

INSPIRED ^B



The Potential New Face of Planned Giving

The Potential New Face of Planned Giving

Saturday 26 February

Room: 218

Lawrence Jackson + Carrie M Keller

Time: 1:50-2:50 pm



Introduction

- Origins of this presentation
- Our respective experiences
- Our key thesis
- Objectives of this session

Session Objectives

1. Expanding your bequest program to match donor capabilities Integration
2. How to leverage key professional and intermediaries
3. Insight in to developing and investing a serious Planned Giving program
4. Building a skill set to become a knowledgeable professional fundraiser

Session plan

- Part 1: The local situation: don't mention the B Word
- Part 2: From bequests to planned giving
- Part 3: Case study: The Laurenceville School
- Part 4: Towards a wider/more integrated practice

Part 1

The Local Situation

- Exciting times for philanthropy in Australia
- But
- Local bequest practices: narrow and lack integrated

Independent Schools survey

A review of the web sites of some of the oldest and/or prominent private schools in the country revealed the following;

- Only one or two had a detailed description of the various ways they can be supported.
- Several had no direct link to their Foundation or Development office from their home page.
- Most refer to a Capital Appeal but only a few mention Bequests
- Only a handful had established “Bequest Honour” societies.
- Hardly any had their bequest/will wording information readily available.
- Only a couple seemed to have professional Development Office infrastructures beyond one or two people.
- None had a dedicated and detailed, US style “Planned Giving” section offering a variety of ways donors can give through their retirement planning.

Key insights about local experience

- Very narrow practice
- Almost exclusively bequest focused
- Technical giving expertise tacking
- Little innovation with financial services sector to develop more innovative products
- Little focus on outright gifts of appreciated securities, real estate, business interests, partnership interests, personal property

Part 2

From Bequest to Planned Giving

- Planned Giving offers much wider application than which seems to be used in Australia.
- Bequest whilst unquestionably important, are not the only options
- We will briefly discuss some of the others from a unique Australia perspective

Other “Planned Giving” options available

Options available to the sector include a wide raft of structured giving vehicles such as;

- “Endowment funds” - using vehicles such as private or public ancillary funds including Community foundation and sub funds,
- Insurance policies and annuities,
- Superannuation schemes,
- Shares and or dividends as well as the donation of company equity, either prior or after a public offering,
- Off-set capital gains tax from the sale of an investment property or business,
- Personal effects such as property and collectables such as valuable arts works etc.

Emerging examples in Australia

- Donation of
 - Shares
 - Cultural gifts
 - Goods

Donating Shares Share Gift Australia

ShareGift Australia exists to provide Australian shareholders with the opportunity to sell their shares and donate the proceeds to charity, without having to pay brokerage fees.



Endorsed by ASX and
Australian
Shareholder's Association



Donating art works

Australian Cultural Gifts Program



- Since its establishment in 1978, over \$608 million worth of items have been donated through the Cultural Gifts Program. They include visual and decorative arts, Indigenous arts and cultural artefacts, social history and scientific collections and archival material.
- The program is administered in accordance with the gift provisions of the income tax law and with the advice of an expert committee, the Committee on Taxation Incentives for the Arts.
- The Cultural Gifts Program is administered by a secretariat based at the Department of the Environment, Water, Heritage and the Arts in Canberra. The secretariat provides advice to program participants and supports the committee.

Donation of goods

“Vendor Financed Gifts in kind”

- “Donors Without Borders” described in its promotional pack as a Planned Giving in reverse type scheme (www.dwb.org.au)
- I understand it to be an ATO endorsed scheme which operates by arranging vendor finance to donors to purchase required goods for eg medical aids which are donated
- Is a not for profit entity but operated by an exclusive for profit company (agent) which receives fees/incentives from vendor finance arranged
- Claims to benefit society by;
 - Eliminating fund raising costs
 - Providing low cost funding of donations
 - Generates immediate positive cash flow for the donor allowing them to reduce cost bill to zero
 - Claims donor is better off financially in long term by future value of investments from cash saved on tax
 - Presentation claims to have helped
- Following charities listed as participants: African Enterprises, Australian Relief & Mercy Services, Cure the future, Engineers Without Borders, Habitat for Humanity NSW

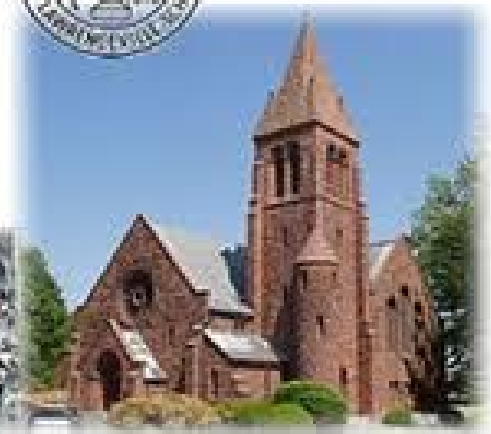
Part 3: Cast study

Bequests: Planning for the Future



THE LAWRENCEVILLE SCHOOL

- Located central New Jersey, 85 miles from NYC
- Secondary school with 815 students years 9-12
- Has multimillion dollar annual fund
- Recently concluded a \$200 million fundraising campaign, which included a \$60 million bequest from a former long term member of staff.





THE LAWRENCEVILLE SCHOOL

- Typical fundraising structure
 - Annual Fund
 - Major Gifts/Capital Appeal
 - Planned Giving
- Fundraising staff
 - 31 professional staff
 - Director of Gift Planning
 - Ratio of 1 fundraiser for every 26 current students

The Lawrenceville Fund Progress Meter	
OUR GOAL:	\$5,000,000
CURRENT TOTAL:	\$2,570,505
	June
	May
	April
	March
→	February
\$3,033,188	January
\$2,570,505	December
	November
	October
	September
	August
	July

Lawrenceville School Planned Giving 3 core product areas

Outright Gifts

Estate Gifts

Partnership Gifts

Lawrenceville School Planned Giving options

Category 1: Outright Gifts

- [Gifts of Cash](#)
Did you know that this simplest gift maximizes your charitable deduction and delivers immediate benefits to Lawrenceville?
- [Appreciated Securities](#)
Did you know that the IRS still allows you one of its most significant tax breaks for these gifts? Here's the information you need about how to transfer appreciated stocks and bonds to Lawrenceville.
- [Gifts of Real Estate](#)
Did you know that you can make a substantial gift to Lawrenceville through a transfer of residential, commercial, or undeveloped real estate? Here's how we can work together on your gift.
- [Gifts of Business Interests](#)
Did you know that you can give Lawrenceville an interest in a closely-held or family business? Here's how we can work together on your gift.
- [Gifts of Partnership Interests](#)
Did you know that you can transfer an interest in a real estate or oil-and-gas partnership that could produce more benefit for us than it's giving you? Learn how these gifts are made, what the IRS requires, and how we review gift offers.
- [Gifts of Personal Property](#)
Did you know that you can give us books, artwork or equipment and also secure an income tax deduction? Learn about tax regulations and appraisal requirements for such gifts here.

The Lawrenceville School

Category 2: Estate Gifts

- Bequests

Did you know that this most fundamental planned gift delivers critically important support to Lawrenceville every year? You'll find descriptions of the various types of charitable bequests, plus sample bequest language here.

- Gifts of Retirement Plans

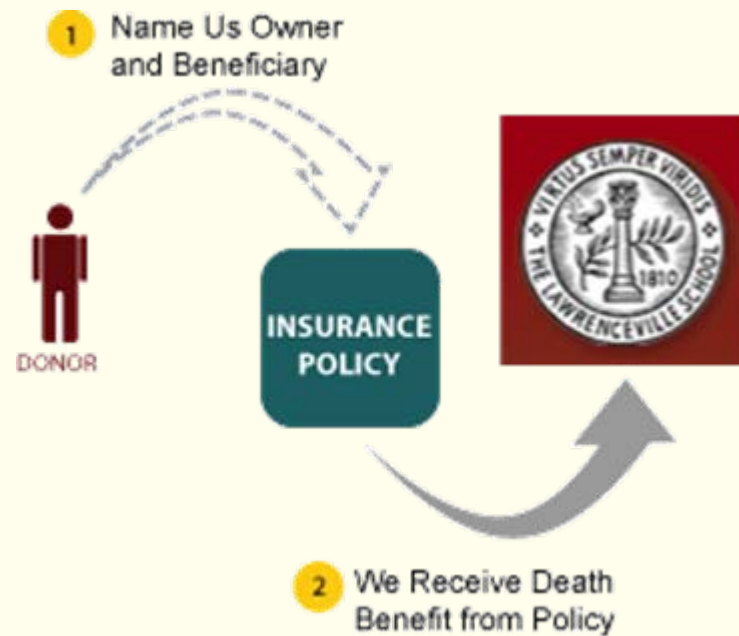
Did you know that your retirement plan can deliver more benefit to Lawrenceville than to your heirs? Learn more about this tax-advantaged estate gift here.

- Gifts of Life Insurance

Did you know that you can create a significant endowment here from income rather than capital?

Lawrenceville School Gifts of Life Insurance

How It Works



You transfer ownership of a paid-up life insurance policy to Lawrenceville.
Lawrenceville elects to cash in the policy now or to keep the policy and receive the death benefit later.

The Lawrenceville School

Cat 3: Partnership Planned Gifts

- Pooled Income Fund
- Charitable Gift Annuities
- Deferred Gift Annuities
- Charitable Remainder Unitrusts
- Charitable Remainder Annuity Trusts
- Charitable Lead Trusts
- Retained Life Estates
- Charitable Bargain Sales

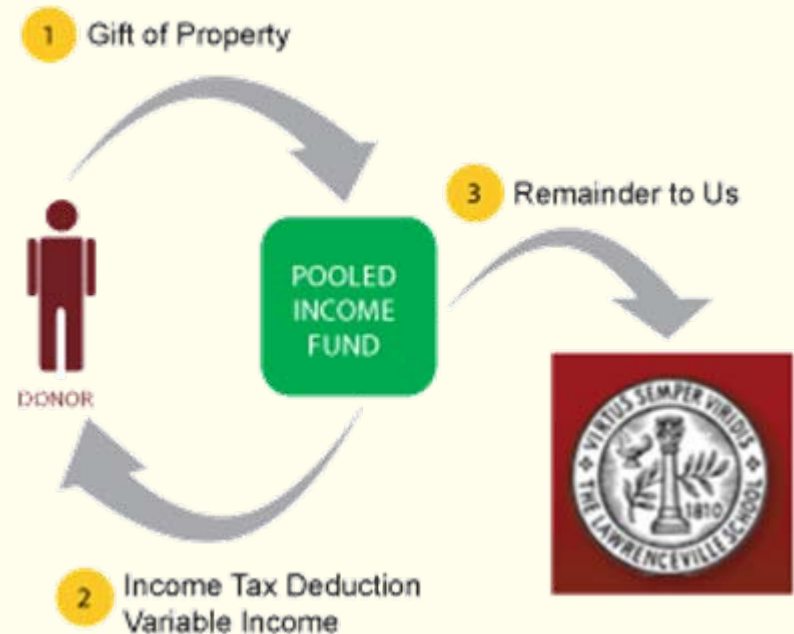
The Lawrenceville School The Pooled Income Fund

How It Works

You transfer cash or securities to the Pooled Income Fund trust established by Lawrenceville.

The trust issues you units, like a mutual fund, and pays you, or up to two income beneficiaries you name, the annual income attributable to your units for life.

The principal attributed to your units passes to Lawrenceville when the last income beneficiary dies.



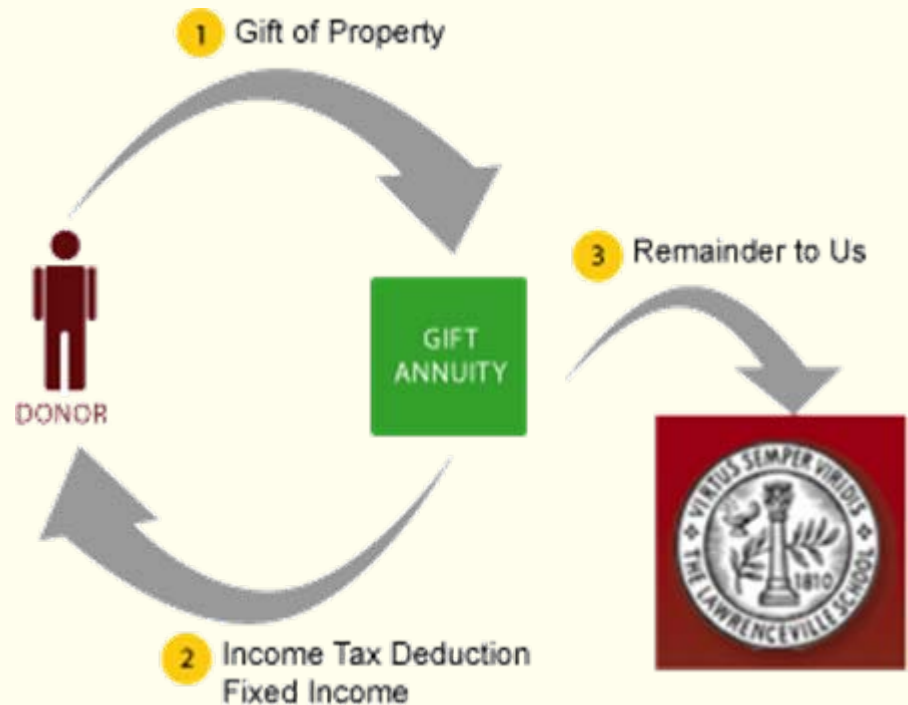
The Lawrenceville School Charitable Gift Annuity

How It Works

You transfer cash or securities to Lawrenceville.

Lawrenceville pays you, or up to two annuitants you name, fixed income for life.

The principal passes to Lawrenceville when the contract ends.



Enhance Planned Giving practices in Australian NFP's

Analysis:

- Bequest administration before bequest marketing

Integration

- Use Annual Fund & Major Gifts as lead generation

Leverage:

- Use key professional supporters and intermediaries to promote

Market & promote:

- Develop a serious Planned Giving marketing plan ie segmentation, product mix, distribution channel, pricing, communications and positioning.

Invest:

- Planned giving likely to be the highest ROI of any fundraising activity. Invest more.
- Establish strong foundation with experiences and knowledgeable professional advisors.

SOLICIT (Ask).

- Cardinal rule of fundraising – make sure you ASK for planned gifts

Part 4: Towards a wider & integrated practice

- Observations
- Structure
- You are the catalyst
- The new face of the development officer
- Transferable concepts

Carrie's 3 year Observations

- Consulting companies with single focus of product line vs. donor 360° needs
- Single marketing focus - bequest vs. Legacy
- Gap of sharing knowledge due to competition for donor dollar
- Communication style

Structure Snap Shot

USA

- Individual Giving Officer
- Marketing/Communication support
- Board support
- Develop Program
- Gift Acceptance Policy
- Volunteer

Australia

- Bequest Officer
- Limited Marketing and Communication support
- Long term lead – limited budget
- Minimal Board Support

Modifications in the Office

- Planned Giving Committee – Local/ Board Level
- Leverage Volunteers to thank supporters/ host thank you events/ meetings
- Website/ marketing to supporters
- Testimonials
- Challenge Dogma

Development Roles

Individual Giving Officer

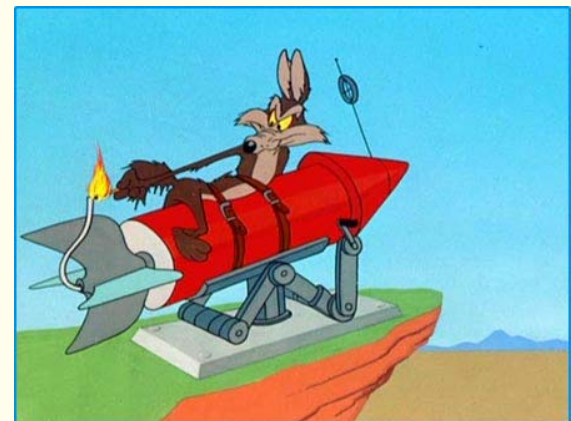
- Business Development – looking for all 3 T's
- Major Gift/ Capital Campaign – matching donors interest to a project (5 Rs)
- Legacy Planning – ability to give while establishing endowment (Will, PAF, Ins, Property, leverage gifts)
- Bequest – Will beneficiary

Bequest Officer

- Thank you for donation
- Ask to consider charity in their Will
- Keep inform of charity mission

You are the Catalyst

- Trained Communications Professional
- Brilliant Storyteller
- Understanding of donor's desires
- Asking for the right things at the right time
- Provide donors with a sense of fulfillment
- Ability to thank accordingly
- Partnering with volunteers



Out with the Old

Old

- *Hi I was just in the area and was wondering if I could drop by a Thank You certificate for your support.*
- Time for tea
- 1 way conversation of needs
- Required interactions and asks



New

- Hi – I can tell from your past support you have an interest in our charity. Do you have time to tell me more about your interest.
- Lets do lunch
- Listening to donors wants
- Recording donor's interests, strategy, next steps and finally asking/ confirmation of interest

Your Next Steps

- Sharpen the sword
- Build substantial and meaningful relationships
- Offer tangible benefits & practical engagement
- Present accountability and transparency for yourself and the charity

Questions / discussion

Thank You /Contacts

Lawrence Jackson
Principal
Lawrence Jackson Associates

Email
Lawrencejackson@optusnet.com.au

Mobile:
0438 602 357

Carrie M. Burhop Keller
National Donor Relations Manager
Juvenile Diabetes Research Fdn.

Email
ckeller@jdrf.org.au

Mobile
0437 373 202



INSPIRED
FIA's 34th International Fundraising Conference
 MELBOURNE CONVENTION & EXHIBITION CENTRE
 24 - 27 February 2011



Conference Partner



Principal Sponsor



Major Sponsors



Media Supporters



National Corporate Partner



National Principal Sponsor

FIA Corporate Supporter



Awards Sponsors

