

Give & Take

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NEWS AND IDEAS FOR DEVELOPMENT EXECUTIVES OF NONPROFIT ORGANIZATIONS

Repeated Year-End Appeal Emphasis Boosts Funding

Think the time for the year-end mailing is over? This article may change your mind.

In the June 1994 issue of *Give & Take*, we spoke with Captain Roger Murray, USN (Ret), associate director of development and director of planned giving for the Naval Aviation Museum Foundation in Pensacola, Florida. In that article Capt. Murray explained the success the museum experienced as a result of a year-end appeal mailed to their entire membership list of approximately 10,000 persons. How have his year-end mailings fared over the past few years? *Give & Take* found out in a recent follow-up conversation with Capt. Murray.

Initial efforts prove fruitful

Capt. Murray joined the museum in 1993 with no previous development experience. He discovered that for several years prior to his arrival the museum foundation mailed year-end appeals, so he called on the Sharpe company for assistance. "I contacted Robert F. Sharpe and Company and explained I was a rookie who needed help," Capt. Murray said.

Sharpe representative Nancy Jeffers assisted Capt. Murray in planning his first year-end mailing that included a cover letter, a Sharpe year-end brochure, a reply card, and a return envelope. "That first year we received almost \$40,000 in current gifts," he said.

Year-end success continues

The foundation's success with its year-end mailings has not only continued, it has increased each year. "I found that in the past we were putting too much information in our year-end mailing," Capt. Murray explained. "So we decided to keep it simple." The "keep it simple" approach worked. "My response rate percentages for the last 3 years have been 6.9%, 8.3%,

and 9.4%," Capt. Murray said. "Our year-end mailing last year brought in \$94,000 for the foundation. So, over the last few years our gifts have doubled while our membership has remained basically the same size."

While the main goal of the museum's year-end mailing is to encourage current gifts, Capt. Murray is quick to point out that the mailing has also helped him discover donors who are also interested in making planned gifts. As a result of last year's mailing, he added 12 new members to his planned giving society, plus he found 20 more donors who

expressed an interest in planned giving on the response card.

"Quite frankly, I never would have picked these donors out of the computer because there was absolutely nothing in their giving history that indicated they were typical planned giving candidates," Capt. Murray admitted. "Even though our



Donor support helps the Museum maintain the planes on display.

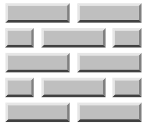
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News and notes
of interest to
gift planners.



Give & Take

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Man's best—make that 'bequest'—friend

According to a recent survey by the American Animal Hospital Association, 18 percent of Americans are making provisions for their pets in their wills. This gives a whole new meaning to the old saying "going to the dogs."

Source: *The Commercial Appeal*, Memphis, TN, March 27, 1998

Giving to pay the U.S. debt

You know your donors are probably giving to other nonprofit organizations. But did you know you may be competing with the United States Government for their gifts?

Some Americans are donating money to the U.S. Treasury to help pay off the national debt. Since 1961, the Treasury has received \$56.8 million in gifts from citizens trying to get the nation out of its \$5.5 trillion debt.

Many of the contributors express patriotic reasons for their gifts. A Lithuanian immigrant sent a 5-figure check in appreciation for the freedom and democracy he had enjoyed while living in the U.S. Another woman who left \$153,000 for the debt when she died wanted to "show [her]


appreciation and love in helping [her] country in this small way."

Source: *The Commercial Appeal*, Memphis, TN, March 9, 1998

IRS approves amendment of unitrust

When the donor in Private Letter Ruling 9804036 established a charitable remainder unitrust, the donor intended to receive payments that were either equal to eight percent of the annual valuation of the trust or the trust's annual income, whichever was less. However, the counsel who drew up the trust instrument did not add the specific clauses necessary to accomplish this modification of the trust's payments.

When the donor realized the error, the donor sued the attorney for malpractice and petitioned the state court to amend the trust. The state agreed to reform the trust upon approval from the IRS.

The IRS ruled in favor of reforming the trust for the following reasons: the trust had been administered properly using the fixed percentage payment method, the donor sought to correct the mistake promptly, the problem was an admitted drafting error, and there was no evidence that the taxpayer or any other income beneficiary was attempting to make the amendment in order to reduce his taxes. 

Source: *Probate Practice Reporter*, March 1998

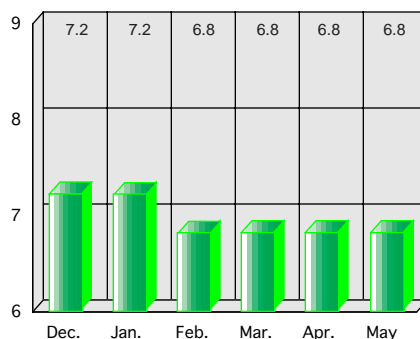


Robert F. Sharpe & Company, Inc.

*Celebrating
35 years*

of helping nonprofits build
long-range financial stability.

Discount Rates



The trend in adjusted federal mid-term rates (AFMRs), which are used in calculating the benefits of split-interest gifts.

Is Your Planned Giving List a Moving Target?

by Barlow Mann

While every planned giving donor is an individual, different groups of donors may be selected for inclusion in different types of planned giving promotions.

For example, those persons who fit a certain donor profile, such as those who are older, more conservative, consistent contributors of average amounts, might be selected for gift annuity mailings or bequest mailings. Those who fit another profile, perhaps those who are more affluent, larger contributors, regardless of age, might be targeted for gifts of appreciated securities, lead trusts, or charitable remainder trusts. Yet another group might be selected based on age, occupation, or other factors for promotions of gifts from retirement plans, closely held businesses, insurance, etc. At Robert F. Sharpe and Company, we have developed an age- and wealth-based matrix to assist in list selection.

are more attractive to certain age groups or the very wealthy, some gift vehicles appeal to a narrow audience, and others may interest a broad group. To help simplify this concept, Robert Sharpe, Jr., developed the matrix below to assist in planning gift marketing and other development efforts.

Once a group has been selected according to the matrix, it is important to recognize that not every recipient of a mailing or other contact, even with the best list selection, will be receptive at the time that a particular idea is presented. Receptiveness depends, in large part, upon the events that are occurring in each donor's life. Therefore, repetitive and consistent communication with the right people at the right time in their lives is one of the key ingredients that distinguishes the most successful planned and major gift development efforts.

In addition to a repetitive marketing program, it is also important to vary the message to make sure different motivations

for giving are addressed. Remember, each donor is an individual and the "why" of giving must be addressed as well as the "how" and "what" of the gift arrangement. For this reason, rather than focusing only on how a particular gift plan works, it is crucial to show donors that there are persons who actually complete such gifts and WHY they do so. This can be accomplished through cover letters, feature stories in newsletters, articles in publications of general circulation, and other appropriate media.

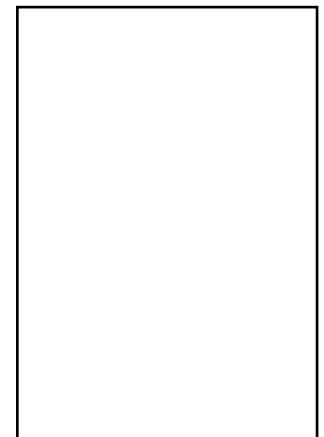
While the approach may vary depending on the size of a particular organization or

institution, in times of limited staff and other resources, it is more important than ever that we take the time to tailor our communications in the most effective manner possible. *G&T*

Could an age- and wealth-based matrix help you with your mailings?

	-50 YOUNGER	50-65 MIDDLE-AGED	65+ OLDER
WEALTHY	Gifts of Cash Appreciated Property Charitable Lead Trusts Term of Years Trusts Life Income for Others	Gifts of Cash Appreciated Property Charitable Lead Trusts Term of Years Trusts Life Income for Others	Gifts of Cash Appreciated Property Charitable Lead Trusts Term of Years Trusts Life Income for Others Testamentary Lead Trusts CRT for Donor's Life Bequests • Gift Annuities Retirement Plans & Insurance
MODERATE MEANS	Gifts of Cash	Gifts of Cash Appreciated Property Term of Years Trusts Charitable Trusts for Life Pooled Income Fund	Gifts of Cash • Bequests Appreciated Property Charitable Trusts for Life Term of Years Trusts Pooled Income Funds Gift Annuities Retirement Plans & Insurance
LIMITED MEANS	Gifts of Cash	Gifts of Cash	Gifts of Cash Bequests Gift Annuities Retirement Plans & Insurance

After working with consulting clients in selecting groups of donors for mailings and for invitations to seminars, etc., it became apparent to us that not every donor is a prospect for every type of gift. Some plans



Barlow T. Mann is an attorney and chief operating officer of the Sharpe company. He designs planned giving programs for a number of America's nonprofits, presents seminars, and authors many articles on gift planning.

Year-End Appeal . . . *Continued from page 1*

Year-end mailings can help uncover planned gift prospects.

other more targeted planned giving mailings and articles in our magazine help us identify planned giving prospects, mailing to the whole list once a year has really helped us pinpoint even more people interested in planned giving while generating current revenue in the process!”

Philosophy on the future

With current gifts from year-end appeals growing from \$40,000 in 1993 to

\$94,000 in 1997, and with new planned giving candidates uncovered each year, Capt. Murray intends to continue his year-end gift emphasis in the future. “I have heard a lot of development people saying the time of the year-end mailing may be over, that we may need to abandon it for something else,” Capt. Murray said. “I am not one of those people.” And, based on his results over the past few years, the outlook for year-end 1998 is just as promising. *GT*

Tips for a successful year-end mailing

We asked Capt. Roger Murray to give our readers some advice about how to carry out a successful year-end mailing. Here are some of his strategies that may help you as you plan a year-end appeal for your organization:

- **“Don’t inundate your donors with too much information in your year-end mailing.”** Avoid detailed listings of your grant history, planned giving income, etc. in any single mailing. If your donors are interested in such information, they will ask for your annual report. For a year-end mailing, Capt. Murray says, “Keep it simple, friendly, and informative.”

- **“Use your cover letter effectively.”** Capt. Murray makes sure his year-end cover letter tells his donors about the museum’s mission in a way that will make them want to be a part of it. For example, after a successful capital campaign for the museum, Capt. Murray made sure his year-end cover letter for that year told donors about how the money raised in the

campaign helped build the new IMAX theater and fund its companion movie on naval aviation. Don’t use your cover letter to simply reiterate the information in the brochure on how best to make gifts. Tell your donors about the good work of your organization. Capt. Murray has found that a single-page letter works best. “People don’t want to sort through a lot of ‘junk’ to find your message,” he says.

- **“Communicate with your donors throughout the year, not just at year-end.”** Keeping in touch with your donors consistently all year long will help your year-end efforts. Capt. Murray recommends adding human interest items, such as donor or volunteer stories, to your communications to create more personal interest in your organization. Avoid making fund raising the sole focus of every mailing you send.

*For more information on brochures that inform your donors about the benefits of giving at the end of the year, please see page 6. *GT**

For Year-End Success, Establish Goals Now

With summer quickly approaching, now is the perfect time to start thinking about year-end gift appeals. To gear up for year-end 1998, we present an article that appeared in the June 1988 issue of Give & Take. As with many of the articles that have appeared in Give & Take over the last 30 years, its message remains timely, even 10 years later.

Now's the time to outline a strategy for year-end giving season . . . by deciding what you want to accomplish and drawing your plans accordingly. Possible goals:

To maximize gifts. When you help people who already give increase their giving, you improve fund-gathering efficiency.

To help donors "upgrade" their giving, provide information about the most efficient ways to give. The gift they've been making each year is fine, but could they come out ahead by making a larger gift this year in order to become an "itemizer" and reap tax benefits?

To correct misinformation. With each year since 1985 bringing numerous tax law changes, many donors are now in a state of confusion regarding the impact of the law as the "dust settles" in 1988. Do they know

that the charitable deduction is one of the few deductions still available? And have they considered how flexible it is, able to be raised at the discretion of the giver as late as New Year's Eve?

. . . It is up to the nonprofit community to keep donors informed. (Editor's note: *This still applies today as donors will still need accurate information about their giving in light of the Taxpayer Relief Act of 1997.*)

To say thanks. Year-end, traditionally a season of sharing, is an ideal time for expressing gratitude for gifts. Demonstrate your thanks by providing information that helps donors give more at lower cost.

The list to whom you mail, the enclosures, and timing of the mailing can all be chosen once your goals are set. Starting to plan now gives you time to weigh alternatives and avoid mistakes.

For an account of one organization's long-term success in year-end gift development efforts, see page 1. Also see page 6 for more information about publication's that can enhance your end-of-the-year appeals. G&T

Determining your year-end objective can help your planning.

Do You Know the Facts?

Fact: The number of itemizers reported in 1995 was up 2%.

Fact: The average deduction for those itemizers increased 4%.

Fact: Forty-one percent of baby boomers' assets are held in the form of securities.

Fact: The majority of gift income for many charitable organizations and institutions comes in the final months of the year.

Conclusion: Year-end appeals may be more important than ever for your donors.

Consider this—more of your donors are itemizing their tax returns. And most likely many of them own securities that have increased in value during recent years. Why not tell your donors about the benefits of making gifts before the end of the year that can help reduce their tax bill in 1999? Why not inform them of the possible capital gains tax savings available through gifts of appreciated assets to your organization?

With Sharpe year-end giving brochures, you can do all of this and more. This year you have five year-end brochures to choose from, each professionally written and designed to motivate and inform your donors of the benefits of giving at the end of the year. Please see page 6 for more details on Sharpe year-end brochures. G&T

Footnotes for Gift Planners

News and ideas about Robert F. Sharpe and Company's services and publications. For more information, join us on the Web at www.rfSCO.com.

Boost development efforts with year-end materials

Are you looking for informative donor education publications to include in your end of the year appeals? Robert F. Sharpe and Company has five year-end giving brochures professionally written and designed to communicate the benefits of giving before the close of 1998.

The five titles to choose from include:

- **"Giving at Year-End 1998."**

This title, which is offered in two different cover designs, is intended for general use to a broad audience of donors.

- **"Giving Before December 31."** With an attractive cover featuring a sundial, this brochure is also a good complement to fall appeals mailed to a broad group of donors and prospects.

- **"Giving Thanks at Year-End."**

Tailored with a Thanksgiving theme in both text and design, this piece may hold special appeal for some organizations and their constituents.

- **"Ways of Giving at Year-End."** This brochure is especially

written and designed for use by educational institutions to encourage year-end gifts.

If you order by July 31, 1998, you will receive a 10% discount on your year-end brochure order. Plus, your brochures will be ready early, saving you the worry and headache that procrastination can cause.

Please call 1-800-238-3253 for more information or to place your order. Or, if we already have your imprint information on hand, you may fax your order to (901) 761-4268 for fastest service.

Flexible billing options

Is your organization about to make the jump from one fiscal year to another? Many organizations we have worked with over the years have had this same problem. That is why the Sharpe company developed what we call "flexible billing options."

With flexible billing options, you may choose to:

- split billing over two different budgets;
- pay early for publications or other services while budget funds are still available;


Continued on page 7



Deadline From 1997 Tax Act Could Cause Confusion

With April 15 behind us, most taxpayers are now more aware of the effects of the Taxpayer Relief Act of 1997. One tax incentive that is set to expire on June 30 as a result of the 1997 tax act is the deduction for long-term appreciated securities donated to private non-operating foundations. Although this deadline does not affect most public not-for-profit organizations, your donors may be confused by it, thinking that they will no longer receive a charitable income tax deduction for their stock gifts.

This possible confusion, combined with the fact that the stock market continues to set record highs, indicates that now may be a good time to remind your donors of the continuing benefits available to them through gifts of appreciated securities. The Sharpe booklet **"Taking Stock . . . and Giving It"** has been updated to reflect the provisions of the new tax act and explains to readers the most effective ways of giving securities.

And with Sharpe flexible billing options (see above), you can act now to market gifts of appreciated securities even if your fiscal year begins in July. So why wait until the year-end rush is in full swing when you can encourage gifts of stock now? For more information about "Taking Stock" or to place your order, please call 1-800-238-3253. 

Training Update

Major Gift Planning I - Options and Opportunities

In two concentrated, information-packed days, presenters Robert F. Sharpe, Jr., and Jonathan G. Tidd, Esq., discuss the most important facts gift planners need to know to successfully guide their organizations into the 21st century. By linking their knowledge and over 40 years of combined experience, Sharpe and Tidd lead participants through a comprehensive training experience.

Make sure you are prepared to meet your donors' needs in the future by attending this popular seminar. Registration is always limited to allow for more interaction between participants and instructors.

Major Gift Planning II

For the more experienced gift planner there is "Major Gift Planning II," which focuses on applying various planning tools to help donors meet multiple goals while making significant gifts. A working knowledge of various gift planning vehicles is

Multiple registration discounts are available. For more information or to register, please contact the Sharpe company. Call 1-800-238-3253, ext. 360. Fax (901) 761-4268. Web site www.rfsco.com. E-mail seminars@rfsco.com

Footnotes . . . *Continued from page 6*


- place your order now and delay billing for products or services you need now until your new fiscal year begins.

Flexible billing allows you to stay on track by obtaining the services you need when you need them. A Sharpe representative would be happy to tell you more about flexible billing options. Just call 1-800-238-3253.

assumed. Special emphasis is placed on the impact of recent tax legislation.

Instructors Robert F. Sharpe, Jr., and Jonathan G. Tidd, Esq., pay particular attention to the practical challenges facing today's fund gatherers.

Planned Giving When That's Not All You Do

If you're responsible for more than planned giving, this one-day seminar will help you focus your efforts. "Planned Giving When That's Not All You Do" is designed to broaden the knowledge of gift planning throughout your organization, from your CEO or president to the support staff who may be first on the phone with donors. Your co-workers will become some of your best planned giving advocates once they understand its benefits for your donors and your institution. 

Seminar Training Dates

Major Gift Planning I

Pittsburgh
July 20-21

New York
September 14-15

Pasadena
October 12-13

Kansas City
November 9-10

Major Gift Planning II

Chicago
August 3-4

Washington, D.C.
December 3-4

Planned Giving When That's Not All You Do

Washington, D.C.
July 15

New York
August 3

Chicago
September 11



Join us in Chicago for "Major Gift Planning II" on August 3-4. Make plans now to enjoy this summer training opportunity in the "Windy City."