Today’s Talk

- What is Gift Planning?
- Prospecting
- Board Relations
- Gift Planning in a Campaign
- Gift Planning on a Shoe-String Budget
What is Gift Planning?

"Most deferred gifts are planned, but not all planned gifts are deferred." – Robert F. Sharpe

Gift Planning is the process of developing the optimal legacy plan to reflect the donor’s personal, financial, and philanthropic goals, as well as their values and passions.
The Gift Planning Process

**The Legacy**
- Faculty support
- Name a scholarship
- Recognition level
- Honor a family member
- Honor a colleague/mentor
- Donors want real impact, innovative ideas, sense of giving back

**Assets Available to Give**
- Cash
- Appreciated stock
- Appreciated real estate
- Retirement plan assets
- Closely-held stock
- Intangible assets
- Certain Tangible Personal Property
- Life Insurance

**Personal/Family Financial Objectives**
- Charitable income tax deduction
- Income for self
- Income for others
- Diversification/Concentration issues
- Leverage transfer of wealth to future generations
- Challenges with loved ones
- Estate Tax Planning

**Donor Lifetime Gifting Continuum – Timing**

- **Today**
- **End of Life**

- **Cash**
- **Multi-Year Pledge**
- **Outright Asset Gifts**
- **Charitable Lead Trust**
- **Venture Philanthropy**
- **Life Income Gifts**
- **Bequest**
- **Retirement Plan Designation**
- **Life Insurance**
- **Brokerage Account**
Office of Gift Planning

• We work with:
  • All major gift officers
  • Donors
  • Principal gift officers
  • Legal counsel
  • Real Property office
  • Accounting services
  • Donor Advisors
  • Estate Executors and Attorneys

Why Gift Planning?

• Is your organization affected by any of the following:
  • Economy, state/local funding, competition, donor mortality, increasing costs?
  • Does your organization have programs it can’t afford to run?
  • Does your organization want to start new programs?
  • Is the purpose of your organization likely to last long-term?
Why Gift Planning?

- Asset-rich donors – easier to secure a commitment
- Stalled proposals or commitments less than the ask
- Importance to long-term strategy and health of your organization
- Opportunity to obtain larger gifts and for the donor to have more impact than imagined
- Sometimes, the first gift from a donor is a deferred gift
- Sometimes large cash gifts start as planned gifts

How do we talk to our donors about all this?

- Unitrusts
- Specific Bequests
- Annuity Trusts
- Life Estate in a Personal Residence
- Charitable Lead Trusts
- Pooled Income Fund

- Publicly Traded Stock
- Charitable Deduction
- Life Insurance
- Gift Annuities

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- Gift Annuities
- Deferred Gift Annuities
- FLIP Trusts
- Tangible Personal Property

- In-Kind Transfers
- Bargain Sales
Prospecting

Listening for Clues

- Concerns
- Interests
- Assets
- Lifestyle
- ...and don’t forget to observe
Characteristics of a Gift Planning Prospect

- Characteristics (to be discovered in research or interview)
  - No kids, no grandkids
  - Annual donor with increased giving
  - Someone who has requested gift planning information
  - Wealth
  - Major gift donor who is actively engaged
  - Landowner
  - Business owner
  - Concentrated stock position
  - Strong connection to your non-profit

How We Work Together

PG Officer
- Focus on what, when and how of gift
- Identify demographic and asset position

MG Officer
- Focus on who and why of gift
- Prioritize and segment donors

PG & MG Shared Duties
- Stewardship
- Uncovering and qualifying
- Building long term linkage to institution
How We’ve Made it Work

- Donor lists
  - Graduation year
  - Age
  - Years giving
  - Previous planned gift
- Travel
- Stewardship

Board Relations
Board Relations

- **Attendance Matters**
  - Meetings
  - Events
- Education
  - Presentations
  - Examples
- Visits

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**Gift Planning in a Campaign**
Current Campaign Trends

• **BIG** Goals
  • University of Florida - $3 Billion - $22M for Nursing
  • UNC-Chapel Hill – $4.25 Billion - $22M for Nursing
  • University of Washington - $5 Billion - $40M for Nursing
  • John Hopkins University- $5 Billion - $60M for Nursing

So How Do We Get There?

• Deferred gifts
  • Bequests, Beneficiary Designations
• Non-Traditional Gifts
  • Real Estate
  • Business Interests
  • Tangible Personal Property

• **Blended Gifts**
### Blended gifts come in a Variety of Forms

<table>
<thead>
<tr>
<th></th>
<th>Total Gift</th>
<th>Current Portion</th>
<th>Deferred Portion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Virtual Endowment</td>
<td>$500,000 Nursing Endowed Scholarship</td>
<td>$25,000 annually (5% payout) x 5 years</td>
<td>$500,000 IRA beneficiary designation</td>
</tr>
<tr>
<td>Pledge Plus Bequest</td>
<td>$2 million endowed professorship</td>
<td>Entire amount upon sale of company during campaign</td>
<td>Estate provision as a backup plan—“accelerated bequest”</td>
</tr>
<tr>
<td>Some Now, Some Later</td>
<td>$1 million Naming Opportunity</td>
<td>$500,000–5 year pledge $200,000 Real Estate</td>
<td>$300,000 bequest</td>
</tr>
</tbody>
</table>

### Other Considerations

- Know your needs and timeline
- Bring Gift Planning in early and often
- Leverage community resources
- Partner with Corporations and Foundations
- Balance donor restrictions with an uncertain future
- Create a legacy society
- **Think Outside the Box!**
Gift Planning on a Shoe-String Budget

The Basics of a Gift Planning Program

- Bequests – have bequest language and tax ID# easily available to potential donors

- Ask donors to name your organization as a beneficiary on their IRA or life insurance forms.

- Unneeded life insurance policy? Donors could give it to you for a cash gift now.
Basics Continued

• Work with a community foundation to establish endowment funds and set up gift annuities on your organizations’ behalf.

• Ask your donors to name your organization as a beneficiary of their Charitable Remainder Trust (CRT).

• Have your donors name you as a remainder beneficiary of their Donor Advised Fund (DAF).

IRA Charitable Rollover

• Distribute up to $100,000 per year to your charity tax-free from your IRA
• Counts toward annual Required Minimum Distribution (RMD)
• Must be 70½+ on the day of gift
• Does not count in donor’s taxable Adjusted Gross Income (AGI) nor do donors receive a charitable tax deduction
• Check or wire to your charity must come directly from the plan administrator
• Note: not all IRA gifts qualify for the IRA charitable rollover
What are the best assets for a deferred gift?

- Bequests
- Wills
- Beneficiary Designation Forms
- Trusts
- Retirement Accounts
- Brokerage, Mutual, Savings Accounts
- Life Insurance

Budget and Resources

- Staff
  - Market, prospect research, cultivate, track, steward
- Marketing
  - Internal vs. outsourcing
- Stewarding
- Advisors
Other Resources

- Consider partnering with your local community foundation.
- Professional Organizations
  - **Your State’s Planned Giving Council**—quarterly educational programs around the state to enhance knowledge about charitable planned giving

  National Association of Charitable Gift Planners
  [https://charitablegiftplanners.org/](https://charitablegiftplanners.org/)

Other Resources Continued

- Professional Organizations
  - **Association of Fundraising Professionals**—chapters around the country with great monthly programs on all aspects of fundraising: [http://www.afpnet.org/](http://www.afpnet.org/)
  - Look for local **Estate Planning Councils, Financial Planning Associations**, and start conversations with other colleagues at other non-profits.
  - **Planned Giving Design Center**—online resource for wide range of information available daily.
Questions?

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