

DFW AFP Philanthropy Conference  
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# PLANNING TO GIVE — KEY WORD, PLANNING!



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## PLANNED GIFT — DEFINITION

*“A planned gift is any gift of any kind for any amount given for any purpose— operations, capital expansion, or endowment— whether given currently or deferred if the assistance of a professional staff person, qualified or volunteer or the donor’s advisor is necessary to complete the gift. In addition, it includes any gift which is carefully considered by a donor in light of estate and financial plans.”*

-- Give & Take, Vol. 20, No. 4, March 1998



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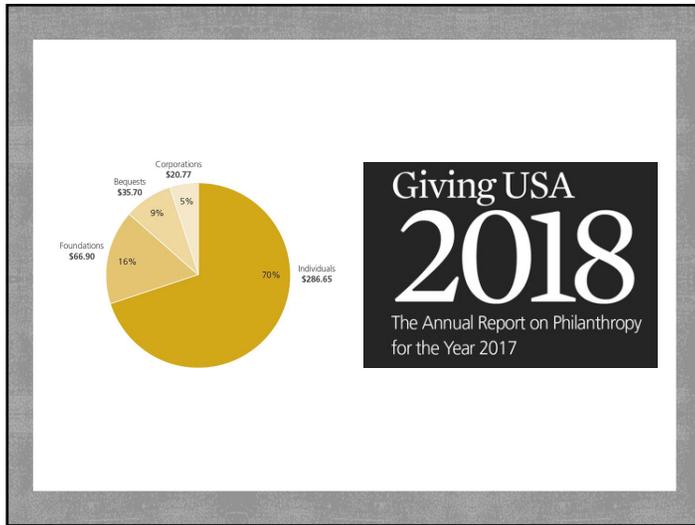


The process of developing the optimal legacy plan to reflect the donor’s personal, financial, and philanthropic goals, as well as her values and passions.

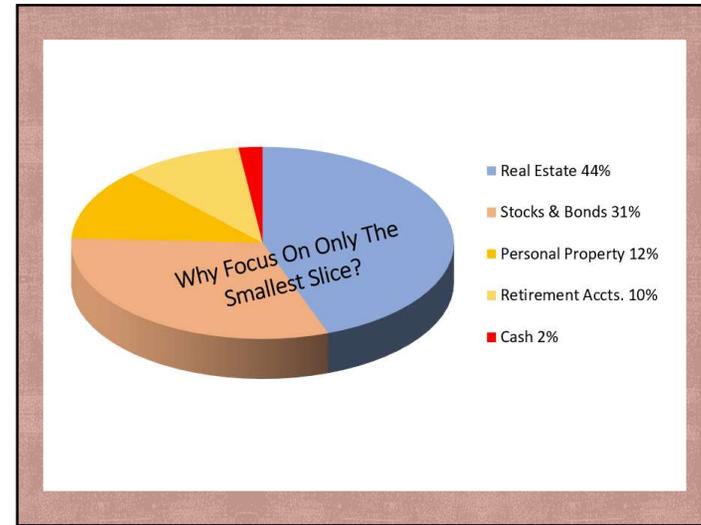
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## WHY IS PLANNED GIVING IMPORTANT?

**\$30 trillion:** In the next 20 years, there will be more than **\$30 trillion** inherited as the large and wealthy Baby Boomer population ages.

**75%:** Planned giving helps the entire development team hit their goals. According to research by Dr. Russell James, donors who make bequests increase their giving in the subsequent 5 years goes by **75%**.

**2.74:** A study on IRS data found that bequests are by far the largest type of gifts, averaging **2.74** times the *total lifetime giving of a donor*.

**15x:** Planned Giving is widely considered to have the highest ROI of any type of fundraising. A study by AskRight found the average ROI on bequests to be 57:1, more than **15 times higher** than the ROI on direct mail.

[www.thinkgiving.com](http://www.thinkgiving.com)

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## WHY IMPORTANT

- A creative way to make a gift
- A way to make larger gifts than ever thought possible
- A way to achieve philanthropic & financial objectives
- A way to insure the longevity and future financial needs of your organization



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## DONORS ARE ABLE TO...

Consider	Consider gifts that are sensitive to their cash flow needs
Address	Address tax, financial and estate planning needs
Provide	Provide for family and charity
Impact	Impact an organization in a meaningful way
Benefit	Benefit from enduring recognition for their contribution
Engage	Engage their family in philanthropy and instill humanitarian values in their heirs
Make	Make gifts larger than thought possible
Leave	Leave their legacy



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## INTERESTING FACTS

- In 2017, more than \$410.02 Billion was donated to U.S. nonprofits
- 8 of the 10 largest gifts in the U.S. were planned gifts, non deferred, by individuals
- 35 million Americans own securities
- From 2014 to 2034, about 80 million people are expected to retire, about 4 million people every year
  - Approximately 11,000/day



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## 3 CATEGORIES OF PLANNED GIFTS

- Outright gift – cash, securities, tangible personal property, real estate
- Deferred – donor uses the asset during his lifetime, then passes to charity (revocable vs. irrevocable)
- Life Income – donor makes the gift today and receives a stream of income



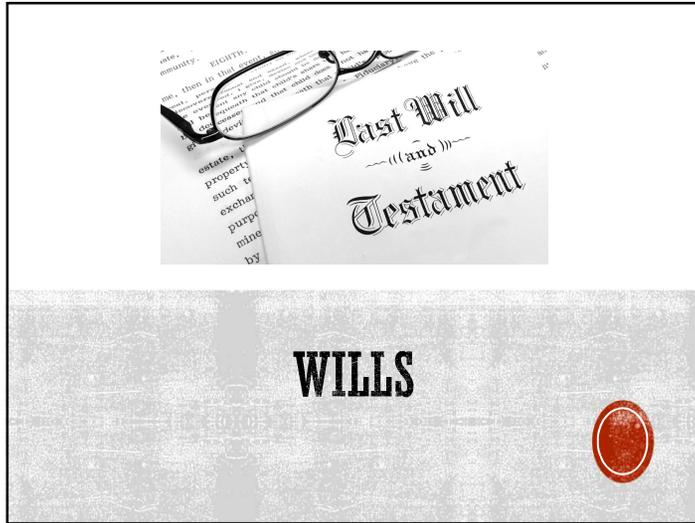
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**PLANNED GIFTS  
COME MOST  
COMMONLY FROM  
PLANNING TOOLS  
THAT ARE NOT IN  
PLACE PRIMARILY  
FOR CHARITABLE  
GIVING PURPOSES.**

- Wills
- Wills Substitutes
  - Revocable living trusts
  - Joint ownership
- Life Insurance
- Retirement Plans



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- Bequests are major source of gift revenue received at the death of a benefactor.
- Bequests are relatively easy to promote and administer.
- Bequests are not properly referred to as "deferred gifts."

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Bequests are gifts that are not completed as no property has been transferred and they remain revocable so long as the donor retains sufficient testamentary capacity under applicable laws

Bequest commitments are more properly referred to as "expectancies" or "intentions"

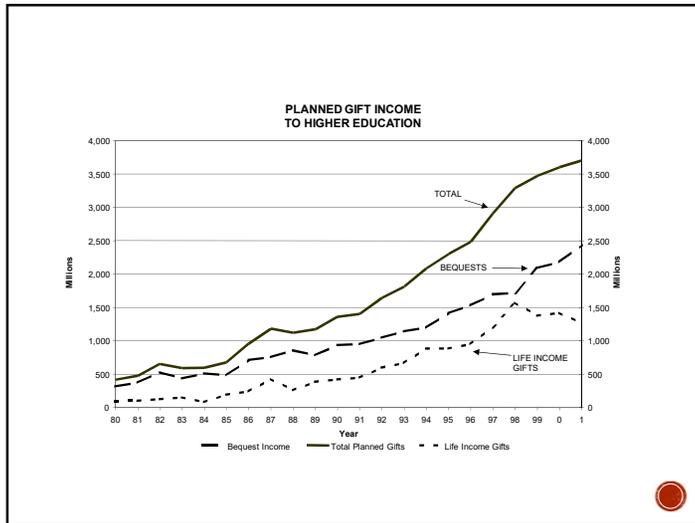


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Rarely less than two-thirds of total planned gifts and not unusual for bequests to comprise 85% or more of planned gifts for some programs.

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## WILLS

- The keystone of the estate plan
- It takes effect at the moment of the individual's death and can be freely changed up to that point (as long as the individual remains competent)
- The Will is usually the critical document

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## REASONS FOR A WILL

- Make specific bequests to particular persons or charities
- Name representatives, such as executor, trustee, and guardian for children
- Facilitate administration of the estate and the probate process upon a person's death
- Create trusts and planned gifts
- Accomplish estate planning objectives of lowering estate and inheritance taxes

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## WILLS

- Texas Marital Property System
- A married person at death can dispose only of his/her separate property and 1/2 share of the community property

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## WILLS

### Separate Property

- Property owned by the spouse before marriage
- Property acquired by the spouse by gift, devise or descent
- Recovery for personal injuries sustained by spouse during marriage
- Property designated as separate property by marital property agreement



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## WILLS

### Community Property

- Property, other than separate property, acquired by either spouse during the marriage
- Income from separate property such as rent, dividends, and interest, but not including capital gain realized on the sale of separate property
- Salary and compensation earnings



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## HOW GIFTS THROUGH WILLS CAN BE STRUCTURED

### Specific Sum:

I give, devise and bequeath to the XYZ Charity located at 123 Main Street, Fort Worth, TX 76102, the sum of \$\_\_\_\_\_.

### Specific Property:

I give, devise and bequeath to the XYZ Charity located at 123 Main Street, Fort Worth, TX 76102, my interest in (describe the property and exact location)

### Percentage of Estate Sum:

I give, devise and bequeath to the XYZ Charity located at 123 Main Street, Fort Worth, TX 76102, \_\_\_ percent of my estate.

### Residue of Estate (all or a portion)

I give, devise and bequeath to the XYZ Charity located at 123 Main Street, Fort Worth, TX 76102, the residual of my estate.



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- Contingent bequest - A contingent bequest is specific in nature and fails if the condition is not met. (A contingent bequest is also appropriate if you want to name a secondary beneficiary, in case the primary beneficiary doesn't survive you.)
- I give \$50,000 to my son, Joe, provided he enrolls in college before age 21. A contingent bequest is specific in nature and fails if the condition is not met. (A contingent bequest is also appropriate if you want to name a secondary beneficiary, in case the primary beneficiary doesn't survive you.)

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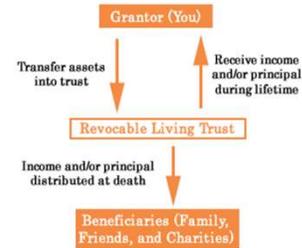
## WILL ALTERNATIVE: REVOCABLE LIVING TRUST

- A Revocable Living Trust, also called a Living Trust, is a tool for determining who will get property when you die. It is used as a way to avoid probate and is created while the Trust maker, or also called Grantor, is alive. (Hence it's a "living" trust).
- Just like with a Will, the laws vary from state to state on how to set up the trust.



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### Revocable Living Trust



## REVOCABLE LIVING TRUST



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## WHAT IS PROBATE?

Legal process in which a will is reviewed to determine whether it is valid and authentic

Also refers to the general administering of a deceased person's will or the estate of a deceased person without a will

Court appoints either an executor named in the will (or an administrator if there is no will) to administer the process of collecting the assets of the deceased person, paying any liabilities remaining on the person's estate, and finally distributing the assets of the estate to beneficiaries named in the will or determined as such by the executor



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## INTESTATE

- When a person dies without a will or if a will presented to the court was deemed to be invalid
- Distribute the decedent's assets according to state laws.
- Appoint an administrator to oversee the estate of the deceased.
- The administrator functions as an executor, receiving all legal claims against the estate and paying off the outstanding debts, such as unpaid bills
- Locating the legal heirs of the deceased, including surviving spouses, children, and parents.
- The probate court will assess what assets need to be distributed among the legal heirs and how to distribute them



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**PROBATE ASSETS**

Passes in accordance with the decedent's will or by the intestacy laws of Texas, if there is not a will.

Assets that are only titled in the name of the decedent

Held jointly as tenants in common

Personal property\* that does not have title documents:

- furniture and appliances
- clothing
- household goods
- personal items

\* must be included on inventory filed w/ probate court

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**NON-PROBATE ASSETS**

Pension plans

Life insurance proceeds

401k plans

Health or medical savings accounts

Individual retirement accounts (IRA)

Assets jointly owned with a right of survivorship

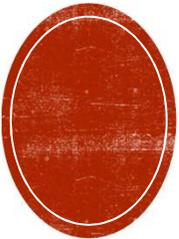
Property held in a trust

Bank accounts

Property registered in transfer-on-death form (boat, home, car) – only in some states

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**BENEFICIARY DESIGNATIONS**



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**ELEMENTS OF IRA PLANNING**

- Current – Required Minimum Distribution (RMD)
- Future – Beneficiary Designation



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## BENEFICIARY DESIGNATIONS

- Retirement plans
- Bank accounts – checking, savings
- Brokerage accounts
- Insurance policies
- Transfer-on-Death deeds for real estate
  - Texas and 25+ states allow



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## RETIREMENT PLANS



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## RETIREMENT PLANS

- Retirement Plans include:
  - IRAs
  - 401K and 403B plans
  - Keogh (self-employed retirement accounts)
  - Company Pension Plans
  - Profit-Sharing Plans
  - Traditional and Roth IRA
  - After-Tax Personal Annuities

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## RETIREMENT ASSETS

- Record number of Americans covered under such plans
- A principal method of wealth creation for professionals
  - Not unusual for balances to be 10 – 20 times annual salary at time of retirement
- Changes in social structure lead to increased importance of these plans
  - Two earner families
  - Childless couples
  - Singles



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## RETIREMENT ASSETS

- Distributions from retirement plans and IRAs are subject to income tax. In addition, special federal rules govern with withdrawal and taxation of distributions.
- Currently you can:
  - Withdraw your retirement assets, pay related income tax and give the remaining cash to charity
  - Name a charity as a beneficiary of your retirement assets
  - Use your retirement assets to posthumously fund a charitable trust



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## QUALIFIED PLANS ARE OFTEN OVERLOOKED AS A CHARITABLE GIFT RESOURCE

When to consider?

- If your estate has grown so it will provide sufficient retirement income through other investments, retirement funds may become a tax liability whether you draw on them for yourself or leave them to your heirs



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## GIFT OF RETIREMENT PLANS

- Advantages:
  - You receive an income tax charitable deduction for lifetime gifts
  - Charity doesn't pay income tax on retirement assets
  - Individual beneficiaries benefit from estate tax charitable deduction
  - Because of the stepped-up basis, individual beneficiaries can receive non retirement assets on which no income tax will be owed.



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## GIFT OF RETIREMENT PLANS

- Disadvantages:
  - Federal rules regarding withdrawal and taxation of retirement assets restrict timing of distributions
  - You must ensure that you have sufficient future income before considering a charitable gift of retirement assets
  - Tax Threats: Federal and state estate taxes and Income tax



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<p>You start with                  \$100,000 IRA Assets and \$100,000 Individual Securities (appreciated)</p>	
<p>You Bequeath 1/2 of your estate to charity and 1/2 to an individual</p>	
<p><b>If Charity and Individual Split Retirement Assets and Securities</b></p> <p><b>Charity Receives</b>                  \$ 50,000 (Appreciated Securities)                  + 50,000 (IRA)  <b>\$100,000</b></p> <p><b>Individual Receives</b>                  \$ 50,000 (Appreciated Securities)                  + 50,000 (IRA)                  \$100,000 (Before tax)                  -\$20,000 (After tax)  <b>\$ 80,000</b></p>	<p><b>If Charity Receives Retirement Assets and Individual Receives Securities</b></p> <p><b>Charity Receives</b>                  \$100,000 (IRA)</p> <p><b>Individual Receives</b>                  \$100,000 (Appreciated Securities)                  Tax Savings = \$20,000</p>

## RETIREMENT ASSETS: ADVANTAGES OF CHARITY AS BENEFICIARY



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## CHARITABLE GIFT OF RETIREMENT FUNDS

- Make XYZ charity a co-beneficiary or sole beneficiary of your retirement account
- Make a charitable remainder trust beneficiary of your retirement account
- Name the charity as a percentage beneficiary in the retirement plan, i.e. 50% to my spouse and 50% to the XYZ Charity located at 123 Main Street, Fort Worth, TX 76102



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## EXAMPLE

- *Bill is considering adding a charitable bequest to his will, with the residue of his estate passing to his children.*
- *Instead, he should consider naming a charity (or more) as the beneficiary of his IRA.*
- *The death benefit passing to the organization will not only qualify for the estate tax charitable deduction but will also pass free of any income tax obligation. His children will benefit from this change because, rather than getting the IRA account proceeds that are subject to income tax, they will receive other assets of his estate that are free of income taxes.*



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## CHARITABLE IRA ROLLOVER

- “Roll over” funds from your IRA to a qualified charity
  - Called a QCD – Qualified Charitable Deduction
- Must be 70 1/2 years old or older
- Counts toward the RMD
- Does not count as taxable income
- Does not qualify for a charitable deduction



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**GIVING WHAT'S LEFT OF YOUR IRA**

- QCDs are not subject to income tax
- Allocate a % to charity
- Processed outside of will (beneficiary designation)
- Document gift purpose

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**IRA BENEFICIARY DESIGNATION**

If left to heirs, will be taxed between 24% - 80%

If left to charity, it is tax free

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**CHARITABLE IRA ROLLOVER - HISTORY**

- The IRA Rollover was first enacted in 2006 as part of the Pension Protection Act
- IRA Charitable Rollover is now a permanent law since December 2015, made so through the Protecting Americans from Tax Hikes Act of 2015
- Tax-free distributions under section 408(d)(8) for charitable purposes
- There is no special reporting of these distributions on Form 1099-R

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**CHARITABLE IRA ROLLOVER**

- The provision allows individuals aged 70½ and older to donate up to \$100,000 from their Individual Retirement Accounts (IRAs) to public charities without having to count the distributions as taxable income. For individuals who do not need more income, this withdrawal will count as part or all of the Required Minimum Distribution (RMD)
- Without this rollover option, a retiree in a 33% marginal bracket would need to withdraw about \$150,000, declare it as income received from the IRA, set aside the tax (about \$50,000) to have \$100,000 left to give to a favored charity

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## CHARITABLE IRA ROLLOVER

Both Traditional and Roth IRAs are the only plans acceptable for this provision. The donor and the IRA plan custodian must follow strict rules to ensure there is no taxable event:

- Donor must be at least 70 ½ and have an IRA (can roll a traditional retirement plan into an IRA first, then transfer)
- Donor contacts IRA Custodian in writing and asks for transfer DIRECTLY to the qualifying charitable organization under Sec. 170(b)(1)(a), other than a private foundation or donor-advised fund
- The transaction must NOT include a quid pro quo of any kind (something in return) as a result of this transfer. Any gift or benefit will disqualify the transfer and it then becomes taxable to the donor!
- The transfer must be postmarked by Dec 31st of the year of the gift and the charity must receive the gift directly without it going to the donor first



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## CHARITABLE IRA ROLLOVER

- Tax Benefits to the donor:
  - Avoids the percentage limitation on charitable contributions – which limits donation of cash to 50% and appreciated assets to 30% of AGI. Thus a donor can effectively go past the limit without tax penalty
  - At higher incomes, it won't push the donor up into the Itemized Deduction & Personal Exemption phase-outs
  - Helps those who use Standard Deduction to still get a tax break on the donation and won't increase the amount of income subject to the tax on Social Security



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The mission of the Charitable IRA Initiative is to promote philanthropy through the use of personal IRA assets to fund outright and life income gifts by convincing Congress to enact permanent legislation authorizing the transfer of IRAs to charity.

[www.charitableira.org](http://www.charitableira.org)



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## H.R. 1337 LEGACY IRA ACT

Amends the Internal Revenue Code to expand the tax exclusion for distributions from individual retirement accounts (IRAs) for charitable purposes

The bill increases from \$100,000 to \$400,000 the annual limit on the aggregate amount of distributions for charitable purposes that may be excluded from the gross income of a taxpayer

The bill permits tax-free distributions from IRAs to a split-interest entity until December 31, 2021. A split-interest entity is exclusively funded by charitable distributions and includes: a charitable remainder annuity trust, a charitable remainder unitrust, or a charitable gift annuity. A charitable gift annuity must commence fixed payments of at least 5% no later than one year from the date of funding

A distribution to a split-interest entity may only be treated as a qualified charitable distribution if: (1) no person holds an income interest in the entity other than the individual for whose benefit the account is maintained, the spouse of such individual, or both; and (2) the income interest in the entity is nonassignable

The bill limits the exclusion annually to: \$100,000 for distributions to charitable organizations, and \$400,000 for distributions to split-interest entities

Tax-free distributions to a split-interest entity may be made when the account beneficiary attains age 65. (Under current law, the beneficiary must attain the age of 70-1/2 for IRA distributions to a charitable organization.)



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## DONOR ADVISED FUND

- Sometimes called a “trust” (IE, Fidelity Charitable Trust) or a DAF
- No required annual distributions
- Donors take tax deduction at time gift goes into the fund, recommend distribution to charity later
- Cannot provide personal benefit

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**HOW IT WORKS**

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## LARGEST NONPROFITS IN U.S.

FIDELITY  
Charitable™

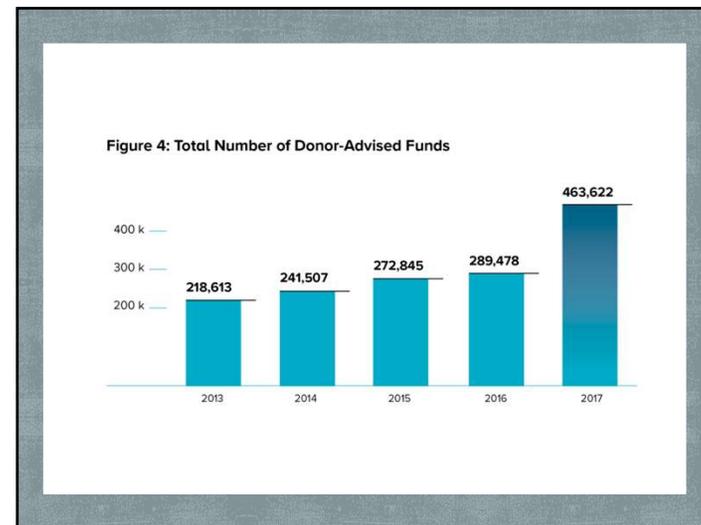
COMMUNITIES  
FOUNDATION of TEXAS

SCHWAB  
CHARITABLE®

NORTH TEXAS  
COMMUNITY  
FOUNDATION  
Philanthropic Solutions

Vanguard  
Charitable

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**CHARITABLE GIFT ANNUITIES**

- A charitable gift annuity is a hybrid: part charitable gift and part purchase of an annuity
- Contract - A charitable gift annuity is contract, typically between a donor and a charity, where donor irrevocably transfers money or property to a qualified charitable organization in return for the organization's promise to pay a fixed, guaranteed payment to one or more persons for life
- Annuity - A fixed stream of income payable in annual or more frequent installments over the life or lives of the annuitants
- Annuitant - The person or persons to whom the annuity is paid.

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**CHARITABLE GIFT ANNUITIES**

Types

- Charitable Gift Annuity - payments begin immediately
- Deferred Gift Annuity - payments begin at a future date
- Flexible Gift Annuity - payments begin at a future date, to be determined in the future, within a range of annuity start dates

Benefits

- Partly tax free payment
- A portion of the capital gains is avoided
- Inexpensive to establish
- Potentially higher fixed rates of return

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**AMERICAN COUNCIL ON GIFT ANNUITY SUGGESTED SINGLE LIFE MAXIMUM RATES:**

Age	Annuity Rate
60	4.7
65	5.2
70	5.6
75	6.2
80	7.3
85	8.3
90	9.5 (highest rate)

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**AMERICAN COUNCIL ON GIFT ANNUITY SUGGESTED TWO LIFE MAXIMUM RATES:**

Ages	Annuity Rate
65 and 67-68	4.6
68 and 70-71	4.8
70 and 70-72	5
72 and 72-74	5.2
75 and 75-76	5.5
75 and 77-78	5.6
90 and 91+	9.3 (highest rate)

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# THE "BUSINESS" SIDE OF PLANNED GIVING

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- ## PROSPECTING
- Look at your bequest history
  - If you have no bequest history, then:
    - 65 or older
    - Long time donors
      - 5 or more consecutive years of giving
      - 10 or more gifts in the last 7 years

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- ## MARKETING IDEAS
- Newsletter
  - Chapter Web site
  - Annual Report
  - Letterhead
  - Direct Mail
  - E-mail signature
  - Events materials
  - Announcement at events/meetings
  - Gift acknowledgments
  - Stories about donors (testimonials)
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## USE A P.S.

- Make a gift that costs you nothing now!
- Want an easy will substitute? Use a beneficiary designation!
- Preserve your cash by donating mineral rights, real estate and other assets.
- Make a gift and receive income for life!
- Leave part of your retirement assets to charity instead of the IRS.
- You don't have to be wealthy to make a difference.



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## A SAMPLE AD

*Will Your Will Be Known?*



Each year friends participate in securing the future of our work by including a charitable bequest in their Will. For details on how to make a charitable bequest part of your planning, contact <Name> at <phone>.




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*A little mouse told me!*



**TCU**  
Texas Christian University  
Office of Gift Planning  
TCU Box 275444  
Fort Worth, Texas 76129  
817.257.5259

Just a mouse click away, a wealth of financial information awaits you. Log on to TCU's new gift and estate planning web site and learn how, by making an investment in the people and progress of TCU, you can reduce your tax burden, set up a source of life income and even support your loved ones. And that's nothing to squeak at!

[www.giftandgiving.tcu.edu](http://www.giftandgiving.tcu.edu)

## SAMPLE "HOMEMADE" POSTCARD



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**SUPPORT ALL SAINTS HEALTH FOUNDATION and Receive Fixed Payments FOR LIFE**

### 30-SECOND SURVEY

Please complete and return today. Thank you!

I would like a FREE copy of *A Simple Life* that details how to donate.

I would like information on other ways to make a major gift to the health foundation.

I have already included All Saints Health Foundation in my estate plan.

Name (Please Print): \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Phone: \_\_\_\_\_

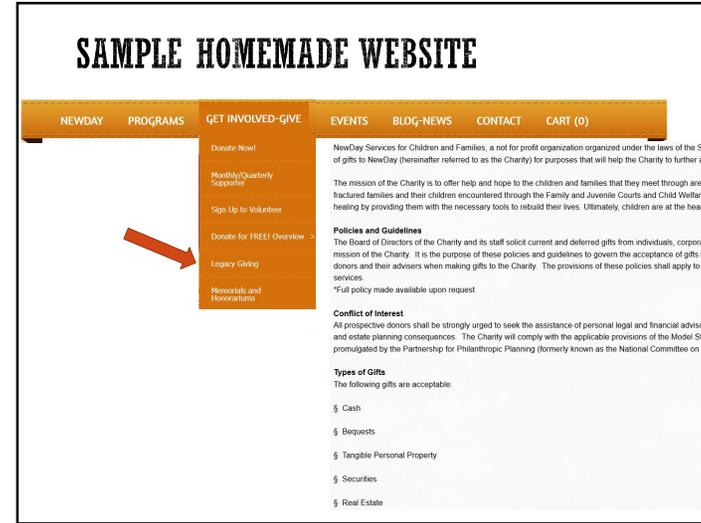
Please allow 4-6 weeks for delivery of materials. All gifts are subject to the availability of funds and the discretion of the All Saints Health Foundation. All gifts are subject to the approval of the Board of Directors.



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I want to help Parkland. Please use my gift for the following purpose:  
 Unrestricted gift  
 Restricted gift for \_\_\_\_\_

I am making my gift in honor/memory (circle one) of \_\_\_\_\_

**Please notify the following of my gift:**  
 Name (as you would like it to appear) \_\_\_\_\_  
 Address \_\_\_\_\_  
 City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_ Phone \_\_\_\_\_

I would like my gift to remain anonymous.  
 My employer matches my gifts and I have enclosed a matching gift form.  
 I have included Parkland in my estate plan.  
 I would like to receive information about including Parkland in my estate plan.  
 Please remove my name from your mailing list.

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**NOTIFICATION OF REVOCABLE BEQUEST**

We are pleased to advise Your Organization that we have provided for a bequest of \$ \_\_\_\_\_ through a provision in our will, trust or another estate gift arrangement.

We direct that our bequest be used for the following purpose:

We give our permission for Your Organization to count the value of this bequest as a revocable estate gift in the fundraising totals for the Your Organization's Campaign for Your Organization.

Your Organization acknowledges that this bequest remains fully revocable and the specifics of our gift will be treated as confidential. However, Your Organization may include our names with other donors in a campaign publication or donor listing.

Donor Name \_\_\_\_\_ Donor Name \_\_\_\_\_  
 Donor Signature \_\_\_\_\_ Date \_\_\_\_\_ Donor Signature \_\_\_\_\_ Date \_\_\_\_\_  
 Birth Date \_\_\_\_\_ Birth Date \_\_\_\_\_

*As with any decision involving your estate plans, we urge you to seek the advice of professional counsel when considering a gift to Your Organization.*

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## SAMPLE GIFT INTENTION FORM

Maria D. Beggs Planned Giving Society

I have included All Saints Health Foundation or Baylor All Saints Medical Center at Fort Worth (Baylor All Saints) in my/our estate plans through a: *(copy of accompanying documentation is helpful and appreciated)*

Bequest in a Will  
 Charitable Gift Annuity  
 Charitable Remainder Trust  
 Charitable Lead Trust  
 Life Insurance  
 Remainder Life Estate  
 Retirement Accounts  
 Other \_\_\_\_\_

My/our gift is designated for:  
 Unrestricted use by All Saints Health Foundation for Baylor All Saints  
 Specific Program or Service at Baylor All Saints

NOTE: If this program or service is no longer available, please use this form to designate your gift to the Maria D. Beggs Society honor roll for gift recognition.

I/we wish to remain anonymous

Name (please print): \_\_\_\_\_  
 Address: \_\_\_\_\_  
 City/State/Zip: \_\_\_\_\_  
 Phone: \_\_\_\_\_ Date of Birth (s): \_\_\_\_\_  
 E-mail Address: \_\_\_\_\_  
 Signature: \_\_\_\_\_ Date: \_\_\_\_\_  
 Signature: \_\_\_\_\_ Date: \_\_\_\_\_  
 Comments (optional): \_\_\_\_\_

This is how I/we wish our name(s) to be listed on the Maria D. Beggs Society honor roll for gift recognition:  
 I/we wish to remain anonymous

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## Declaration of Legacy Gift Intent

Confidential

I/We are pleased to inform you of a planned gift to benefit the Commemorative Air Force. I understand that this commitment is revocable and can be modified at any time. I also understand that Commemorative Air Force is not providing legal or tax advice to me concerning this, or any other planned gift.

Name(s): \_\_\_\_\_  
 Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_  
 Call Home Phone: \_\_\_\_\_ Email: \_\_\_\_\_

Type of Gift: \_\_\_\_\_ Estimated Value (optional): \$ \_\_\_\_\_  
 Gift by Will  
 outright bequest  Residual bequest (\_\_\_\_\_% of my estate)  
 Gift of Property  
 Please describe: \_\_\_\_\_  
 Designation of Retirement Plan Assets \$ \_\_\_\_\_  
 Designation of Life Insurance Policy \$ \_\_\_\_\_  
 Charitable Trust \$ \_\_\_\_\_  
 Irrevocable  Revocable \$ \_\_\_\_\_  
 Other  
 Please describe: \_\_\_\_\_

Program: (the which gift is designated): \_\_\_\_\_  
 If that program is no longer an option at the time the gift is received, please use the gift for: \_\_\_\_\_

Special gift instructions (optional): \_\_\_\_\_  
 I/We are happy to be recognized for our legacy gift as members of the Heritage Club  
 I/We would like our legacy gift to remain anonymous.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_  
 Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Please return form to: Commemorative Air Force  
 Address: City, ST, ZIP  
 Or by email to: \_\_\_\_\_

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### Sample Letter for "Legacy/Heritage Society" Invitation for New Members

*(Print on your nonprofit's letterhead)*

Date \_\_\_\_\_

Formal name of prospective member  
 Address  
 City, State Zip

Dear Informal name of prospective member:

I am writing to invite you to become part of our growing Legacy/Heritage Society here at the Charity. There are now 21 individuals who have made provision in their estates for a future gift to the Charity.

This means that through a gift in a will or revocable living trust, or by making the Charity the beneficiary of a life insurance policy, a retirement plan/IRA, or a charitable trust, they have set aside a part of their estates to be distributed to the Charity to support our mission for generations to come.

If you have included the Charity in your estate plans, please join this wonderful and generous group of individuals by filling out and returning the enclosed "Letter of Intent." The annual event to honor the members of the Legacy/Heritage Society will be held this year on (insert date) at 11:00 a.m., and we will be mailing invitations to all Legacy/Heritage Society members in the next few weeks.

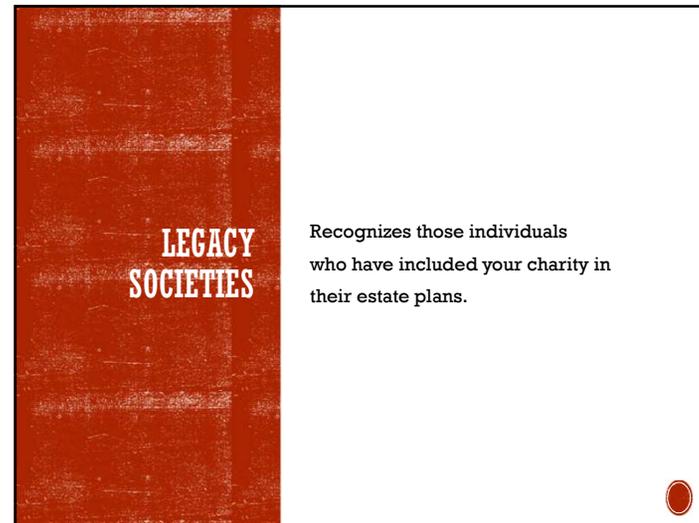
If you are presently having your will done for the first time, or updating your will because of a change in your circumstances and would like more information about how you can include the Charity in your plans, please call (insert name of person) at (000) 000-0000.

Thank you for being part of the Charity in this way and for all that you do.

Sincerely yours,

Name  
 Title  
 Name of Charity  
 Address  
 City, State ZIP  
 Phone  
 Email  
 Website

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## THE BENEFITS OF CREATING A LEGACY SOCIETY

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:

- Create and name your legacy society. Include an announcement in your newsletter and on your website.
- 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.
- 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.
- 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).
- 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.

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## WHY?

Opportunity to join "something"

Honors your donors while living ("inter-vivos")

Promotes planned giving

Gives us an opportunity to steward your donors' wishes

Pre-death considerations

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QUALIFYING GIFTS MAY INCLUDE:

- Bequests
- CRTs
- Gift annuities
- Pooled income funds
- Charitable lead trusts
- Life insurance policies
- Basically any gift that is typically reserved for family or requires a lot of planning

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## ORGANIZATION PREPAREDNESS

**Managing**

- Time
- Expectations
- Planned giving assets / budget

**Board Support**

**Metrics**

**Estate administration**

**Coordination / inclusion with development staff**

- Annual gifts / major gifts / special events

**Planned giving in a campaign**

- Crediting guidelines: donor recognition / accounting / counting & reporting
- What needs to be counted
- Campaign resources
  - CGP campaign guidelines

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**Gift Acceptance Policies**

- Investment Policies & Spending Policies

**Endowments**

**U.S. Department of Treasury Rules**

- Receipting – NPV vs. Face
- Reporting – 8283/8282, 1099
- Appraisals

**Legal Counsel/PG Advisory Council**



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**RESOURCES**

- **Membership Organizations**
  - CGP, local EPCs, EPI // AFP, CASE (edu), AHP (health) – network & educate
- **Publications / Speakers / Blogs**
  - Planned Giving Today – annual subscription
  - Planned Giving Design Center - [www.pgdc.com](http://www.pgdc.com)
  - Inside the Mind of the Bequest Donor – Russell James
  - Planned Giving Simplified – Robert Sharpe
  - The Complete Guide to Planned Giving – Debra Ashton
  - Philanthropic Planning Companion – Sagrestano, Whalers
  - The Art of Planned Giving – Doug White
  - The Cycle of the Gift – Hughes, Massenzio, Whitaker
  - Wealth in Families – Collier
  - Bryan Clontz - <https://charitableolutionsllc.com/bryan-clontz/>
  - Cathy R. Sheffield - [www.ThinkGiving.com](http://www.ThinkGiving.com)
  - Phil Cubetta - <http://knowledge.theamericancollege.edu/blog>
  - Pamela Davidson - <https://cephamycin/pameladavidson>
  - Kathryn Miree - <http://kathrynmireeandassociates.com>



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**RESOURCES**

- **Conferences, Short Courses, On line**
  - ACGA – biennial conference, April 2020 in Atlanta
  - CGP – annual conference, October 2019 in New Orleans
  - DFW Philanthropy in Action, May 2019 in Irving
  - Russell James class, May 2019 in Lubbock - <http://bit.ly/TexasTechIntensive>
  - American College – Chartered Advisor in Philanthropy (CAP) in Dallas
  - CSPG – American Institute of Philanthropic Studies, University of California
- **Other Organizations**
  - Community and National Foundations, Indiana University (Lilly Family)
- **Sample Agreements**
  - CGP Library, IRS, Miree, Planned Giving Design Center (PGDC), Vendors
- **Vendors – webinars and white papers**
  - Crescendo, FreeWill, MarketSmart, Pentera, PG Calc, PlannedGiving.com,
  - Sharpe rrNewkirk, Stelter
- **Consultants**
  - Legal, marketing, other



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**SO WHAT'S NEXT?**



- What 3 things will you implement?



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