



Planned Giving Toolkit

a resource of the planned giving partnership



The Planned Giving Toolkit and Planned Giving Partnership

Planned giving is an important means for your donors to transform their personal wealth into philanthropy for the benefit of important causes and local nonprofits. For nonprofits, planned giving helps ensure the long-term success of an organization.

As part of The Community Foundation's services for nonprofits, this toolkit and partnership options have been created. This resource was designed to help your organization raise more money to support its mission and to allow you to offer comprehensive philanthropic services to your donors without a significant (or any) financial investment from your budget. The desired result will be more donations over time, with varying gift methods that more directly reflect your donors' financial and estate plans, and their ultimate capacity to make a lasting and meaningful gift.

We hope you take advantage of opportunities to educate your donors about the many benefits of adding a long-term approach to their philanthropy (coupled with their continued current support of your mission). We know your organization's development program works hard to keep the lights on, and adding a planned giving component to your development strategy will help ensure that the lights stay on forever. The Planned Giving Toolkit is designed to help organizations and the donors who support them in several ways:

- Build your endowment and/or cash reserves to help sustain your organization with increased revenue streams
- Help your donors meet their needs, objectives and desires for their philanthropy while helping your organization
- Handle more difficult asset transactions, such as real estate, art and other collectibles
- Offer full-fledged gift options to your supporters, such as gift annuities and charitable trusts

This Toolkit provides the easy steps and planned giving information your organization needs to start a planned giving program today.

We make it simple to help you secure your organization's future.

Contact Information

For information on Planned Giving or partnering with
The Community Foundation on Planned Giving, please contact:

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Why Planned Giving? Why Now?

Planned gifts tend to be larger, on average, than outright gifts. Take a look at your own data and evaluate this for yourself. You might be very surprised that you have received bequests without ever asking for them. Then ask yourself how many more you might have received from those who cared deeply about your organization throughout their lifetime, but were never asked for a legacy gift.

By building a planned giving program and growing your endowment, you are better able to plan for the future and mitigate your risks through all economic cycles, so that you can continue to carry out your mission.

The Planned Giving Partnership with The Community Foundation *for Greater New Haven*

PHASE I: YOUR ORGANIZATION/YOUR ROLE

- Identifies and qualifies the donor
- Informs and cultivates the donor
- Explores the donor's best planned giving option(s)

PHASE II: THE COMMUNITY FOUNDATION /BEGINNING OF THE PARTNERSHIP

- Consults with you and your donor
- Evaluates your donor's goals
- Prepares a gift proposal

PHASE III: THE COMMUNITY FOUNDATION/GIFT ACCEPTANCE

- Finalizes the gift agreement
- Ensures due diligence with gift acceptance policies of The Community Foundation
- Liquidates assets and provides gift acknowledgement

PHASE IV: THE COMMUNITY FOUNDATION/YOUR ORGANIZATION/ GIFT MANAGEMENT & STEWARDSHIP

- Invests proceeds from asset sale
- Makes annual distributions from the gift to your organization or in the case of life income gifts, to the income beneficiaries
- Provides ongoing consultation to you and your donor
- Keeps the donor informed about your impact to maintain relationship

Planned Giving Defined

“Planned giving is simply a way to help a donor—who wants to make a gift—do so most effectively.”

Ellen Estes
Estes Associates

“... a planned gift is any major gift, made in lifetime or at death as part of a donor’s overall financial and/or estate planning.”

PlannedGiving.com

The Community Foundation also believes adding a planned giving component to your development efforts greatly enhances your relationship with your donors; your relationship with them is deeper and longer-term, and you learn more about them along the way (so you know what to suggest to them and when, to what they are more likely to say “yes” and perhaps which avenues to avoid.) Your donor will perceive that your development program is increasingly donor-centric with a focus on fulfilling the wishes of the donor in line with the needs of the organization. It also helps donors know that your organization is thinking (and acting) on a long-term vision with strategies to accomplish it.

Extending the Gift Conversation with Your Donors

Planned and legacy gifts are a way for your donors to make financial and estate decisions now and for the future. This type of giving allows your donors to address family needs first, as appropriate, and then make a gift to benefit your nonprofit in conjunction with the rest of their “life” plan.

People in a variety of life stages and circumstances can benefit from a planned gift. For example:

A person who is planning for retirement may need to secure additional income and can do so through a gift annuity or charitable remainder trust.

A couple who has their first child will likely then follow with setting up an estate plan that may or may not include your organization as a beneficiary.

Grandparents might want to consider a donor advised fund to help generate philanthropic discussions across multiple generations, much like a private family foundation.

Large financial transactions, such as the possible sale of a business or the downsizing of a home, may also trigger some planning that charitable gifts can complement, reducing tax burdens and creating a legacy.

All of these events and many more can provide wonderful opportunities for planned giving discussions... and viable solutions through philanthropy.

SAMPLE QUESTIONS TO ASK YOUR DONORS:

Have you ever considered putting the XXXX in your will?

Are you interested in making a gift and receiving income for life?

Do you pay high taxes?

Have you designated your IRA to your children or charity/or both?

What Does My Organization Need to Get Started?

Board and staff of your organization need to commit to work on developing a planned giving program. You must identify a board member or volunteer leader who will champion a planned giving program and work with a dedicated staff member in its implementation.

- You will also need to have a gift acceptance policy, approved by the organization, for bequests (and other planned gifts, as appropriate).
- You must also make a commitment to promoting bequests on a regular basis in your marketing and donor discussions.
- In addition, you will need a stewardship program for your planned gift donors, either by starting your own legacy society, or including them in a meaningful way in your major gift donor events, as well as being sure the names of your legacy society donors are listed publicly.

These are the most important steps to starting a planned giving program and you will easily be able to build from there.

The Community Foundation can provide your organization with what you may need to get through just about any gift discussion or ultimate transaction.

- Sample bequest language
- Sample gift/fund terms
- The Community Foundation gift acceptance policy model
- Templates
- Checkboxes for reply devices

Does My Organization Need to be an Expert in Planned Giving?

No.

Your donors have accountants, financial advisors and attorneys who can help them decide what assets to gift and when, in line with their full financial and estate plan, so that they make their gift as smartly as possible and leave the door open for further giving.

You just need to know and communicate with your donors that they can carry out their philanthropy in any way that makes the most sense for them.

You also need to know that there are experts in planned giving just a phone call or an email away at The Community Foundation.

Your mantra with your donor, should they inquire about a complicated asset, gift annuities, trusts etc... is:

“Thank you. I think we can do that, and it would be wonderful!
Let’s get in touch with our partners at The Community Foundation, who can help us work it out.”

The Benefits of Creating a Legacy Society for My Organization

You'll want to consider the benefits of starting a legacy society for your organization which includes a way to thank your legacy donors on a regular basis and maintain them as “insiders” of your organization. A legacy society is also a tangible marketing tool to promote future legacy gifts from new donors as they learn about your society. Below are a few easy steps to follow:

1. Create and name your legacy society. Include an announcement in your newsletter and on your website.
2. Determine what acknowledgement and benefits you may offer your legacy society members. Consider hosting an annual luncheon for this group or inviting them to an existing donor event at which you acknowledge their special legacy society membership in your remarks and on their nametags.
3. Consider making donors who already have legacy gift commitments founding members of your legacy society; you can use this communication to invigorate the relationship and earmark their commitment as pioneers for your organization.
4. Include information about your legacy society in your materials. Coordinate special outreach with members to inform them of other gift options (i.e., if they have a bequest, they might also be interested in charitable gift annuities or any legislative updates that might affect their estate planning strategies).
5. Appoint a board member or high-profile volunteer leader as the chairperson or co-chairperson or champion of your legacy society to build awareness among donors and activate board support and participation.
6. Use the Planned Giving Partnership with The Community Foundation to set up specific gifts: life income gifts, complicated assets, designated funds etc.

In addition, when your donors establish a life income gift or bequest intention that will eventually be administered by The Community Foundation, they are invited to become members of the Nettie Dayton Circle, a community legacy society.

Giving Guidelines

We all have to start somewhere, and knowing what we can say “yes” to is an important part of that beginning. Below you will find the website address to the Giving Guidelines of The Community Foundation. If you do not have current policies in place, ours might be a good set to review and possibly adopt, at least in part; if you already have policies in place, you may want to compare them against your existing policies, to see where there may be overlap, and to identify areas where The Community Foundation can provide a solution in working with a donor. We are happy to review your current acceptance policies at any point.

Giving Guidelines Website Address:
www.cfgnh.org/givingguidelines

GENERAL CONSIDERATIONS

Stock: If you don’t already have an account set up to receive readily marketable securities, you should take the necessary steps to do so. Gifts of appreciated stock are highly advantageous to the donor.

Bequests: Depending on your financial situation, you could use gift acceptance policies that earmark bequests below a certain amount for unrestricted purposes and above a certain amount for endowment. An overwhelming percentage of gifts by bequest are unrestricted, making your policy an important strategic decision. There are many variations in gift acceptance policies for bequests and you will need to find one that works well for your organization, its governance and its fiscal health for the long-term.

Real Estate & Tangible Personal Property: The expertise of The Community Foundation is available to you when donors inquire about making such gifts; either to walk you through the initial and necessary steps for your organization to proceed with (or decline in some cases) such a gift; or you can work in partnership with The Community Foundation, where working jointly with your donor to help the gift come to fruition and to establish a permanent endowed fund for your organization.

Life Income Gifts: The Planned Giving Partnership with The Community Foundation is designed so that your donors can make gifts that pay income to them (or someone they choose) from a gift before it benefits your organization through charitable gift annuities and charitable trusts.

Charitable Lead Trusts: These trusts are most pertinent to donors with a very high net worth and extensive tax liabilities to give the benefits of a gift to your organization before the gift goes to heirs. The Community Foundation can play an advisory role in setting up this type of trust, but the donor needs to work primarily with his/her professional advisors.

Life Insurance: Fully paid up policies upon which the donor no longer depends can easily be reassigned to your organization as the owner and beneficiary (policies that are not fully paid up should be carefully evaluated on a case by case basis).

IRA & Other Qualified Retirement Plans: These are “light-lifting” legacy gifts for your donors. The administrative paperwork varies a bit from financial institution to financial institution but is fairly straightforward. The donor simply names your organization as a beneficiary of their plan, and can do so for a percentage, the entirety or a fixed dollar amount. Gifts of retirement assets are ideal charitable vehicles because they have tax ramifications if received by heirs.

Bank, Checking and Investment Accounts: Again, this is a matter of updating paperwork with the financial institution and your charity can benefit directly when a donor names you as the beneficiary of an account.

Your organization may use The Community Foundation for any viable gift transaction within The Community Foundation's gift acceptance policy. In most cases the gift will be used to set up or added to an existing endowment fund at The Community Foundation to benefit your organization. Foundation staff are available, however, in an advisory role, for your donors who prefer to make planned gifts directly to your organization.

Integrating Planned Giving into My Organization's Communication Efforts

Use Planned Giving checkboxes on your annual appeal reply devices, every year:

- I have included (Your Organization) in my estate plans
- I would like to learn how to include (Your Organization) in my estate plans
- Please send me information about how I can make a gift and receive income for life
- I have named (Your Organization) as a beneficiary of my retirement plan/ life insurance policy

For one mailing a year, include an insert about bequests and how they help your organization. Make sure it includes all of the following:

- The legal name of your organization
- Your mission statement
- Contact information, including your website address
- Sample bequest language to pass on to attorneys (see page 13)
- Brief messaging about leaving a legacy: “Your legacy gift for (Your Organization) means that we can continue to count on you for support, forever... and that you will always be part of our ongoing mission in the community. Legacy gifts of any amount mean a stronger future. Thank you.”
- “If you have already included us in your charitable estate plans, please let us know, so we can welcome you to the (Your Organization's Legacy Society Name), or thank you appropriately for your visionary generosity.”
- Some visuals that identify your organization

Highlight legacy gift donors in your print and e-newsletter every issue: great stories inspire great gifts!

Have general bequest information and sample language available and easy to find on your website; you should also have your legal corporate name and your tax identification number with the bequest language and with any reference to IRA and bank account designations.

Start a legacy society if you can (see page 7). If you can't, remember to include your legacy donors in all special events.

Sample Marketing Language for Planned Gifts

This is just to get you started thinking..

- Live forever through your charitable legacy.
- Give & Receive: Charitable Gift Annuities Provide Income for Life.
- Create a Tax-Free Charitable Legacy: Name (Your Organization) as a Beneficiary of Your Retirement Plan. Your heirs will thank you for leaving them something better and we will thank you forevermore.
- Your Gain is Our Gain: Give Appreciated Stock.
- You Can Live Forever: immortalize Your Annual Gift by Creating an Endowment Through Your Will.

Additional Support from The Community Foundation

Presentations: The Community Foundation can provide presentations to your staff, your board and your donors to explore their giving options. Please give us three weeks notice before your desired presentation date.

Donors: The Community Foundation development staff members are available to meet with you and your donors once an interest in making a gift has been established. When we join you in a donor conversation, you are representing your organization, and we are laying out options for your donors and answering their technical questions. You talk the mission; we talk the process to support it.

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Bequests

A bequest is a gift of personal property (such as cash, stocks, tangible property, etc.) made after death, generally through a will or other estate plan.

The usual method to make a bequest is as follows: the estate's executor may transfer cash or other assets to your organization. Your organization should have a gift acceptance policy in place that states how bequest gifts will be used if not specified by the donor in his/her will or other legal documentation. Please note that bequests that are more than \$10,000 can establish a named endowed fund at The Community Foundation to benefit your organization in perpetuity.

Bequests of any size can be added to an existing fund of The Community Foundation.

SAMPLE LANGUAGE FOR A BEQUEST

Sample language for a bequest to your organization

"I give (or bequeath) to (Your Organization), located in (city), (state), a non-stock, charitable corporation, for general charitable purposes, the following assets: _____.

BEQUEST SAMPLE LETTER TEMPLATE

Name
Address
Date

Dear XXXX,

Thanks so much for requesting information about how to include (Your Organization) in your will. Below you will find suggested sample language to share with your attorney.

“I give (or bequeath) to (Your Organization), located in (city), (state), a non-stock charitable corporation, for the general charitable purposes, the following assets: _____.”

In many cases, it makes sense to name (Your Organization) as a percentage beneficiary of your estate; that way your estate plan can reflect your overall intent and goals regardless of valuation fluctuations.

If you wish your bequest to be used for a specific purpose, we would be happy to talk with you confidentially about your plans. Our goal is to be sure that your legacy is carried out exactly as you intend.

Once your plans are in place, please do let us know so that we can invite you to join our legacy society and to special events throughout the year.

Again, we extend our gratitude to you for your long-term approach to your charitable giving. (Your Organization) will be all the stronger.

With appreciation,

XXXXXXX

Designated Funds at The Community Foundation for the Benefit of Your Organization

The permanence of your organization may be an important consideration for your donor, particularly if you are a younger organization in the community. Some donors choose to set up a designated fund at The Community Foundation to support your organization in perpetuity and do so during their lifetime and/or through their estate.

Below is sample bequest language for a designated fund. As long as your organization is a 501(c)(3) organization your donor can set up a designated fund to benefit your organization.

SAMPLE LANGUAGE FOR A DESIGNATED FUND

The additional following language would be appropriate to establish a permanent endowed fund at The Community Foundation designated for your organization:

“This gift is intended to create an endowed designated fund for charitable purposes in accordance with the Certificate of Incorporation and the By-Laws of The Community Foundation for Greater New Haven, Inc. It is my desire that this fund be known as the [insert name] Fund.

Annual distributions from the Fund, as determined in accordance with the spending rule policies of The Community Foundation for Greater New Haven, shall be awarded to (Your Organization).”

Charitable Gift Annuities at The Community Foundation

The Charitable Gift Annuity (CGA) presents an opportunity for your donor to make a gift during his/her lifetime, receive an income stream for life, save on taxes, and create a permanent named fund for your organization (or add to an existing one).

The Community Foundation will work closely with you and your donor to establish the gift annuity. The Community Foundation will take care of the transfer of assets, the necessary paperwork, the ongoing administration of the annuity, and the liability of the income payments to the donor. The minimum to establish an initial CGA is \$20,000; subsequent annuities can be funded with as little as \$5,000. The investment goal of charitable gift annuity assets is to preserve (at least) half the initial gift amount when the annuity expires.

Donors/Income Beneficiaries 65 and over can establish an immediate-payment gift annuity.

Donors/Income Beneficiaries younger than 65 can explore a deferred gift annuity.

HOW IT WORKS:

- Your donor transfers cash or readily marketable securities to The Community Foundation
- The donor takes an income tax charitable deduction for a portion of the gift amount
- If the donor gives appreciated stock, he/she can avoid the capital gains tax
- The Community Foundation pays the named income beneficiary(ies) a fixed amount for life
- When the annuity expires, the residual of the gift is used to establish an endowed fund to benefit your organization
- Your organization receives an annual distribution from the fund in perpetuity

CHARITABLE GIFT ANNUITY SAMPLE LETTER TEMPLATE

Name
Address
Date

Dear XXXX,

Thanks so much for requesting information about how to make a gift and receive income for life through our Planned Giving Partnership with The Community Foundation *for* Greater New Haven.

As we discussed, the way a charitable gift annuity works is that you make a gift of \$20,000 or greater (most commonly with cash or readily marketable appreciated stock you have owned for at least a year, or a combination thereof), and in exchange for your gift, The Community Foundation pays you a fixed and guaranteed income for life.

Given your age(s), you can expect to receive an annuity rate of X.X% and a deduction for roughly XX% of your gift total. At the end of your lifetime(s), your gift will be used to establish a permanent endowed fund to support [name of organization].

Should you wish to proceed in setting up a charitable gift annuity, staff at The Community Foundation will be in touch with you directly. (S)he will be able to provide you with more specific gift calculations, and a draft of the annuity agreement, as well as discuss terms for your endowed fund.

Once you establish your charitable gift annuity, we look forward to inviting you to join our legacy society and to special events throughout the year. You would also become a member of the Nettie Dayton Circle at The Community Foundation.

Again, we extend our gratitude to you for your long-term approach to your charitable giving. (Your Organization) will be all the stronger.

With appreciation,

XXXXXXXXXX

IRA DESIGNATION SAMPLE LETTER TEMPLATE

Name
Address
Date

Dear XXXX,

Thanks so much for requesting information about how to name (Your Organization) as a beneficiary of your retirement plan. As you may know, there are often significant tax benefits to leaving all or part of your retirement plan to charity.

The first step you will need to take is to contact your plan administrator—either by phone or online—and request a change of beneficiary form; if you are not leaving your plan directly to your spouse, you also may be required to complete a spousal consent waiver form.

The corporate name of our organization is XXXXX and our IRS tax identification number is: XXXXX. You may be asked to include this information on the form(s).

Once you complete the necessary paperwork with your plan administrator, please notify us of your plans. If you wish your legacy gift to be used for a specific purpose, we would be happy to talk with you confidentially about your plans. Our goal is to be sure that your legacy for our organization is carried out exactly as you intend.

We look forward to inviting you to join our legacy society and to special events throughout the year. Again, we extend our gratitude to you for your long-term approach to your charitable giving. (Your Organization) will be all the stronger.

With appreciation,

XXXXXXX

Helpful Web Links

The Community Foundation for Greater New Haven www.cfgnh.org
On our website you can access further information about our finances, our funds, our leadership and grantmaking activities and much, much more.

The National Association of Charitable Gift Planners www.charitablegiftplanners.org
The National Association of Charitable Gift Planners is a 501(c)(3) public charity whose mission is to help people and organizations create charitable giving experiences that are the most meaningful in achieving both charitable mission and the philanthropic, financial, family and personal goals of the donor.

Internal Revenue Service www.irs.gov
A wealth of information, downloadable forms and publications; also contains tax rulings and background pertinent to charitable gift and estate tax law.

PG Calc www.pgcalc.com
PG Calc supports thousands of clients with expertise, products and services for charitable gift planning and planned gift administration.

Planned Giving Group of CT www.pggct.org
PGGCT is an association of more than 130 fund raising professionals and people in related fields. Our members represent all levels of experience and share an interest in charitable gift planning. The Planned Giving Group of Connecticut was formed in 1988.

Planned Giving Design Center www.pgdc.com
Since 1998, the Planned Giving Design Center has been helping charitable organizations and for-profit philanthropic service providers cultivate relationships with professional advisors by providing the largest body of content, commentary and planning tools dedicated solely to the topic of charitable gift and estate planning.

Crescendo www.crescendointeractive.com
Crescendo Interactive provides planned giving solutions through web-based and other marketing tools. Crescendo's products are supported by a staff of in-house technical, legal, design, marketing and multimedia specialists.

Council on Foundations www.councilonfoundations.org
The Council on Foundations, formed in 1949, is a nonprofit membership association of grantmaking foundations and corporations. Members of the Council include more than 1,700 independent, operating, community, public and company-sponsored foundations, and corporate giving programs in the United States and abroad. The Council's mission is to provide the opportunity, leadership, and tools needed by philanthropic organizations to expand, enhance, and sustain their ability to advance the common good.

American Council on Charitable Gift Annuities www.acga-web.org
One of the primary activities of the Council is the publication of suggested charitable gift annuity rates for use by charities and their donors. The Council retains the services of an actuarial firm to advise and consult on matters pertaining to life expectancies and related matters.

About The Community Foundation for Greater New Haven

The Community Foundation for Greater New Haven is a philanthropic institution that was established in 1928. For more than 90 years, thousands of donors have built the community endowment by establishing permanent funds or making gifts to existing funds that distribute grants to nonprofit organizations. These donors, past and present, make their gifts to ensure that programs and causes that matter most to them will be supported today and forever.

The Community Foundation is one of the oldest and largest community foundations in the United States and remains the largest grantmaker in a twenty-town region located in the heart of central Connecticut. The Community Foundation is recognized by the IRS as a 501(c)(3) organization, and as such is exempt from federal income tax; donations are tax deductible to the fullest extent of the law.

- **VISION:** A community of expanding opportunity in which all people share a sense of common destiny and have the support and connections needed to build successful lives.
- **MISSION:** The Foundation's mission is to inspire, support, inform, listen to and collaborate with the people and organizations of Greater New Haven to build an ever more connected, inclusive, equitable and philanthropic community.
- **ASSETS:** The Community Foundation manages over \$600 million in charitable assets. It uses a long-term asset allocation model to provide a predictable and increasing amount of revenue for grantmaking while maintaining the endowment's purchasing power against the effects of inflation.
- **FUNDS:** The Community Foundation is home to more than 900 charitable funds, established by individuals, couples, families, nonprofits and for-profit businesses. Funds start at \$10,000 and can be built over time.
- **GRANTS MADE:** The Community Foundation made \$34 million in grants and distributions in 2018, including organization fund distributions and grants from funds of our partner in philanthropy, the Valley Community Foundation.

For information on Planned Giving or Partnering with The Community Foundation on Planned Giving, Please contact:

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