



**A PLANNED GIVING TOOLKIT
FOR NONPROFITS**

What is Give 10?

Give 10 is a campaign to invite every citizen in North Central Washington to consider leaving 10% of their will or estate to support the causes they care about through a planned gift. Give 10 is about community philanthropy and everyone giving back something, no matter how big or small. The Community Foundation of NCW has positioned itself to be a strong supporter of nonprofits across the region, both financially through grant-funding and as a resource through training and education. This Give 10 Planned Giving Toolkit was created to help you better understand why planned giving should be a part of your stewardship strategy, provide the basics on the different types of planned gifts, and a few ways your organization can start thinking about long-term, sustainable gifts. Imagine what we can do, together.



18 MILLION REASONS TO GIVE 10

A recent study by the Community Foundation of NCW and the Icicle Fund showed that over the next few decades, an estimated \$3.71 billion will be transferred from one generation to the next within Chelan, Douglas, and Okanogan counties. Now is the time for nonprofits to invite their donors to consider long-term, sustainable support.

You don't have to be a millionaire to make a planned gift - in fact, the study concluded that if everyone in the three counties left 10% of their will or estate to their nonprofit community, the result would be \$18 million **each year** in charitable resources. This is the idea behind the Give 10 campaign - when everyone chips in, we can all benefit.

When you "Give 10", you leave a bequest in your Will or estate to support causes you care about. Imagine what our communities could look like if everyone would Give 10? Perhaps we could:

- Ensure there are enough beds in homeless shelters, and food for families to eat
- Provide cultural experiences for all, no matter their ability to pay
- Support healthcare for low-income families
- Enhance education experiences for children in every part of the region
- Take care of the vulnerable animals in search of safe homes
- Give our aging and elderly spaces to age in clean, loving environments
- Help all of our young leaders achieve their higher education dreams

THE BASICS OF PLANNED GIVING

Planned giving is the transfer of assets (such as real estate, stock, or life insurance) to a designated nonprofit organization during a lifetime or upon someone's passing. Usually this happens through a will or other written means. 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 GIVING BASICS	
What is it?	Why is it important?
Gifts of assets that require more planning	Gives your donors a unique way of supporting your organization
Gifts of assets that generate income for donors	Provides potential tax income benefits for your donors
Gifts created in perpetuity	Takes advantage of current market trends

THE TOOLS YOU NEED TO GET STARTED

While the Community Foundation and other funders provide nonprofits with some financial support, it is important that organizations' funding sources are diversified. Receiving ongoing gifts from individuals are more important than ever, and inviting donors to consider a planned gift is an essential component to long-term financial stability and success.

Start with the people you know, who know you best, who have been long time supporters. While there may be some donors that have been giving to you generously, don't ignore the \$10 per year donor, as they are often your biggest fans with planned giving potential. Just one or two planned gifts can make a difference to many organizations.

- Engage your board of directors in creating a list of prospects
- Deepen relationships with your donor prospects - invite them to lunch or to come see your program in action, learn more about what they love most about your mission, what motivates their giving, and build stronger connections
- Start crafting your messaging around planned giving to use regularly in your promotional materials, newsletter, and website (some starter examples are available in this toolkit)
- Determine how best your organization can facilitate and receive planned gifts through your organization or with a planned giving partner

YOUR PARTNERS IN PLANNED GIVING

The legal and financial aspects associated with planned gifts can seem intimidating, but you don't have to be an expert - you just need to know one. There are resources available for your organization and your donor that can offer professional experience and services in setting up different types of planned gifts.

Community Foundation of NCW

Community foundations are public charities that serve as nonprofit resources for local communities to encourage and benefit from philanthropy. The Community Foundation of NCW can assist any nonprofit with the administration of different types of planned gifts, including charitable remainder trusts and retained life estates. There is a small fee for managing the fund, but there are no fees associated with the start-up or disbursement of the fund. The partnership between the nonprofit organization and the community foundation begins at the moment a planned gift is being considered.

SAMPLE COMMUNITY FOUNDATION PARTNERSHIP		
Introductions	Gift Acceptance	Gift Management
Consults with you and your donor	Finalizes gift agreement	If applicable, invests proceeds from asset sale
Evaluates your donor's goals	Ensures due diligence, such as appraisals, title transfers, inspections, and other issues involving the gift	Makes annual gift distributions from gift to your organization and any other beneficiaries
Prepares gift proposal	Liquidates assets depending on the type of gift, provides gift acknowledgment record	Provides ongoing philanthropic consultation to you and your donor (if requested)
4No cost to organization	No cost to organization	Provides low administrative and investment fee of 1.5%

**Some gifts may incur additional legal expenses to the donor*

Volunteer Professional Advisor

Another option is identifying an attorney willing to donate time on an as-needed and pro bono basis. Many lawyers have standardized language that can be provided to donors for writing planned gifts into wills and trusts. Often, organizations can call on their board members for this express purpose. Consider adding an estate-planning attorney to your board roster. The board member's time could be counted toward his or her annual financial contribution. A listing of Professional Advisors who serve charitable clients can be found at cfncw.org/professionaladvisorlisting.

PLANNED GIVING OPTIONS FOR DONORS

There are several types of gifts you can offer with the support of your planned giving partners:

Charitable Remainder Trust

A Charitable Remainder Trust is an option for people who want to give an asset to charity and receive income over the rest of their lives, or a term of years. After the donor makes the initial gift, the charity makes payments to the donor (or designated beneficiary) for life or the set period, based on a percentage of the asset's value. After the donor passes away, the designated charity (your nonprofit) becomes the beneficiary of the remainder of the trust.

Retained Life Estate

A Retained Life Estate is an option for people who own a home and intend to remain living there. The donor gifts the property to the charity in return for an immediate tax deduction. Upon passing, proceeds from sale of house are received by the charity (your nonprofit).

Bequest

A bequest is a gift of any amount through a will, trust, life insurance policy or IRA. Such gifts often exist side-by-side with bequests to heirs or other organizations.

Life Insurance

A gift of life insurance can provide an "amplified" gift that enables the donor, for a relatively small annual cost, to provide a benefit to charity far in excess of what would otherwise be possible. Making an absolute assignment of a life insurance policy currently owned, donating a new life insurance policy or a charity may purchase life insurance on the donor's life with the donor paying the premium are all options along with making the charity the primary or contingent beneficiary.

TYPES OF GIFTS AND BENEFITS

Gift Type	Description	Benefit to Donors	Candidates for this Option
Charitable Remainder Trust	A gift of cash, stock, real estate or complex assets in return for variable payments. Upon passing, remainder is distributed to the charity. Donor can make additional contributions over time.	Annual income that can adjust over time; May avoid capital gains taxes on appreciated assets. Income tax charitable deduction in year of gift.	Good for real estate and complex or appreciated assets.
Retained Life Estate	A gift of house and/or property.	Income tax charitable deduction in year of gift Donor can continue to live in or use property.	Older donors who own their own homes (including vacation homes).
Bequest	Gift of any amount through a will, trust, life insurance policy or IRA.	Estate tax benefits.	Donors of any age or income level.
Life Insurance	Gift can be made of existing policies or donor may take out new policy to benefit charity.	May provide a current income tax deduction and estate tax deduction.	Donors at any age or income level.

EASY WAYS TO TALK ABOUT PLANNED GIVING

Planned giving can seem like a taboo subject, but you don't have to talk about death, dying or diverting assets from family heirs. Here are a few prompts that can help you identify those ready for planned giving and lead-ins to discussions.

Prospects who may be ready to make a planned gift when you hear:

"I don't have much, I wish I could do more."

"Our family is blessed, we wish to share with those who have less resources."

"I/we believe in your organization's mission; its values align with my/our own."

"This is a community asset that should be supported and sustained."

Helpful Conversations Starters

"You have been a strong supporter of our organization through time, talent, and treasure. A legacy gift would allow your commitment to [your mission/impact] live on, forever."

"You can leave nearly all of your estate to your children, but when you leave just 10% to charity, you leave something for ALL children."

"You don't have to give anything now. A legacy gift would provide permanent resources for [your organization] to make a difference by [insert impact]."

"Your annual gifts have been so significant to our mission. A lasting gift through your Will would provide an endowment that would continue to support [your cause/impact] forever, and in your name."

"When you leave a lasting gift in your Will, you help to keep charitable dollars in our rural communities. Join others in saving our rural capital, and preserving the many things we love about this region."

Suitable Planned Giving Candidates

You may want to start your planned giving conversations with those that are closest to your organization, the people that already know and care about your cause. These may include:

- Current and/or past trustees
- Long-time major donors
- Loyal donors (of any size)
- Organization volunteers
- Professional advisor volunteers
- Grateful constituents/members
- Long-time employees
- Long-time auxiliary group members

Stewardship begins at the first donation and is cultivated often over many years. Planned Giving prospects take time as they learn to trust your organization.

GETTING STARTED

After reviewing this Toolkit, your organization should be ready to start thinking about your planned giving strategy. Start integrating planned giving into your development program today by using the customizable tools and language with this toolkit.

Engage Your Board Members

Use this Toolkit as a starting point. Talk to your board members about the potential of planned giving and the long-term sustainability it can provide your organization.

Identify a Potential Planned Giving Partner

The Community Foundation of NCW is poised to be your planned giving partner. Since 1986, the foundation has managed charitable funds for individuals, families, businesses, and nonprofit agencies for the purpose of building charitable resources for nonprofits in perpetuity. The foundation manages over 450 funds and develops programs in support of strengthening nonprofit missions throughout the region.

If your organization needs the assistance of a Professional Advisor, the foundation has a list of on our website who have expressed an interest in charitable support at cfncw.org/professionaladvisorlisting.

Create Your Planned Giving Materials

You will want to have some materials about Planned Giving opportunities that you can hand to your donors and on your website. You may also want to start with a letter to mail or email some of your prospects. A brochure and sample letter are enclosed that you can brand and customize to fit your organization. Be sure to mention Planned Giving options in your newsletter and other correspondence, as it often takes several messages and strategies for donors to consider a planned gift.

Creating a Legacy Society

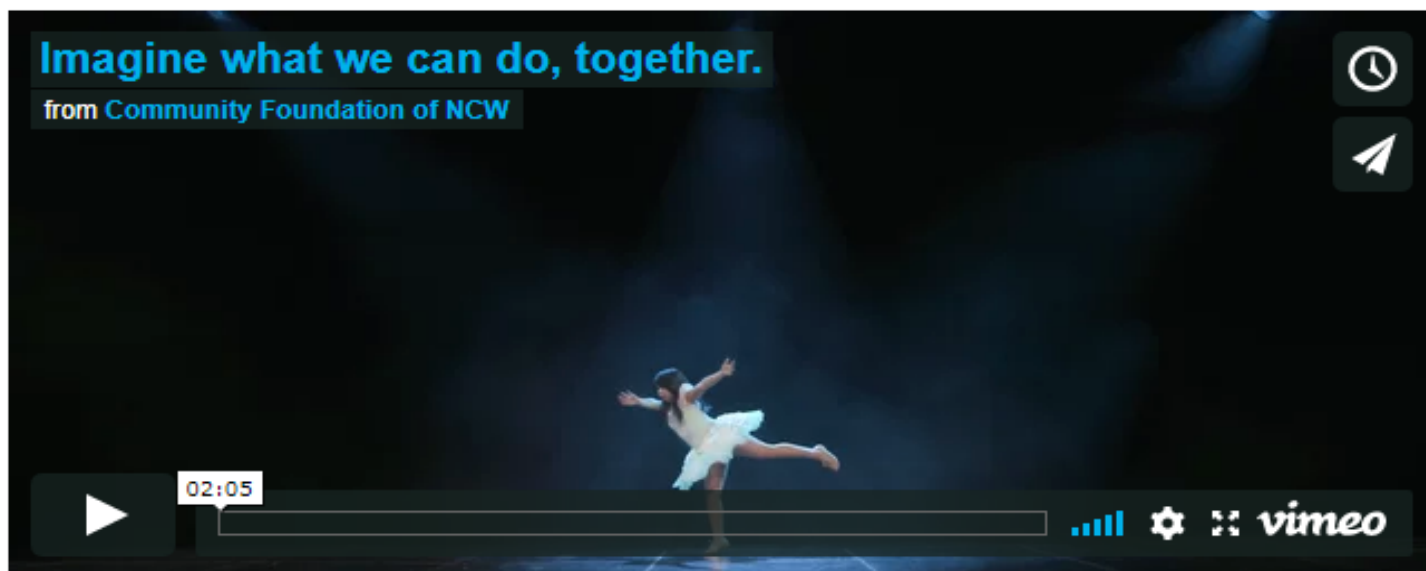
Many nonprofit organizations create a “Legacy Society” to recognize their donors who have committed to making a planned gift. This can be a great way to inspire and encourage others to do the same, but requires some thoughtful decisions around marketing and communications, as Legacy Societies often come with additional perks and special events that are specific to its members. Decide if this is an appropriate strategy for your organization and how best you will promote and maintain it.

“The best time to plant a tree was 20 years ago. The next best time is now.”

—Chinese Proverb



SHARE THE GIVE 10 VIDEO



The Community Foundation of NCW has invested in a video to inspire the citizens of North Central Washington to imagine what we can do, together. You may see the video at your local movie theater, or as a commercial on some LocalTel cable stations, or social media. We have intentionally created this video to be generic and not specific to the foundation so that your organization can use it in your Give 10 promotions.

www.cfncw.org/Give10

