Limited Time’ Named Gifts on the Rise

By Megan Venzin

Flexibility was top-of-mind when a generous couple made a $1 million gift to Indiana University (IU; Bloomington, IN) last year. Their donation was used to fund a gorgeous new space located inside the School of Public and Environmental Affairs (SPEA). For the next 10 years, this space will bear the name The David and Cecile Wang Commons, however, after that time expires it may be renamed or eliminated at the discretion of the dean.

The Wangs wanted to make a high-impact gift that also took into consideration the potential of future adaptations. “While the sizable gift for our building project qualified for a permanent naming, I knew David well enough to recognize that anything permanent would be unappealing to him,” says Senior Director of Development Susan Johnson. “The Wangs are long-term thinkers who acknowledge what works for us now may not necessarily work in 50 years.”

Naming gifts are popular among universities, whose many buildings, green spaces and campus monuments honor the donors whose dollars made them possible, but very few of these gifts bear temporary labels. This is the first time IU has implemented a “limited time” named gift. “A naming for a limited time period aligned with David’s belief in sustainable financial giving models,” Johnson says. “David is an innovator and a deep thinker. I feel he liked the idea of introducing new thinking to academic namings, as it is a bit of disruptive philanthropy.”

Johnson recognizes that both permanent and limited time naming vehicles are important, depending on what the donor wishes to accomplish. “Permanent namings are sometimes tied to endowments, so they may have a lesser immediate impact, but provide nonprofits an income stream in perpetuity,” Johnson says. “Temporary named gifts allow for the possibility of renaming via a new gift.”

The David and Cecile Wang Commons represents an acknowledgment of goals shared by both the donors and the benefitting institution. “Have many conversations up front with the donors and with leadership to make sure it is a good fit and there is a mutual understanding of what happens when the agreed-upon time period ends,” Johnson says. “Solidifying details such as who has the first right to rename will ensure everyone is on the same page.”

Source: Susan Johnson, Senior Director of Development, School of Public and Environmental Affairs, Indiana University, Bloomington, IN. Phone (812) 856-4868. E-mail: jimhanch@indiana.edu. Website: www.spea.iu.edu
Enlist Key Donors in Shaping Your Stewardship Plan

In what specific ways do you enlist the help of donors in crafting your written stewardship plan?

“A good donor-centric stewardship plan utilizes donor surveys, interviews and input from gift officers to help craft a strategy that focuses on the donor, not the institution. Based on feedback from Stanford donors, we personalize cover pages for impact reports, including recognizing gift anniversaries. We work with gift officers to hand-deliver reports upon request. We are re-examining our cumulative giving recognition society to find more opportunities to engage donors on campus with faculty and students. At the end of the day, you want donors to feel that they are not part of a ‘plan,’ but rather that their relationship with your institution is organic, memorable and meaningful.”

— Eliza McNulty, Director of Stewardship, Stanford University, President, Association of Donor Relations Professionals. Stanford, CA. Phone (650) 721-2192. E-mail: emcnulty@stanford.edu. Website: www.adrp.net

“Gathering donor and key stakeholder feedback is essential to creating stewardship strategies that are as unique as your organization. Your donors are already compelled to donate to the organization, so presumably they know enough about its mission. What you are after then, is ‘why’ they give — what connects them to your mission and leads them to give time after time? In my experience working with small development offices of one to two people, we found it best to segment our donor list and create strategies which allowed us to understand how our organization impacted donors at all levels. Our goal, rather than to simply collate information, was to engage with donors and collect meaningful feedback that demonstrated how our work impacted their lives. One strategy involved creating an advisory board to serve as community ambassadors for the organization. The participating donors directly influenced programming-related decisions. We then used short, specific surveys with annual members and targeted calls by board members and staff to high donors to continue to build meaningful relationships. This approach takes time — time to think about who your donors are, the best ways in which to reach them and the most relevant and preferred methods for engagement. Ultimately, the greatest outcome you can hope for is an authentic relationship that eventually drives lifelong support for your organization.”

— Melissa Murphy, ACC Certified Coach. True Reach. Phone (508) 901-1492. E-mail: melissa@true-reach.net. Website: www.true-reach.net

“Too often, organizations think of stewardship in terms of major supporters and leave out personalized efforts for monthly donors, longtime donors (e.g., 10 years of giving or more) and the middle pyramid donors. To that end, I’ve conducted donor surveys targeting annual donors and interviewed them, either one-on-one or in a focus group, asking for feedback about how they want to hear from, be engaged by and thanked by the organization. I also used data — what impact articles were the most popular in e-newsletters or on the website — to determine which content was resonating most. From that, we created donor personas to write personalized, targeted messaging for middle-donor stewardship.”

— Danielle Johnson Vermenton, Strategic Consultant, Atlanta, GA. Phone (614) 352-5334. E-mail: djvermenton@gmail.com.

Call Reports Are Essential
If anyone on your staff — including your CEO — fails to complete call or trip reports, correct the problem immediately. These reports are essential in providing a tracking history of donors and prospects and often yield clues to the timing, use and size of a potential gift. They also provide a historical perspective.
### Develop Solicitation Strategies for Top Prospects

You have identified a prospect you believe is capable of giving $200,000 to your cause. You have introduced her to your organization, properly cultivated her and are approaching the point in the solicitation cycle of closing the gift.

How can you best plan for a successful solicitation? Who should make the ask? Who should be present? What needs to happen to ensure success?

When nearing the closing phase of a major gift request, it’s wise to formulate your solicitation strategy.

Based on what you know about the prospect, first meet with key staff to outline a potential strategy and determine who should be involved in the solicitation. Then, invite those persons you deem most appropriate for the solicitation team and request their input as you share your solicitation outline.

This process of shaping an intended solicitation strategy with staff and then seeking volunteer input allows your volunteers to further shape an already sound plan. And by inviting their input, you engage them in owning the solicitation process.

Strategy meetings should cover topics including:

- Prospect’s rating (as a major gift donor).
- Who, how and when to best set the appointment.
- Preferred time and location.
- Others who may be present or should be invited.
- Asking amount.
- Giving gap — amount the prospect may have in mind.
- Strategies to close the giving gap.
- Presentation format — who says what and when.
- Uses of the gift.
- Benefits to donor.
- Materials to be shared at meeting and/or sent in advance.
- Potential outcomes and responses/follow-up of the request.

While this process may seem a bit daunting, rest assured that the more you use it, the easier and more natural it will become. Do so, knowing that your degree of success will be enhanced significantly by making this a regular exercise.

### SOLICITATION STRATEGY WORKSHEET

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<td>Outcome #3:</td>
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### Identify, Involve Constituents With Second Residences

Find out if major donors or donor prospects have a vacation or winter home. Why take time to identify constituents with second residences?

Here are two practical reasons:

1. Second residences often make great locations to host receptions on behalf of your organization — homes next to a lake or beach, ski resort homes, etc. Many of these homes are situated in pockets of wealth.

2. Getting a constituent to help host a reception on your behalf becomes a great way to involve the person in the life of your cause and helps to educate him or her in what you are attempting to accomplish in fund development.

Begin and maintain a list of second-residence constituents. Then keep exploring how to involve them in promoting your cause.

### Beware of White Elephants

Whenever offered a gift of property — either real or personal — be deliberate in accepting it. If there’s no market for the donor to sell the property, there is probably no market for your charity to do so.

Create a board-approved gift policy to define your gift acceptance standards.

Find additional resources at [www.wiley.com](http://www.wiley.com).
Recognize the Intersection Of Planned Giving and Major Gifts

For most charitable institutions, goals and objectives for cultivating planned gifts are separate and distinct from major gifts initiatives.

“Planned giving efforts are by nature future-oriented and are designed to provide benefits for the donor and the charitable organization,” says Jeffrey Lydenburg, vice president of consulting for PG Calc (Cambridge, MA). “But also of note, planned gifts are almost always the largest gifts a donor gives, so they are connected and should be an integral part of the organization’s major gifts program.”

According to Lydenburg, planned giving also allows donors to establish a consequential and lasting legacy for a cause or mission they value, whereas major gift donors are motivated to see their giving impact a single project or campaign, and the following factors should be weighed:

✔ Planned giving discussions should take into account the life stage of the prospective donor and his or her motivation for giving. Older donors who may be retired executives or business owners will likely seek to generate income from their giving, are concerned about long-term tax benefits and are looking to unlock highly appreciated and low-yielding assets.

✔ Major gifts and planned gifts may involve assets such as cash, securities or stock, real estate or works of art. Gift acceptance policies will guide the organization regarding which assets will be accepted, and which assets may be too cumbersome and should be avoided. Gifts of real estate, for example, can be complicated, and the organization may incur costs that make gifts of real estate undesirable. The acceptance policies may ask donors to sell certain assets first and donate the proceeds to the organization.

✔ Matching or mixed-purpose giving can encourage some donors (millennials or newly wealthy entrepreneurs) to participate in both legacy giving through planned gifts and current giving through the major gifts initiative. By designing the giving instrument so that current dollars, in a matching formula, also link to an irrevocable future gift commitment, the donor and the organization can realize short-term and long-term benefits. For example, on a 1-10 ratio, one dollar of current giving is tied to 10 dollars in irrevocable future commitments through a bequest, charitable gift annuity or other instrument.

Source: Jeffrey Lydenburg, Vice President of Consulting, PG Calc. Cambridge, MA. Phone (617) 497-4970. E-mail: jlydenburg@pgcalc.com. Website: www.pgcalc.com

Approach Your Campaign’s Finish Line With Confidence

By Thomas Schroeder

The campaign is winding down, the excitement and energy level is dissipating and it seems as if everyone just wants it to end. But you still have work to do. Now what?

“Capital campaigns are multi-year efforts and require a great deal of planning and orchestration to keep staff members, volunteers and donors energized and engaged,” says Barrett Carson, vice president of development for Georgia Institute of Technology (Atlanta, GA). “The final phase of a campaign is extremely important and should be carefully structured and implemented.”

When the finish line is in sight, Carson suggests that the campaign leadership team make an honest assessment of the progress to date and the work yet to be accomplished. “When the goal has not been met, it may be time to implement new campaign strategies,” says Carson. Those strategies may include the following:

❑ Adjustment of goals and timeframes. Donors, volunteers and community leaders want to be involved in “winning” campaigns. If goals and milestones have not been achieved, deadlines should be extended.

❑ Challenge gifts. In the early phases of a campaign (quiet or non-public phase, and initial open campaign) a challenge gift effort is often unnecessary as gifts at all levels are pouring in. The final six months provide an excellent opportunity to reach out to existing donors and present the option of challenging their friends and colleagues with a challenge match.

❑ Increased publicity. Staff and volunteers have been fully engaged in the campaign for months, but it is common for the community in general, and potential new donors, to need to be reminded of the campaign goal, purpose and impact the new or expanded facility will have on lives. Press conferences and special events will help to re-engage the community.

“Even when the financial goal of the campaign is clearly within reach, there are important objectives yet to achieve in the final stages of the campaign,” says Carson. They include the following:

❑ Expressing gratitude. Donors, volunteers and community leaders must be thanked often, and in multiple channels. Donors should be thanked immediately after their gifts or pledges, volunteers are the lifeblood of the campaign and should be celebrated with a splashy event, and the media events and interviews will communicate your success to the public.

❑ Retaining donors. In addition to thanking each and every donor, it is vital to look for ways to keep these individuals connected and engaged. Campaign donors are excellent candidates for annual gifts or estate planning conversations, and many of your donors are certainly business executives and community leaders and would make exceptional board members, planning committee members and future campaign chairs.

Source: Barrett H. Carson, Vice President of Development, Georgia Institute of Technology, Atlanta, GA. Phone (404) 894-1868. E-mail: barrett.carson@gatech.edu. Website: www.gatech.edu

View this newsletter online at WILEYONLINELIBRARY.COM DOI: 10.1002/MGR
Building Trust Is Key to Success

By Megan Venzin

Strong philanthropic relationships don’t just blossom overnight. Patience, compassion and rapport must exist before a donor will commit to making a major gift. The development officer must solidify a foundation of trust before an exchange can take place.

“The decision to make a major gift can leave donors feeling vulnerable, both emotionally and financially,” says Major Gift Strategist Tammy Zonker. “Couple that with the fact that the average tenure of development staff is 18 to 24 months, and you can see why donors might be hesitant to trust.” In fact, it takes about two years to build sufficient trust with an organization’s development officer for the donor to make his or her most generous gift according to a recent survey report produced by Penelope Burke of Cygnus Research. In other words, it’s a long road to major gift acquisition, but building trust along the way will pave a path toward success. Zonker defines four behaviors that drive trust:

1. **Empathy**
2. **Connection**
3. **Generosity**
4. **Joy**

“Guiding our donors through this systematic process with intention can accelerate the building of trust,” Zonker says. “There is a direct connection between our behaviors as development professionals and the responses we can likely evoke in our donors and prospective donors to increase loyalty and trust. These four behaviors release the chemical oxytocin in the brain, which reduces the fear of trusting.” Understanding how human behaviors and responses correspond will guide not only the trust-building process, but also allow the development professional to relate to his or her donor on a deeply personal level.

Zonker shares the following examples to demonstrate common behavioral responses:

- **When we are vulnerable, it evokes empathy from the donor.** Vulnerability can be expressed through storytelling or sharing our personal connections to the work, or by creating an immersive donor experience.

- **When we keep our promises, it evokes connection with the donor.** These promises can be stated commitments or implied promises, such as timely and accurate gift acknowledgment or impact reporting.

- **When we empower the donor, it inspires generosity.** Empowering the donor can be as simple as offering meaningful restricted gift opportunities or introducing an organizational challenge that the donor can help solve.

- **We must ensure our donors feel pure joy in their giving.** When we engage them in reflective dialogue, sharing the impacts of their most recent giving or the outcomes of their long journeys of giving to our organization — the result is joy, trust and loyalty.

Once trust is established, the relationship must be nurtured continuously. Creating a systematic process for generating and distributing gift acknowledgment letters that show gratitude is one way to ensure donors feel appreciated. Routine follow-ups to relay program progress and outcomes keep donors involved while communicating impact.

“Understanding and applying this knowledge of how to build trust only emphasizes the critical importance of ethics in fundraising,” Zonker says. “We must have the highest and best intentions as we engage donors to create mutual benefit for our donors and organizations we serve.”

Source: Tammy Zonker, Major Gift Strategist, Trainer and Keynote Speaker, Fundraising Transformed, Detroit, MI. Phone (260) 438-9325. E-mail: transform@tammyzonker.com. Website: www.tammyzonker.com

Include Donors In Post-Campaign Success

Just because your capital campaign has successfully concluded doesn’t mean the party’s over. It’s important to share your campaign's success with donors. After all, their generosity made it a success. Involve donors in your post-campaign period in the following ways:

- **Convey appreciation in a personal way through personal letters from your organization’s CEO, campaign chair and others.**

- **Follow through on naming gifts with appropriate plaques.** Check with donors to be sure names are spelled and listed correctly before authorizing the engraving.

- **Invite donors to celebrate in the completion of renovated or newly constructed capital projects to which they contributed.** Consider a larger, all-inclusive celebration as well as more individualized gatherings.

- **For donors who establish named endowment funds, revisit the details of the fund: how annual interest will be used, the agreed-to name and fund description and such.**

Take Steps to Understand Constituents’ Perceptions

To understand others’ perceptions of your organization, ask.

Make a point to ask both donors and nondonors the following question:

“**What do you think of when I say (name of your organization)?**”

If you ask enough people, you will see a clear image begin to emerge. That collective perception will tell you whether your cause is being perceived as you wish it to be or if you need to take steps to begin changing your image.

How you are perceived by the public will dramatically impact your ability to generate major gifts. And even if you have a positive image, both donors and nondonors will compare their perceptions of your cause with other worthy causes to determine which cause most deserves their philanthropic investments.
Consider the Advantages Of Charitable Remainder Trusts

Charitable remainder trusts are a solid choice for donors wishing to make significant future gifts to charitable institutions.

“Charitable remainder trusts can diversify the investments of prospective donors without the loss of capital due to capital gains taxes and therefore create excellent options for both donors and charitable institutions,” says Calder Sinclair, president of Sinclair, Townes and Company (Marietta, GA).

Sinclair states that several advantages are available to donors through charitable remainder trusts, especially for people who are retired or living on fixed incomes:

- The prospective donor can establish the charitable gift and also retain control of the assets for the rest of his or her lifetime.
- The gift instrument allows the donor to establish the trust and enjoy more income for life.
- The capital gains taxes, that the donor would owe if appreciated assets were sold, can be avoided in whole or in part when the assets are donated to a charitable plan, providing life income.

In addition, according to Sinclair, charitable remainder trusts and deferred payment charitable gift annuities have many of the advantages, without the disadvantages, for donors of qualified retirement plans such as 401(k)s, and 403(b)s, including the following:

1. Income tax is not assigned on the part of the value (charitable portion) contributed to the charitable remainder trust or the charitable gift annuity.
2. Income is deferred until sometime in the future.
3. Donors can control when payments begin, particularly with flexible deferred-payment charitable gift annuities.
4. There are no annual minimum distributions related to charitable remainder trusts or charitable gift annuities.
5. The distributions do not face the disadvantage of being taxed as ordinary income at the instrument recipient’s highest marginal tax rate, and charitable gift annuities distribute both ordinary and tax-exempt income for the rest of the annuitant’s life expectancy.
6. Most charitable remainder trusts distribute ordinary income, but long-term capital gains income and tax-exempt income are possible.
7. With both charitable remainder trusts and charitable gift annuities, the balance left in the plan at the donor’s death is not subject to federal estate tax, and the designated charitable institution receives what is left in the plan.

Source: Calder Sinclair, President, Sinclair, Townes and Company, Marietta, GA. Phone (770) 988-8111. E-mail: info@sinclartownes.com. Website: www.sinclartownes.com

Power Campaign Staff Meetings With Wine and Cheese

By Daniel Lindley

If you’re looking to boost your capital campaign, informal weekly meetings at your boss’s home over drinks and snacks might be the way to go.

It seems to have worked for Meredith College (Raleigh, NC), which launched its Beyond Strong campaign in 2012. Since the campaign began, donations have soared, ranging from $7.6 million to more than $18 million a year, pushing the campaign to within $1 million of its $75 million goal. Employee participation has leaped from 26 percent to 72 percent, and development staff turnover has decreased.

The meetings have played a “large role” in the campaign’s success, says Jo Allen, president of the women’s private college. Once a week at her campus home, Allen and her staff strategize, brainstorm, discuss problems, get to know one another and donors better, and have a little fun, too.

“Even in the sillier moments, there have been some interesting ahas,” Allen says. “For us, it becomes a way of thinking about what-ifs and different possibilities.”

Attendees chat and laugh over wine, soft drinks and snacks in the sunroom. “Out of the office, you lose the sense of the president’s suite,” Allen says. “It really gives people permission to say, ‘Let’s explore that further,’ or ‘That doesn’t work,’ or to push back on things and say, ‘I think you’re all wrong.’”

Even informal meetings need a few guidelines, however.

The group is limited to four or five regular attendees. To show respect for busy schedules, start and stop times are firm. At the end of the meeting, everyone leaves with a to-do list, like calling donors. They report on their “homework” at the next meeting.

Meredith’s “Tuesdays with the president” get-togethers typically run from 4 p.m. to 6 p.m. and include the president, vice president for advancement, associate vice president in charge of the campaign and assistant campaign coordinator. Other members of the 20-person advancement staff are invited for 30-minute visits for topical discussions as needed. A gift officer might give the scoop on an important donor, or the communications coordinator might seek input on a new marketing effort.

Because visits with donors typically take place in homes, meeting at the president’s house also offers a good location for role-playing. In addition, everyone picks up tidbits about individual donors’ personalities, likes and dislikes. For example, two alumnae appeared to have similar backgrounds and interests, but one fundraiser revealed they were actually bitter rivals. The group decided not to seat the pair at the same table at an event.

Any nonprofit could benefit from its leaders meeting more informally with development staff, Allen says. “The higher up the person, the more important it is that they be part of this conversation. It’s an important signal not only for the fundraising team but for donors as well.”

Source: Jo Allen, President, Meredith College, Raleigh, NC. Phone (919) 760-8511. E-mail: president@meredith.edu. Website: www.meredith.edu

DOI: 10.1002/MGR
Strengthen Your Personal Solicitation Skills

Personal solicitation is the most effective way for charitable organizations to solicit gifts, especially major gifts, and the skillset required involves both a scientific and artistic approach.

“The science behind personal solicitation, whether conducted by a leadership staff member or a volunteer, involves properly preparing for the solicitation through research, training, experience and strategy,” says Hudson Akin, executive director of the capital campaign, Office of Advancement, Lipscomb University (Nashville, TN). “And the artistic side of personal solicitation lies in the ability to skillfully communicate and connect with prospective donors.”

Akin suggests there are five key components of effective personal solicitation:

1. **Achieving the initial appointment with the prospect.** It is easy for prospects to ignore a phone call, e-mail or letter from someone they have never met. It’s important for the development team to identify a connection, either a professional colleague or personal friend or social acquaintance. Once the connection has been established, the donor prospect research has been completed and you are ready to schedule the initial meeting, a phone call works best, followed by a confirmation letter or e-mail. Do not shy away from informing the prospect of the purpose of the visit.

2. **Developing the donor solicitation strategy.** This step involves research and preparation. Identify a project or need that corresponds with the donor’s interests and prepare a presentation that is thorough and heartfelt and displays the impact the donor will have on people’s lives.

3. **Soliciting the gift.** In almost any person-to-person interaction, the opening will determine the outcome. The initial objective in the solicitation meeting is to engage with the donor, solidify the connection with the cause or institution and put the prospect at ease. Get the donor talking about his or her family, career or passions. Rely on the carefully prepared presentation and ask for the gift.

4. **Overcoming donor objections.** Be prepared for prospective donors to object to the amount of the request (too much), the timing (now is not a good time to give), the publicity surrounding the gift (opening myself to other solicitations) or other hurdles. Come to the meeting with alternatives, such as a multi-year pledge, payment in six to 12 months, anonymous giving or a smaller donation.

5. **Closing the gift.** Many donors require a great deal of follow-up after the initial meeting. An e-mail or personalized letter should go out, thanking the prospective donor for their time and interest, within 24 hours of the initial solicitation meeting. If the solicitation request needs to be modified, confirm it in the letter. After no more than three to five days, a phone call is essential to close the gift solicitation.

Source: Hudson Akin, Executive Director of the Capital Campaign, Office of Advancement, Lipscomb University, Nashville, TN. Phone: (615) 966-5090. Website: www.lipscomb.edu

Show Prospects
What Real Estate Gifts Would Entail

Of the $10-$14 trillion that economists estimate will pass from one generation to the next in the years before 2025, approximately 35-40 percent is in real estate, outstripping both publicly traded and closely held stock portfolios.

“Charitable institutions should definitely consider gifts of real estate as a significant part of the set of possible contributions by donors,” says Larry Fox, president and CEO of the Kansas State University (KSU; Manhattan, KS) Charitable Real Estate Foundation.

According to Fox, two substantial attributes make real estate gift programs imperative for charitable institutions:

1. The inherent value of real estate far exceeds that of any other single asset, both in the aggregate and, in many instances, in individual portfolios of prospective donors. Real estate continues to be an extremely valuable asset even though the value of real property may vary over time as market conditions, utility restrictions, legal requirements and demand might dictate.

2. The second significant attribute of real estate is its abundance. Even people with relatively small estates generally own real estate and are prospective donors, and wealthier people often own multiple real estate holdings.

“It is critical to establish boundaries and parameters within which a real estate gift program will operate,” says Fox. “Clearly articulating the steps needed to analyze and evaluate a potential gift of real estate and the terms under which such a gift might occur helps both to avoid potential pitfalls and allay the concerns of boards of trustees or directors about such gifts.”

When it is determined that a specific gift of real estate is in compliance with the policies of the KSU Charitable Real Estate Foundation, Fox states that the following steps need to be taken before ownership of the property is transferred:

1. At the donor’s expense, the property must be appraised by a licensed real estate appraiser.

2. The property should be inspected by an officer or staff member of the foundation to determine if a more extensive environmental assessment is in order.

3. An ownership certificate must be obtained from a local title company and a warranty deed must be prepared and submitted.

4. Legal documents must be prepared by the foundation to meet the needs of the transaction.

Source: Larry D. Fox, President and CEO, Kansas State University Charitable Real Estate Foundation, Manhattan, KS. Phone: (785) 532-7541. E-mail: larryf@found.ksu.edu. Website: www.found.k-state.edu
Invite Planned Gift Donors To Consider Current Gifts

How many planned gift expectancies — planned gifts you are aware of that will be realized after the donor’s lifetime — do you currently have? How many of the persons who have made planned gift provisions are already generously donating to your cause?

If you have confirmed planned gift donors who have given little in the way of outright gifts, explore with them the possibility of establishing a fund now, while they are still living, then adding to it after their lifetimes. The advantage to them? They can experience the joy of seeing what their gift is accomplishing while they are still alive and be comforted in knowing even more can be done after their lifetime. In addition, they can witness the appropriateness of any restrictions that have been placed on the fund to know whether changes might be in order. An example would be a donor who has established a college scholarship fund for single mothers majoring in education. Upon seeing the scholarship in action, the donor may choose to expand it to other majors as well, an option that wouldn’t have existed if the scholarship hadn’t become active until after the donor’s death.

Although you should approach this topic gently so as not to jeopardize any future planned gift provisions, there is certainly justification for at least exploring the notion of establishing a fund prior to a donor’s death.

Set Naming Gift Sights High

Remember that whenever you establish a new named gift opportunity, you are setting a precedent for future named gifts as well. Do some study first. Determine benchmarks used by other institutions for similar gifts. Then err on the high side.

Identify Volunteer Solicitors

When seeking persons to assist you in raising major gifts, keep in mind the best volunteers to solicit gifts aren’t necessarily those who have given the most. The donor who has stretched to make a major gift is often best able to ask reluctant donors for support.

Practice Closing Procedures

Use a portion of some staff meetings to train and practice closing techniques. While you may encounter some reluctance, you’ll find that practicing various procedures at the office makes for a much smoother delivery when it comes time to do the real thing.

Counter Planned Giving Objections

By Thomas Schroeder

The best planned gifts are a “win-win,” helping a donor to address personal and estate planning goals in addition to philanthropic objectives that benefit charitable institutions.

“An important first step in the planned giving cultivation process involves discussing with a prospective donor his or her financial and estate planning long-term objectives, and at the same time, working to understand the donor’s philanthropic interests and current financial situation,” says Betsy Jackson, executive director of the Tennessee State University Foundation (Nashville, TN). “Once a broad understanding of the donor’s plans and situation is established, counting any planned giving objections becomes more possible.”

Common planned giving donor hurdles and objections, according to Jackson, include:

- “My assets are mostly tied up, and they are not liquid.” Many people make the incorrect assumption that charitable organizations can or will only accept cash gifts, so they never think about other attractive assets for planned giving. Gifts of publicly traded securities, equity positions in closely held businesses, real estate, mineral interests and art and collectibles are all possible assets that can be included in planned giving instruments. Consider responding: “Of course our organization appreciates gifts of cash, but we are also able to consider and accept gifts of other types of assets, such as publicly traded securities, real estate and artwork. The gift could be all or a portion of those usually appreciated assets, and you are not required to sell the assets to generate cash to make a gift, so there will be no capital gains taxes.”

- “I’m hoping to leave as much as possible to my heirs.” Almost universally, people assume that testamentary gifts to charity always reduce what their heirs will receive, and they may not be aware that retirement plans passed to heirs are subject to multiple taxes after the death of the plan owner and spouse. Few prospective donors understand that benefiting one or more charitable organizations from a charitable lead trust can significantly reduce transfer taxes, thereby increasing what their heirs will receive. Counter with: “With careful planning, you can leave the amount your heirs would lose due to estate and income taxes as gifts to charity, and reduce the tax bills, not the amount your heirs will receive.”

- “I’m sorry, but I have to save for retirement.” Many people have not been informed as to how charitable life income plans can be created during their lifetimes to supplement and diversify sources of retirement income and income after death for their survivors. Offer the suggestion: “Your retirement and your estate can actually benefit more if you create a charitable life income plan now than if you keep the contributed amount, and our organization or others will benefit from what is left.”

Source: Betsy Jackson, Executive Director, Tennessee State University Foundation, Nashville, TN. Phone (615) 963-5481. E-mail: bjackson@tnstate.edu. Website: www.tnstate.edu

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