admin - Sat, 8/20/2011 - 00:00

PG Calc is a pretty exciting place to work – especially if you like projects as interesting as reviewing planned giving programs of every size, shape, and maturity. We are often asked to uncover key problems that hinder the effectiveness of planned giving efforts. This article outlines a few of the more common recommendations that we give to clients. While it's clear that all of these problems rarely exist in one place, the four categories of recommendations are the recurring themes.

Metrics and Productivity

A common refrain from our consulting staff is that incentives drive behavior. Regardless of what percentage of time is devoted to planned giving, employees are supposed to be charged with raising deferred dollars for that amount of time. In spite of this, we often see that staffs are encouraged to focus on raising current dollars in preference to identifying deferred commitments. Additionally, we often see performance evaluations focused on administrative tasks that don't directly contribute to raising more planned gifts.

The first question a supervisor needs to ask is what does success look like? Do your employees know how they should be allocating their time? In fact, a commitment to planned giving requires recognizing performance metrics other than current dollars raised. The most effective incentive is to encourage planned giving staff to make connections with those likely to make a planned gift. Therefore, the most valuable metrics are those that include activity goals such as number of outbound phone calls, letters, and personal visits. Goals for the number of completed irrevocable commitments such as gift annuities and remainder trusts are another reasonable metric. Since the largest source of planned gift dollars is from bequests, identifying those who already have an estate commitment and soliciting others is also worth measuring.

Role of Planned Giving at the Charity

Our consultants frequently observe that the first problem a charity has to overcome is the role of planned giving in their fundraising culture. Planned giving must be vertically integrated throughout the organization to be effective. That means everyone from the Board down to the lowliest administrator knows that planned giving is important to the charity. The Board should know how planned giving strengthens the charity and ideally should be expected to make a planned gift.

Campaigns should have specific planned giving goals. Putting planned giving on hold during the campaign or confusion about the role of planned giving during the campaign sends a message that planned gifts are not valued.

Other fundraising staff should be cross-trained in planned giving. This does not mean technical training. Rather, everyone should be able to spot planned giving opportunities and know how to make referrals to the planned giving staff. Major and planned gift staffs need to be integrated. Putting major and planned gift functions in silos reduces the fundraising potential of both teams. Multiple models exist for such integration, but at a minimum create a forum for jointly reviewing prospects to evaluate their fundraising potential. Referrals shared between major and planned giving staffs can be a rich source of qualified prospects.

Marketing of Planned Gifts

Our consultants often observe that disappointment with planned giving marketing is related to a failure of proper planning. Take the time to refine your marketing message. State the value proposition for supporting your charity and why that support is important. Ensure that planned giving marketing is integrated visually and content-wise with other marketing at your institution. Lay out a 12-18 month plan for how you are going to reach your key planned giving constituencies.

We often see that planned giving marketing programs are operated on faith. While you may “cast your bread on the water” in your personal life, your boss is going to want measurable results. Therefore, measure response rates, mailing activity, and other processes that assess the effectiveness of your planned giving marketing. Use these data to refine your message, your timing, and your materials.

Our consultants work with large and small organizations. Even our largest clients wish they had more money or staff resources to market planned giving. Everyone has limited resources. However, solid metrics that show a return on the planned giving marketing investment are the first step in making the case for increased marketing resources. Good planning and good data can convince others that planned giving marketing is a smart use of development resources. Also, don’t forget to analyze your existing donor database for leads. Often, that can be as fruitful as acquisition mail campaigns.

Policies and Procedures for Fundraisers and for Gift Administration

Planned giving can be difficult for the cautious charity. Unusual assets and unfamiliar gift plans can try the patience of the business office. In fact, traps for the unwary do exist, but effective guidelines can ensure that gifts do not present an undue risk. We work with our clients to assemble gift acceptance policies that allow for the routine acceptance of safe assets and gifts. These policies raise flags of caution where appropriate and lay out due diligence procedures that are donor-friendly while keeping the charity out of trouble.

Effective and efficient administration of planned gifts is the hallmark of a successful planned giving program. Life income donors should expect reliable payments and accurate, timely tax reporting. We recommend working with experienced providers, or if managed internally, carefully monitoring gift administration operations to ensure good stewardship.

Consulting clients often ask us whether they should continue to offer gift annuities or close an aging pooled income fund. Our recommendations aim to help them strike the right balance between the types of gifts their donors want and what the charity can comfortably offer.

We also find that some charities employ lax oversight of estates in administration. In some cases, this laxness delays their receipt of estate distributions or reduces the amounts received below the maximum to which the charities are entitled. Charities should review all estate gifts to ensure that they are received in a timely manner and for the full amount. To accomplish this important task, either a staff member with understanding of the estate administration process should be given this responsibility or the charity should outsource this function to a law firm or other third party qualified to make sure the charity's interests are adequately represented.

Conclusion

In such a short space, we can't list all the themes we see, but it's likely that some of the improvements suggested here will resonate with you. That said, auditing programs is very challenging work in large part because each charity is different, with a unique set of issues that inspires a unique set of solutions. While having a formal statement of gift acceptance policies is a good idea for every charity, for example, the specifics of those policies will and should vary from charity to charity, based on numerous factors.

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