

5 Tips for Larger and Planned Gifts

From Sarah Ruef-Lindquist



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The following are organizational and operational “standards” that can be appealing to foundations, donors & their advisors. If you have others you would be willing to share, please email me and let us know what they are.

1. Make your board-adopted Gift Acceptance Policy available online and on paper to professional advisors and their donors.

Professional advisors (attorneys, accountants, financial advisors, trust officers) play an important role in planned giving: They will advise their client about – and often author – the terms of any planned gift to the charity or charities included in an estate plan.

Before they can advise their client or craft the language, they must know the terms of your organizations Gift Acceptance Policy if the gift is restricted, not cash nor readily marketable securities. When your organizations adopts such a policy or approves any substantial amendments, provide that information to the professional advisors with whom your donors may have a relationship; this would include (at a minimum) the estate planning attorneys, financial planners, bank trust officers and accounting professionals in your vicinity. If you need help

determining who they are, ask a member of the board of your local planned giving council or estate planning council.

2. Make your duly board-adopted Investment and Spending Policies available online and on paper to Professional Advisors and their donors.

In considering whether to make a planned gift to your organization that would become part of the organization's endowment, a donor and their professional advisor will examine the way in which the organization invests its fund and the board's policy on spending such funds.

An investment policy should reflect the goals of the organization in having the endowment, and the risk tolerance, benchmarks and performance review mechanisms to be used. Similarly, a spending policy will show a donor just exactly what amount will be available to support the organization on an annual basis in the future, or how that amount will be calculated year-to-year.

3. Don't let your organization's leadership think of endowments as a luxury.

- Endowments are a necessity for sustainability and express the importance of your organization's mission and leadership's commitment to it.
- From a donor's perspective, having an endowment may give them an opportunity to create a legacy that will, with an appropriate spending policy, assure them their gift will support the mission for generations to come.
- It also gives donors a choice for how to make a substantial gift, and who doesn't like choices when making a big decision?
- It communicates that your organization has deliberately contemplated the future and is planning and working

towards providing for that future. This conveys the organizations strong sense of its own worth in the landscape of charity and philanthropy, and the paramount importance of its mission.

4. Optimize your organization's presence and appeal on the landscape of charities in your area or mission area of interest.

Consider adopting standards and practices for organizations such as Guiding Principles and Practices for Nonprofit Excellence in Maine published by the Maine Association of Non Profits in 2007 available at www.nonprofitmaine.org, and Standards of Practice for the Model Gift Planner from www.charitablegiftplanners.org, and similar standards found in the Donor Bill of Rights of the Association of Fundraising Professionals, available at www.afpnet.org, that show all types of donors, including corporations and foundations, that your organization is functioning at an optimal level of accountability.

5. Scan your organization's 501(c)(3) letter and make it available in the development or history area of your web site.

This makes it almost as easy as possible for advisors and donors to know you have the status required for deductibility of gifts for income, estate or gift tax purposes. The letter is generally available on-line at www.guidestar.org, but placing it on your site saves the professional advisor the trouble of going to a second site after yours; they will be well-advised to have a copy for their client file.