income & those with future income needs.
 - Gift planners** should ensure estate planning committee members are familiar with CGAs as an alternative gift option.

Conclusion

- Solve the *mystery* of working together...



Conclusion

Who?
What? When? Where?
How? Why?

?

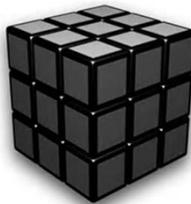
Conclusion

Advisors
+
Gift Officers
=
Happy clients & donors!



***“There is somebody smarter
than any of us,
AND THAT IS ALL OF US.”***

--Michael Nolan



Thank you!

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