

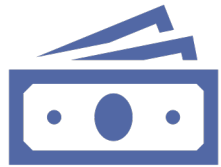


Planned Giving Basics

- Nancy Massicci, Community Foundation of Tompkins County
 - Marshall McCormick, Fingerlakes Wealth Management
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Today's Agenda



Why Planned
Giving Matters



Common
Planned Gifts



Donor
Relations



Community
Relations/Resources



Planned Giving: Why?

Common reasons planned giving isn't a priority to your organization yet

- Urgency/focus on annual fundraising
- “It feels complicated”
- “I don’t want to talk about death”
- Lack of time to train/learn skills

Yet planned gifts are essential to mission driven sector

- Allow for transformative change
- Meaningful to donors to create her legacy
- Generally much larger (200X-300X) than annual gifts made during donor’s lifetime

Central New York Transfer of Wealth (TOW) Study



Current Household Net Worth \$832B

- TOW over 10 years \$84B
- TOW over 50 years \$836B

IF WE collectively capture 5% of the 10-year TOW in all 15 counties we would create \$4.2B in new gifts.

This Locus Impact Investing study was conducted for 15 counties in central NY using 2020 census and other data and reported in July 2022. The above data is for all 15 CNY counties.

Current Net Worth \$55B

- TOW over 10 years \$5.6B
- TOW over 50 years \$55B

IF WE collectively capture 5% of the 10-year TOW in Tompkins County Region we would create \$280M in new gifts.

For this section we are referencing Community Foundation of Tompkins County region that serves Tompkins, Tioga and Cortland counties.



Common Planned Gifts



Bequests

Appreciated securities



Beneficiary
Designations

Qualified Charitable
Distributions





Bequests



- Most popular planned gift; easiest to make
- Costs nothing to a donor during lifetime
- Gift made through existing will or via a codicil
- A specific dollar amount or percentage of estate
- AVERAGE bequest in US: \$40,000 to \$60,000
- Stewardship challenge as donors don't often disclose intentions without you asking



Appreciated Securities



- Easy for donor to make; easy for nonprofit to receive!
- Suggested that donor has owned securities for more than one year
- Donor:
 - transfers stocks; nonprofit sells and keeps proceeds
 - receives tax deduction based on fair market value
 - **avoids capital gains taxes**
 - can direct how the gift is used (general operations, capital campaign, special project)



Beneficiary designations



- Like bequests, a very simple way for a donor to give
- Donor designates the nonprofit as a beneficiary of:
 - Life insurance policy
 - IRA
 - 401(k)
 - Other retirement or brokerage accounts
 - DAF
- After death, nonprofit receives proceeds
- Donors heirs benefit as well - donor can leave more tax-favorable assets to loved ones



Qualified Charitable Distributions (IRA Rollovers)



- Allows donors who are over the age of 70.5 to make a tax-free IRA gift up to \$100,000 (counts toward RMD)
- No minimum requirement
- Can be repeated every year
- Funds must be transferred directly to nonprofit to ensure there is no tax penalty
- Great for donors who don't need the additional income
- Not allowable for gifting to donor advised funds, if you want the deduction
- Doesn't require itemized deductions

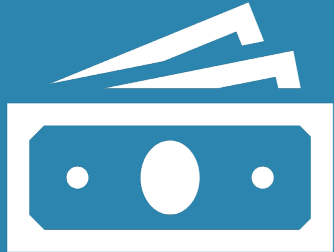


Donor Advised Funds (DAFs)



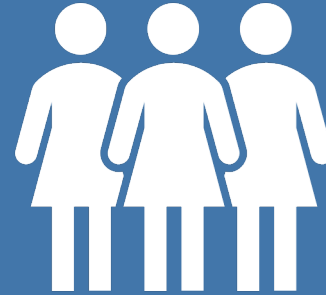
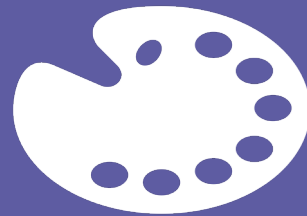
- Tax Efficiency: Immediate tax deduction
- Flexibility & Control
- Investment growth could mean greater impact
- Privacy & Anonymity
- Streamlined giving process, accounting, tracking

Less Common Planned Gifts



Income streams:
Charitable Gift
Annuities,
Pooled Income
Funds,
Remainder
Annuity and
Unitrusts

Gifts of
Property/Real
Estate/Art



Lead/Remainder Trusts

Retained Life Estate





Components of a Successful Fundraising Plan



- Case
 - Share your case for giving
 - Why should she “invest” in your organization and why now?
- Confidence
 - Does the community have confidence in your leadership, management and impact?
- Constituency
 - Do you have sufficient breadth and depth of prospects?
- Leadership
 - Are local leaders providing time, talent, treasure or voice to your organization?
- Organizational capacity
 - Are you provided with sufficient resources, i.e., staffing, technology, space, etc.?
 - Strong Gift Acceptance Policy



Donor Relations



- Donor Engagement is Relationship Building
 - “Cold calling”- yes or no?
 - What is an appropriate ask?
 - When is the time right to make the ask?
- Stewardship
 - Follow-up and follow-through
 - When?
 - How often?
- Legacy Society
 - Recognition
 - Perks



Donor Relations



It's always about relationships - with donors *and* professional advisors

- Research and identify your prospective legacy donors
 - Predictive analytics-small amounts over time are often significant donors later.
 - Identify donors with interests that overlap with your cause:
Current and past Board members or other volunteers, donors with lifetime gifts \$100K or more, loyal five year donors, increased gift donors, and your knowledge of potential prospects (such as married or single and no kids), and/or long history of volunteering.

Donor Relations



Who would want to give to your organization?

- Supporters of time, talent, treasure or voice
- Recommended by a friend, a business connection or professional advisor

What is important to her, what is her charitable goal? Qualify your donor for inclination to giving **and to you**; Seek to understand-lead with questions:

- “I would welcome the opportunity to meet, if you are open to it.”
- I don’t want to assume but because you volunteer, I’d like schedule a brief meeting to hear what inspired you to get involved...
- “When I work with other donors...”
- “Do you have a desire to leave a legacy? Our conversation would likely help us clarify that.”

Six Tactics



1. Have a goal and your rate of improvement accelerates.
1. Ask for feedback from your constituents in mailings, newsletters, emails or on your website:

“Are you one of our generous supporters who has already included [your org] in your will? Please fill out this form so we can thank you now for making your future gift!”

“Would you like more information on making a future gift to [your org]?”

“Did you know you could make a gift in your will that could help us for generations to come? And it’s a gift that does not affect your cash-flow.”

“You can give from your DAF.”



Tactics continued



3. Find donors with *high capacity and high propensity* (or low propensity) and ask to meet (coffee or virtually). Focus on female donors because women will hold 2/3rd of all wealth in 2030.
4. Share stories at meetings to communicate the impact from past legacy gifts.
5. Ask Legacy donors to speak/write about “Why I give.” and share it.
6. Habitually, write out meeting talking points including potential desired outcomes, and what you will say. Role play with someone you feel comfortable.



Community Relations



Where will you meet potential planned giving donors?

- Organizational memberships
 - Task forces, board memberships, work groups, Chamber of Commerce
- Service clubs
- Presentations to community groups
- Partnerships with banks and financial planners
- Planned giving and investment seminars by experts



Professional Advisor Relations

- Get to know your professional advisors
 - Wills and estates attorneys
 - Financial advisors
 - Trust officers
- Make it clear you're there to help them help their client meet their charitable goals
- Keep your organization on their radar
- Presentation to local law firms wills/estates group or financial advisor association
- One-on-one meetings
- Newsletter



Resources: you don't have to be an expert - just know one!



- [PlannedGiving.com](https://www.PlannedGiving.com)
- Board members/volunteers
- Financial Advisors
- Estate Planners/Estate Planning Groups
- Chamber of Commerce
- Your local Community Foundation



Q&A

Thank you for your attention.

-Nancy Massicci
-Marshall McCormick