



DISCOUNTED PRINTING FOR NON-PROFIT ORGANIZATIONS

Planned Giving and Deferred Giving

Most fundraising professionals realize that the single largest donation your organization is likely to receive will be generated by a planned or deferred gift.

Planned gifts can be made "after-life" or "during-life". If you educate your donors to the benefits of planned giving, your organization can reap the rewards, even on a small budget.

Offer the staff and volunteers helping with your planned giving effort an array of printed materials to help educate potential donors. Materials should provide a quick overview of your organization and mission along with educating on planned giving vehicles.

One of the best places to start your effort is to provide local attorneys and estate planners with your printed pieces that they can use in their offices. These professionals are face-to-face with potential donors looking for an organization to support. Local foundations can also manage donor funds and have a say in where private donations are made.

If your organization has several prospects, you may consider hosting a seminar or evening reception for local professionals or potential donors. These informational seminars can focus on educating long-term giving strategies and letting local professionals know about your mission and how they could help by educating their clients.

Be sure to offer documentation in a clear, concise package, that presents a professional image for your organization.

Material topic ideas can include:

Taking Control Of Your World Through Estate Planning
Wills and Trusts
Charitable Gift Annuities
How To Leave a Legacy
Gift Planning
Planning For The Future

The most common materials you will need to get started will depend on how much information you want to include. Printed pieces can be a:

Brochure
Rack Card

Materials do not have to be expensive, something as simple as a rack card can explain everything to a potential donor.

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Many popular strategies exist for establishing a program. The first goal is to understand your current donors. Your donors will no doubt want to see your organization thrive in the future and that is what a planned giving program will do.

Planned giving should begin when you feel that your donors are ready to use their money to give your organization a secure future.

Although many organizations are afraid to enter the arena of planned/deferred giving, simple programs can be started. This leads the way for more complex programs as your program matures. At the very least donors should be aware of various giving strategies and the tax advantages

Remember that - ***you never have a second chance to make a first impression*** - so be sure your materials are high quality and well written.

Glossary of Planned Giving Terms

Please check with legal counsel for clarification. This is not legal advice.

Bequests

The most common and simplest form of a planned gift, a bequest is a gift of property that is made through a donor's will.

Charitable Remainder Trusts

There are two basic types of charitable remainder trusts - a unitrust and an annuity trust. In both arrangements, a donor gives stock, cash, or other assets to a trust. Those assets are invested, producing income for the donor either for a fixed amount of time or until the donor dies. When the donor dies, the charity keeps all remaining assets. Unitrusts - the donor receives one or more yearly payments equaling a fixed percentage of the value of the asset. Annuity Trusts - the donor receives a yearly fixed payment equal to at least 5% of the value of the asset at the time the deferred-giving agreement was signed. Charitable Remainder Trusts are commonly used by people who want to give real estate.

Gift Annuities

Donors contribute cash, securities, or other assets to a charity. In exchange, they receive annual payments for a fixed amount of time. The annual payments do not start when the gift is made; they begin at a time specified by the donor when the gift is made.

Pooled Income Funds

The donors give cash, securities, or other assets to a non-profit organization, which then invests those assets in a large, diversified portfolio. The donor receives income from the fund proportionate to the value of their contribution.

Charitable Lead Trusts

A charity receives the income from the donor's assets for a specified time, after which the asset is transferred back to the donor or to the donor's heirs.



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Get Started In Planned Giving

Understanding donors, both as individuals and as a demographic group, is key to any kind of sustained successful fundraising - particularly when implementing a planned giving program.

You are ready to proceed with your plan when you feel confident that your organization should exist for the long haul and you know that at least some of your donors really agree with you - and are willing to put their money on the line for you.

What is the purpose of planned giving? The purpose is to build an endowment. An endowment is an income-generating mechanism that involves setting money (principal) aside to generate interest. The principal is never spent. The interest income can be used as the organization wishes. Interest income is usually used to offset administrative costs but can be used as you wish unless the gift is restricted for a particular program or service by the terms of the donor.

Thinking About Asking For A Planned Gift. Grassroots organizations rarely get planned gifts and even more rarely ask for them. Grassroots groups are too busy trying to meet monthly expenses to look that far ahead. They often do not think of themselves as permanent institutions. The reason these groups rarely ask for planned gifts is because many times they feel awkward talking to donors about their money and death at the same time. However, it is important to remember how much money comes from planned gifts. Gifts from bequests are equal to the amount given by foundations and greater than the amount given by corporations.

The Importance Of A Will. All planned gifts are made with terms laid out in a will. Everyone should have a will because anything you own during your lifetime you will also own after your death. Statistics show that as many as 7 out of 10 people do not have a will. Introducing your donors to planned giving is a service to them because it causes them to think about getting their wills made or updated.

Motivating Donors To Make A Will. The first step is to convince donors that they need a will. The second step is to convince them that your organization is worthy of their support upon their death. Most people underestimate the value of their estate and overestimate the time and cost involved in setting up a will. They do not realize the work involved in getting an estate in order when there is no will. As a non-profit you cannot be involved at all in the creation of someone's will. You can encourage people to create a will, you can offer workshops on wills with attorneys or estate planners as the workshop leader, you can discuss what you know about wills with donors, **but you must not get involved in giving legal advice or helping people write their wills.** Whether paid staff, volunteers, or people involved with a planned giving program - this can run the risk of being accused of exerting "undue influence." To avoid this you **must** avoid giving specific advice or assistance. A donor should use their attorney or advisor.

Anyone Can Make A Bequest. All that is required is that you are alive, of sound mind when you make your will, and that you own something that you can't take with you. Many small organizations think that bequests are only for the wealthy, but most individuals own something (a car, boat, house, stocks, cash) that can be gifted.

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