

P L A N N E D

giving
TOOLKIT

FOR WACO.
FOREVER.



INTRODUCTION

Leading a nonprofit organization is both rewarding and challenging. Leaders are asked to do more with less every day. Waco Foundation wants to help nonprofits leverage an often overlooked opportunity - planned giving.




LET'S WORK TOGETHER FOR THE GOOD OF WACO.

Waco Foundation is committed to strengthening nonprofits and providing solutions to community challenges. Because of this central mission, the Foundation offers resources, like this toolkit, to nonprofit organizations that are working to engage more donors and grow a sustainable planned giving program.

This toolkit provides the steps and turnkey templates you need to effectively, efficiently and confidently begin to capture planned gifts.

START HERE

JUST ONE PLANNED GIFT COULD....

-  Provide a revenue cushion for difficult economic times
-  Help fund capital projects
-  Make your dreams for Waco a reality

\$86.7 BILLION

During the next 50 years, McLennan County residents will transfer almost \$87 billion in assets between generations. It's important to note that people don't need to be worth millions in order to make a planned gift. In fact, the majority of this wealth transfer will occur among people who consider themselves to hold only a modest amount of personal assets and do not typically see themselves as "wealthy." However, if everyone made a planned gift now, the potential philanthropic impact exceeds that of any period in our history. For example, if everyone gave just 5% of their estate to endow charity, it would result in \$1.3 billion more in charitable assets specifically for nonprofits in McLennan County.

WHY PLAN?

The giving is "planned" because often these assets are not liquid, have tax consequences or can be used to simultaneously generate income for donors.

Planned gifts often develop when people are preparing for or reacting to life events like: the desire to counter an increase in one's tax liability; a windfall from the sale of a business; the need to generate a revenue stream for elderly parents; the birth of a child or grandchild; the acquisition of new assets or annual planning.

People have many opportunities to review their future giving plans, so it is never too early or too late to plant the seed for planned giving.

YOUR ORGANIZATION

1

IDENTIFY A PLANNED GIVING DONOR

2

INFORM DONOR

3

EXPLORE DONOR'S BEST PLANNED GIVING SOLUTION

WACO FOUNDATION

INTRODUCTIONS

Consults with you and donor ♦ Evaluates the donor's goals
Prepares gift proposal ♦ No cost to organization

GIFT ACCEPTANCE

Finalizes gift acceptance ♦ Ensures due diligence is performed, such as appraisals, title transfers, necessary inspections, etc. ♦ Liquidates assets depending on gift type; provides gift acknowledgement record ♦ No cost to organization

GIFT MANAGEMENT/ENDOWMENT FUND

If applicable, invests proceeds from asset sale ♦ Makes annual distributions from gift to your organization and other beneficiaries ♦ Provides ongoing philanthropic consultation to you and your donor (if requested)

TYPES OF GIFTS

BEQUEST

A bequest is simply a gift made by will or revocable trust. It can take a variety of forms, such as a specific amount, certain asset or a percentage of an estate. A donor may also name a nonprofit as the “residual beneficiary” of all or part of their estate following other bequests.

BENEFICIARY DESIGNATION

While most of a donor’s assets pass to the next generation through a will (bequest), some assets, like retirement plans and life insurance policies, are governed by beneficiary designations. A donor may designate an organization to receive a percentage of the asset, along with other beneficiary designations to heirs or nonprofits.

CHARITABLE REMAINDER TRUST

A donor contributes assets into a tax-favored trust that pays income to living individuals and donates the remainder to charity. These gifts could allow a donor to make substantial deductible donations while increasing their income during their lifetime.

CHARITABLE LEAD TRUST

This type of charitable trust reverses the income payment pattern described above. The charitable lead trust makes payments to the charity first, then returns the remaining assets to the donor, their family or others the donor designates. This is an attractive vehicle for donors with appreciated assets they would like to pass intact to the next generation. Once inside the trust, the asset appreciation is not subject to estate and gift tax.

RETAINED LIFE ESTATE

This option allows donors who are homeowners to gift their home to a charity for an immediate tax deduction, but allows the donor to continue living in the home. At the end of the donor’s lifetime, proceeds from the sale of the home are received by the designated charity.

CHARITABLE GIFT ANNUITY

This option is ideal for donors who would like to give an asset to charity while still receiving a fixed income throughout their lifetime. After the donor’s initial gift, the administrator makes fixed payments to the donor or designated beneficiary for life. At the end of the donor’s lifetime, the nonprofit designated as the beneficiary will receive the remainder of the annuity.

START THE **CONVERSATION**



DO YOUR RESEARCH

- Begin with the people you know.
- Consider your consistent and loyal donors regardless of the size of their annual gifts.
- Compile information about your donor's background, family, community involvement and personal interests.
- Consider approaching your organization's founding donors and/or past and current leaders to begin the conversation.



MAKE THE CALL TO SET A MEETING

- Remember, it doesn't have to be a complicated process.
 - Waco Foundation is here to be a helpful resource to you.
 - Make the call to set up a time for your initial conversation.
 - Suggest a location where the donor feels comfortable.
 - Stay relaxed - it's just a phone call.
-

TAKE A MOMENT TO **PREPARE**



MAKE A PLAN FOR THE MEETING

- Consider ways to articulate what your organization hopes to achieve.
- Create notes about key themes, takeaways and inspiring stories that you can share with the donor - keeping in mind their interests.
- Make a plan to guide the conversation by focusing on their passions, experiences and dreams for the future.

Sample language to prepare with:

Sustainability

"The needs of this community (cause or issue) are ongoing. A legacy gift ensures that our organization will be around years from now to fulfill those needs."

Endowment

"You have faithfully supported us through the years with your annual gifts. We appreciate and rely on your gifts to carry out our mission. Have you considered endowing your annual gift as a way to continue your support beyond your lifetime?"

Next Generation

"Legacy gifts ensure the well-being of future generations and serve as an inspiration for others to do the same."

Heritage

"Legacy gifts provide donors a meaningful way to ensure our rich heritage and cultural identity are preserved well into the future."

FACE-TO-FACE CONVERSATION

THE CONVERSATION

- Be prepared to listen!
 - Speak 30%, while allowing the donor to speak 70%.
- Don't get sidetracked by not having the answers. Be honest when you don't know and commit to getting back to them with the answer.
- Always respect the donors concerns and objectives.
- Leave with an opportunity for follow-up.

DOCUMENT

- Summarize your notes as soon as possible, while the conversation is fresh.
- Keep the notes where you'll be able to quickly and easily reference them in the future before you follow-up.

FOLLOW-UP

- Thank the donor, regardless of the outcome.
 - Consider writing a hand-written letter to the donor.
 - Review notes and get back with any unanswered questions.
 - Stay in touch with news about shared interests or other materials as applicable.
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THE RECAP

DON'T LET THE OPPORTUNITY SLIP BY.

THIS TOOLKIT COULD...

**CHANGE YOUR NONPROFIT.
FOREVER.**

WACO FOUNDATION PLANNED GIVING PROGRAM:

- Offers guidance and resources to local nonprofits at no cost.
- Partners with nonprofits and their donors to help facilitate planned gifts.
- Manages the Pie Society, a legacy society that celebrates philanthropists who have decided to leave a piece of their pie to local charity.

Learn more about the planned giving resources available through Waco Foundation by visiting [**wacofoundation.org**](https://wacofoundation.org). Let us know how we can help your organization integrate planned giving into your development program today!

BUILD ENDOWMENTS

It is imperative that your organization have a fundraising plan. Adding the planned giving initiative should be one of the final phases of your plan. As you get ready to pursue planned gifts, think about how they will be best utilized for your organization. Since planned gifts are often the largest gifts a donor will make and most often occur after their lifetime, they carry a sense of legacy and permanence. Using planned gifts to help build an endowment for your organization is a great way to create a lasting legacy for both your donor and your organization.

ADOPT A POLICY

An organization's board of directors has the opportunity to set the tone for good stewardship of future planned gifts otherwise unrestricted. Given the nature of a planned gift and associated responsibility to honor donor intent, it would be prudent for an organization's board to adopt a policy specifying how unrestricted planned gifts are to be allocated.

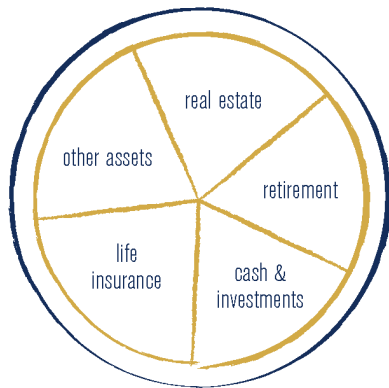
Example:

Adopting a policy that unrestricted planned gifts will support endowment building allows a board to redirect time and energy from discussing gift allocations to focus on more important matters, while still providing revenue stability and solvency for the organization. Determining the right allocation percentage for the endowment is an internal decision for each organization. We suggest a minimum of 10% be allocated to an endowment.

Pie Society

Pie Society is a community-wide giving society made up of generous donors who have promised to leave a portion of their estate, or a piece of their pie, to charity. The amount of the gift and the charity is completely up to the donor.

*Do you have a donor who has committed a piece of their pie?
We would love for them to be a part of Pie Society!*



YOUR ACCUMULATED WEALTH

= Your Pie



SHARE YOUR SLICE OF ANY SIZE

=



PIE SOCIETY MEMBER



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