

Nonprofit Planned Giving Toolkit

A resource for nonprofit partners of the
NoCo Foundation

www.NoCoFoundation.org



NoCo Foundation
Community is Our Business

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OVERVIEW

Planned giving allows donors to transform their personal wealth into philanthropy—creating positive impact for the benefit of their community. For nonprofits, planned giving can help ensure the long-term success of an organization.

As part of the NoCo Foundation's services to nonprofit agencies, we can support your organization's planned giving efforts in many ways. This toolkit outlines many ways we can partner with nonprofit agencies to:

- build your endowment or cash reserves to increase the financial stability of your organization;
- help your donors meet their philanthropic goals;
- handle complex asset transactions, such as real estate and closely-held stock; and
- provide comprehensive gift options to your supporters, such as gift annuities and charitable trusts.

CONTACT INFORMATION

For more information on planned giving or partnering with the NoCo Foundation, please email donorservices@nocofoundation.org or contact one of our development staff members directly (nocofoundation.org/staff/).

PLANNED GIVING: WHY? AND WHY NOW?

Planned gifts are typically gifts of assets. If your organization has received a planned gift, you may know that they tend to be larger than cash gifts. Your organization may have even received a planned gift without ever asking for it.

Now consider: how many more planned gifts would your organization have received if you asked for them?

By creating a planned giving program, you can increase support for your organization and act as a valuable financial resource to your donors.

YOUR PLANNED GIVING PARTNERSHIP WITH THE NOCO FOUNDATION

PHASE	YOUR ORGANIZATION'S ROLE	HOW THE NOCO FOUNDATION CAN HELP
Identify and Qualify Potential Donors	<ul style="list-style-type: none"> • Market planned giving opportunities to potential donors • Work with potential donors to begin exploring planned giving options 	<ul style="list-style-type: none"> • Provide your organization with up-to-date information on planned giving vehicles • Provide ongoing consultation to your organization on planned gift options
Prepare Gift Proposal	<ul style="list-style-type: none"> • Coordinate consultation with the donor and NoCo Foundation 	<ul style="list-style-type: none"> • Help advise and evaluate planned gift options for potential donors • Prepare and update planned gift proposal for presentation to donor • Meet with organization and donor to discuss and present planned gift options •
Gift Acceptance and Stewardship	<ul style="list-style-type: none"> • Provide ongoing communication to the donor about the impact of the gift 	<ul style="list-style-type: none"> • Finalize gift agreement • Manage gift acceptance and invest proceeds • Make distributions to your organization per the donor's plan

INTRODUCING PLANNED GIVING TO YOUR DONORS

By introducing planned giving to your donors, your organization can help families and businesses achieve their financial and charitable plans at a variety of stages in life.

For example:

- A couple planning for retirement could secure additional income through a gift annuity or charitable remainder trust.
- A couple with their first child may want to set up an estate plan that could include your organization as a beneficiary.
- Grandparents could establish a donor advised fund to encourage philanthropic discussions with the next generation.
- Large financial transactions, such as the sale of a business or home, may trigger charitable gift planning to reduce tax burdens and create a legacy.

These events and many more can provide excellent opportunities to start a conversation about planned giving—and position your organization as a financial resource for your donors.

Try these simple questions to start the planned giving conversation with your donors:

- How would you like to make a difference in our community?
- Where does our organization fall within your list of giving priorities?
- If you could make any gift, what would you like to do with your giving?
- If you could make any gift, is there a particular area you'd want your gift to support?

WHAT DOES MY ORGANIZATION NEED TO START A PLANNED GIVING PROGRAM?

Planned gifts can be transformational to an organization. While starting a planned giving program can be established with minimal financial investment, a successful planned giving program requires a long-term commitment—and the returns are not likely to be immediate.

For these reasons, before developing a planned giving program, it is essential to update your board to set appropriate expectations and ensure their long-term commitment. Additionally, it may be helpful to identify a member of your board or a volunteer leader to champion a planned giving program and work with a staff member to help implement it.

The following are the most immediate steps to start a planned giving program:

- Establish or update your organization's gift acceptance policy for bequests and other planned gifts, as needed
- Establish an organizational commitment to promoting bequests regularly in marketing materials and donor discussions
- Draft a stewardship program for your planned giving donors, including:
 - Starting a legacy society,
 - Inviting them to existing or new major gift donor events
 - Including names of legacy society donors in existing publications

The Community Foundation of Northern Colorado can help your organization through any gift discussion or transaction. As you get started, we can provide the following:

- Sample bequest language
- Sample gift/fund terms
- The Community Foundation gift acceptance policy
- Fund agreement templates

DOES MY ORGANIZATION NEED EXPERTISE IN PLANNED GIVING?

No.

Your donors have financial advisors, accountants, and attorneys who can help them determine the suitable vehicles and gifts to include in their estate plans.

You just need to help your donors know that your organization can help carry out charitable plans after their lifetime.

There are also experts in planned gifts who are just a phone call or email away at the NoCo Foundation. We are ready to assist if your donors are interested in making a planned gift that includes a complex asset, annuity, or trust.

Consider the following when talking with donors about a complex planned gift:

"Thank you! I think we can do that! Let's connect with our partners at the NoCo Foundation, who can help us work it out."

THE BENEFITS OF A LEGACY SOCIETY

Creating a legacy society can be an easy, low-cost way to help acquire new planned gifts and maintain existing commitments supporting your organization.

A legacy society is a stewardship and outreach tool designed to:

- Thank legacy donors regularly
- Provide ongoing communication to planned gift donors
- Promote bequests from new donors as they learn about your legacy society.

Consider the following steps to create a legacy society:

1. Name your legacy society and announce it in your organization's external communications (e.g. newsletter, website, email signatures, etc.).
2. Determine what acknowledgment and benefits you may offer legacy society members. For example, you might host an annual luncheon or invite them to existing donor events where you acknowledge special legacy society membership in the event materials and name tags.
3. Recognize donors who previously made legacy gift commitments as founding members of your legacy society. Use this communication to build the relationship and position their commitment as a cornerstone gift for your organization.
4. Feature information about the legacy society in existing communication materials.
5. Recruit a board member or high-profile volunteer leader to be a chairperson or champion of your legacy society. Assign a staff member to work with them to help build awareness among donors and encourage board participation.
6. Work with the NoCo Foundation to create procedures to accept specific gifts, such as life income gifts, complex assets, designated funds, etc. Additionally, when your donors establish a life income gift or bequest intention that the NoCo Foundation will eventually administer, they are invited to become members of the NoCo Foundation's Legacy Society.

GIFT ACCEPTANCE POLICY

If you do not have a gift acceptance policy, the NoCo Foundation can provide an example as a starting point. If you do have a gift acceptance policy, you may want to compare it with that of the NoCo Foundation to identify areas where the Foundation can assist your organization accept and manage planned gifts.

- **Stock:** Establish an account to receive readily marketable securities. Gifts of appreciated stock can be highly advantageous to your donors. In certain instances, the NoCo Foundation can assist accepting, liquidating, and transferring gifts of stock to your organization for a nominal fee.
- **Bequests:** Depending on your organization's financial priorities, a gift acceptance policy can direct bequests below a certain amount for unrestricted purposes--or direct a portion to an endowment. As most gifts by bequest are unrestricted, a gift acceptance policy can be an important strategic decision for your organization.
- **Real Estate and Tangible Personal Property:** The expertise of the NoCo Foundation is available to you when donors inquire about making such gifts. We can guide you through the necessary steps to proceed with (or decline, in some cases) a gift. You can also partner with your donor and the Foundation to establish an endowed fund for your organization.
- **Life Income Gifts:** The NoCo Foundation can help your donors make gifts that pay income back to them (or someone they choose) before it benefits your organization through a Charitable Gift Annuity (CGA) or Charitable Remainder Trust (CRT).
- **Charitable Lead Trusts:** A Charitable Lead Trust provides financial support to one or more charitable entities for a designated period with the remaining assets benefiting family or loved ones. High net-worth individuals might consider a Charitable Lead Trust when seeking to simultaneously reduce their tax liabilities, make a charitable gift during their lifetime, and provide for their beneficiaries. The NoCo Foundation can work with a donor and their professional advisors to set up a Charitable Lead Trust.
- **Life Insurance:** A donor can easily reassign your organization to be the owner and/or beneficiary of their life insurance policy. Your organization should evaluate policies with an outstanding balance on a case-by-case basis before accepting.
- **IRAs and Other Qualified Retirement Plans:** These are powerful tools for donors to make generous legacy-type gifts to your organization. The donor can name your organization as a beneficiary of their plan--as a percentage, the entirety, or a fixed dollar amount. Because they can reduce the tax liability for beneficiaries, gifts of retirement assets can be advantageous charitable vehicles for your donors.
- **Bank, Checking, and Investment Accounts:** Your donors can name your organization as the direct beneficiary of an account.

The NoCo Foundation can work with your organization to assist with any viable gift transaction.

INTEGRATING PLANNED GIVING INTO MY ORGANIZATION'S EXISTING COMMUNICATION EFFORTS

Below are immediate steps to build a planned giving program into your organization's communication activities.

1. Include Planned Giving checkboxes on your direct mail appeals. For example:
 - I have included (Your Organization) in my will.
 - I would like to learn how to include (Your Organization) in my will.
 - Please send me additional information about how I can make a gift now and receive income for life.
 - I have named (Your Organization) as a beneficiary of my retirement plan/life insurance policy (circle one).
2. Consider including an insert in fundraising materials about bequests and how they help your organization. Make sure it includes all of the following:
 - o Legal name of your organization
 - o Contact information
 - o Sample bequest language
 - o Brief messaging about leaving a legacy (e.g., "If you have already included us in your will, please let us know so we can include in our (Your Organization's Legacy Society Name) and thank you appropriately for your generosity.")
3. Highlight legacy gift donors in your regular publications or newsletters.
4. Update your website to include general bequest information and sample language, including your legal corporate name and tax identification number.
5. Invite your legacy donors to your special events.

ADDITIONAL SUPPORT FROM THE NOCO

FOUNDATION

Presentations: Members of the NoCo Foundation staff can make presentations to your staff, board, and donors to explore their giving options. Please contact donorservices@nocofoundation.org if this is of interest, and please provide ample notice.

Advisory Meetings with Donors: Members of the NoCo Foundation development staff are available to meet with you and your donors to discuss their interest in making a planned gift. When we join you in a conversation with your donors, you represent your organization, and we present options for and help answer any technical questions. You talk about the mission. We talk about the process to support it.

SAMPLE DOCUMENTS: BEQUESTS

A bequest refers to a charitable gift of personal property made after a donor's lifetime. Bequests are typically made through a will or other estate plan and may include assets such as cash, stocks, or real property.

A bequest is often made when the executor of an estate transfers cash or other assets to your organization. Your organization's gift acceptance policy should state how bequests will be used if not specified by the donor in their will or other legal documentation.

Depending on the size of the gift, bequests may be added to an existing fund or used to establish a new fund at the NoCo Foundation.

Sample Language to Include a Bequest in Will

The language below is an example to share with your donors.

Specific Bequest

"I give \$ ____ to [organization name] [EIN #####]. This gift is to be used for general charitable purposes."

[You may also replace the prior sentence with the following: "This gift is to be used in such a manner as the Board of Trustees of [organization name] determines."]

Percentage Bequest:

"I give ____ % of my estate to [organization name] [EIN #####]. This gift is to be used for general charitable purposes."

[You may also replace the prior sentence with the following: "This gift is to be used in such a manner as the Board of Trustees of [organization name] determines."]

Contingent Bequest:

"In the event that [name of wife, son, brother, sibling, etc.] shall not survive me, then I give the same to [organization name] [EIN #####]. This gift is to be used for general charitable purposes."

[You may also replace the prior sentence with the following: "This gift is to be used in such a manner as the Board of Trustees of [organization name] determines."]

Response to Donors Indicating Interest in Making a Bequest

Dear <Salutation>,

Thank you for requesting information about how to include [organization name] as part of your estate plan.

Below you will find sample language to include in your will.

"I give \$ _____ [or _____% of my estate] to [organization name] [EIN #####]. This gift is to be used for general charitable purposes."

In many cases, it may be helpful to name [organization name] as a percentage beneficiary of your estate to ensure your charitable goals are met regardless of any changes in valuation.

Our goal is to ensure your legacy is carried out exactly as you intend. If you wish to support a specific purpose, please contact me directly. I look forward to discussing available options with you.

Once your plans are in place, please contact me so I can invite you to join our legacy society. Thank you for making [organization name] part of your charitable plans.

Sincerely,

SAMPLE DOCUMENTS: ESTATE PLANNING WITH THE NOCO FOUNDATION TO BENEFIT YOUR ORGANIZATION

For many donors, estate planning is a chance to leave a legacy. As a result, donors may consider the permanence of your organization when making decisions about a bequest. Questions regarding endowment may be particularly important if your organization is relatively new or small.

To address concerns, donors can set up a designated fund at the NoCo Foundation. The designated fund can receive gifts from an estate and carry out their charitable plan to benefit your organization. If your organization ceases to exist or is unable to perform its charitable purpose, the NoCo Foundation's Board of Trustees can redirect the funds to an organization providing similar service, without the cost of expensive legal action.

Below is sample bequest language to a designated fund.

A bequest to an established fund at the NoCo Foundation:

I give the sum of \$_____ [or _____% of my residuary estate] to the [name of fund] Fund (hereinafter "the Fund") at the NoCo Foundation (EIN 84- 0699243) to be held, administered, and distributed in accordance with the terms applicable to the Fund.

If the bequest does not involve an established fund:

I give the sum of \$_____ [or _____% of my residuary estate] to the [name of fund] Fund (hereinafter "the Fund") at the NoCo Foundation (EIN 84- 0699243) to be held, administered, and distributed to provide funding for the following organization(s) in the amounts [or percentages] specified below:

Donors are highly encouraged to work with the NoCo Foundation to set up a fund in their name that will be funded after their lifetime through a bequest. Funds are highly flexible and can be customized in many ways to carry out their charitable plans. The service is free of charge.

SAMPLE DOCUMENTS: LIFETIME INCOME GIFTS, CHARITABLE REMAINDER TRUSTS, AND GIFT ANNUITIES

A lifetime income gift—such as a Charitable Remainder Trust (CRT) or a Charitable Gift Annuity (CGA)—is an estate planning tool that allows donors to make a charitable gift to your organization and secure income payments for life or a designated number of years.

Donors can give cash, real estate, or other appreciated assets and receive a steady income for the rest of their life (or a designated number of years). The remainder will benefit the donor's favorite charitable causes.

The NoCo Foundation can work closely with you and your donor to establish a CRT or CGA. The NoCo Foundation can help with the transfer of assets, necessary paperwork, ongoing administration, and liability of the income payments to the donor.

Here's how it works:

1. Talk with your donor about their charitable goals.
2. Work with the NoCo Foundation to create a customized CRT or CGA calculation to show how much income your donor could receive and any potential income tax deduction.
3. Your donor establishes the trust at the NoCo Foundation by transferring any variety of assets, such as cash, stock, real estate, farm equipment, and more.
4. Donor and/or their loved ones receive income for their lifetime (or a predetermined number of years).
5. A significant gift is established for your organization from the residual asset.