

SMART GIVING

Feedback from PPP gift-pl members on counting planned gifts:

Steven Greaves of Quinnipiac University

"At a previous employer, we chose to count bequest provisions (revocable PGs) provided the donor was at least 70 years of age and provided the donor provided documentation defined by the college. In practice, we did not broadcast this opportunity for fear of some donors "taking the easy way out" and we tried as hard as we could to make it part of a triple ask (AF, Capital and Bequest). Worked pretty well as I remember."

Bob Shafis of The Museum of Science and Industry, Chicago

"That is essentially what we do now, which is to count bequests (for purposes of crediting the planned giving goal) for those over 60, at a discounted value with documentation. If it is an irrevocable planned gift such as a CRT or CGA, we count the present day value of the remainder, which is a fancy way of saying the charitable deduction value, which I think works well as an estimate of the value. It gets a little more complicated if the donor retains the right in a CRT to revoke the charity's interest, in which case I treat it like a bequest, using the deduction value. These deal with the credit to the goals of the organization.

As to recognition, the rules are a little more flexible and will generally use the full value of the future gift (not the discounted value) to recognize donors. We're in the last phase of a campaign and re-writing these policies right now, and I think some of the issues to address more clearly would be: The amount and circumstances of counting revocable gifts, such as age limits and discounting rules. This would apply to bequests, IRA beneficiary designations, life insurance beneficiary designations, etc.

The correct amount to count from irrevocable gifts-is the deduction amount correct, and how much documentation do we need if we are not the managing entity. When, and if, a signed pledge is advisable for some of these gifts. How, and if, we should use planned gifts in circumstances to name a space, endowment or chair. Whether there should be different society levels for different values and types of gifts."

Paul Ditlevson, Ashland University, Ashland, OH

"We have used PPP guidelines for several years and especially in our most recent campaign. They work. We include bequests, insurance policies, estate notes, etc. and

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report each, including bequests at face value, with no discount. We handle recognition in a different manner and never use the outside of buildings except for "cash" pledges/gifts as defined within the campaign parameters. If it is directed toward "future," outside the campaign limits as just specified, all gifts are allocated toward future permanent endowment and targeted toward where the donor wishes -- always remembering and documenting that if that is not necessary or useful, the Board has the right to modify the use of the monies. Life income gifts for accounting purposes are never projected beyond 50% of donated amount. We don't discount for age because that would discourage planned gifts among the younger crowd -- several \$1 million policies (or nearly so) from those successful young men in their 30's. We find that they really engage on a significant 5 figure level annually much more readily when we accept and appropriately acknowledge their gift a face value. It is fun to tell their story (and they enjoy it, too). Some very interesting stories have come forth, including one from a 35 year old who took two courses here, has a father who works here and in-laws who graduated here. We describe him as "touched by an Eagle." (our mascot) Because we were willing to accept his gift of life insurance, he was able to hire 25 more people in our community and retain his current level of charitable gifting when we asked him to consider a 7 figure gift. You don't think that didn't gain us some traction in our hard hit community?????"

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