

GIVE & TAKE[®]

News and Ideas for Development Executives of Nonprofit Organizations

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A Rose by Any Other Name... by Robert F. Sharpe, Jr.

Editor's note: The following article is adapted from an article first published by Mr. Sharpe in the June 1987 issue of Give & Take. We hope you will find it just as thought-provoking today.

What do director of development, vice president for development, director of major gifts, director of annual funds, director of planned giving, director of deferred giving, director of special gifts, legacy manager, director of stewardship, director of principal gifts, vice president for advancement, endowment director, executive director of endowment, assistant to the chancellor, president, executive director, stewardship secretary, director of capital giving, associate legal counsel, director of donor relations, director of major and planned gifts, director of resource development, and last but not least, director of fundraising, have in common?

These are all titles of fundraising professionals I have worked with recently. The people who use them are all involved, to a greater or lesser extent, in the process of encouraging individuals to make gifts of cash or other property in support of the organizations and institutions they represent. Some are focusing on current gifts, some on gifts made over time or as a component of a donor's estate plans, others on gifts for specific purposes such as capital or endowment, and others—all of the above.

Given the understandable confusion arising from this plethora



The seminar "An Introduction to Planned Giving" will be held in San Francisco in November. See page 3 for details.

of job labels, we are often asked about titles for nonprofit managers engaged in various aspects of fund development—what titles should and should not be used?

Simply stated

Clearing away the haze, we believe a title should be user-friendly for those with whom one interacts, giving preference to the donor, not just peers within an organization. Imagine you just made a gift of \$500 to an organization in response to a request from a friend. Research by the recipient organization has convinced its development staff you are actually capable of making much larger gifts. What would you think if you received an initial thank-you letter and request for a meeting from the "director of major gifts?" In some cases, you might be flattered to be considered important enough to catch the interest of the person in charge of major gifts. In others,

you might think this to be a bit presumptuous and even off-putting that you have immediately been "targeted" to make larger gifts.

Ironically, in a smaller shop with limited staff and led by a "director of development" who typically wears many hats, there may be an advantage in using a title like this that broadly suggests one's area of responsibility, but doesn't "pigeonhole" the donor into a slot on the organizational chart of a large bureaucracy. This leaves the director of development the freedom to move between current and deferred gifts, as well as the ability to discuss various uses for the gift such as capital, endowment, or operations.

The real challenge comes in larger programs where specialization has, of necessity, developed over time. How do we assign titles that help maintain institutional order while meeting the needs of donors and making sure that the

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INSIDE: Are you ready for year-end? Desert property becomes welcome gift.

Making a List and Checking it Twice by Barlow T. Mann

The steps that you take between now and December 31, 2007 may mean the difference between an average year and an exceptional one. Have you put a year-end strategy in writing? If not, the following check list may help you prepare one. If you already have a plan, this list may be useful as you double-check your course of action to insure the best possible outcome during the critical year-end giving season.

Year-end planning check list

- ✓ **Review your strategy for top donors.** This list may be divided between the top 10-20 donors, the next 100-300, or those above a certain dollar threshold. Develop specific plans for the top 1%-5% of your donors.
- ✓ **Also review your mass-oriented fund-raising efforts for the final months of the year,** including direct mail, special events, phone-a-thons, e-marketing, etc. Include reminders about December 31 tax deadlines, and consider the possible use of a broad-based, year-end giving appeal that encourages donors to make their gifts in the best possible ways. This could be in the form of an already scheduled mail appeal, a special year-end mailing, or phone-a-thon follow-up mailings. (See page 7 for examples of year-end brochures that may be a helpful addition to these efforts.)
- ✓ **Consider a separate communication effort to donors who have given stock or other securities in the past.** You may want to target all donors who have given more than a certain dollar amount.
- ✓ **Consider a special mailing to all donors over the age of 70½ concerning the benefits of rollover IRA giving for 2007.** (See page 7 for an IRA brochure designed specifically for mailings of this type.)
- ✓ **Even if your office is closed during the holidays, make sure that the fund-raising office, phones, and computers are “open” to receive gifts and inquiries during that time.** If there are institutional closings, develop a plan to check and respond to e-mail and phone messages.
- ✓ **Make plans to contact donors with gift annuities or charitable trusts to see if this is a good year to consider an additional gift or contribution.**
- ✓ **Remind donors with outstanding pledges or pending proposals that gifts made prior to December 31 are tax deductible for 2007 income tax purposes for those who itemize.**
- ✓ **Make plans to personally thank a manageable group of top donors for their 2007 gifts before year-end.** Schedule personal visits when possible. Experience reveals you may spur additional gifts before the end of the year.

- ✓ **Check the above list and see if you have left anything off that you believe could make a critical difference in 2007.**

Final thoughts

Thus far, 2007 has been a year filled with economic uncertainty. The real estate bubble, stock market fluctuations, and record oil prices have all contributed to the current state of the environment. In spite of this, Americans have continued to give generously, and household wealth and incomes have seen record levels. Charitable organizations and institutions that communicate their mission and the needs of their programs this fall will, as in the past, find the resources that they need to carry out their work.



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

GIVE & TAKE

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Sharpe Seminar Series

Featured Seminar: 'An Introduction to Planned Giving'

This information-packed seminar offers an in-depth introduction to the process of charitable gift planning in today's complex environment. It is designed for those who are assuming responsibility for planned giving for the first time, as well as those who have multiple duties and are looking for guidance on the best ways to spend what may be limited time and budgetary resources on planned giving.

Beginning with an overview of various types of fund development efforts and the role of gift planning in achieving greater success, this

seminar examines the personal priorities of donors at different stages in life and explains how gift planning vehicles can help remove obstacles to larger gifts from donors of all ages and wealth levels. Practical guidance on gift acceptance and valuation policies, program planning, budgeting, and implementation of effective gift planning efforts in programs of various sizes will be presented.

This seminar will prove useful to senior development managers and those responsible for other funding efforts, in addition to those who wish to expand their duties to concentrate more effort in charitable gift planning now or in the future.



What Attendees Are Saying . . .

"The Sharpe Group and their professionals have opened my eyes to the complete 'big picture' of how to, what to do, and what to expect in planned giving."—H.C. "Buzz" Dixon, Family Connection, Inc., Anderson, IN

"The speakers knew their subjects and had good examples based on their experiences; content material was well integrated and reinforced from speaker to speaker."—Karen Crenshaw, University of Pittsburgh, School of Dental Medicine, Pittsburgh, PA

"This is the most worthwhile professional conference I can remember attending."
—Mr. Chandler Battaile, Association for the Preservation of Virginia Antiquities, Richmond, VA

On the Agenda for 'An Introduction to Planned Giving'

Day One

- Introduction to the Planned Giving Process
- Understanding the Life Cycle of Donors
- Basic Planning Considerations
- The Charitable Tool Box—Part One
- The Charitable Tool Box—Part Two
- The Sharpe Gift Planning Matrix

Day Two

- Introduction to Property Gifts
- What Is the Gift Worth?
- Gift Acceptance Policies
- Marketing Planned Gifts
- Cost-Effective Planned Giving
- Putting It All Together

See www.sharpenet.com/seminars for a complete agenda and dates for this and other Sharpe seminars.

UPCOMING SEMINAR TRAINING DATES

**An Introduction
to Planned Giving**

**Tampa
October 29-30**

**San Francisco
November 28-29**

**Major
Gift Planning**

**New York
September 13-14**

**Integrating Major and
Planned Gifts**

**Washington, D.C.
December 3-4**

Multiple registration discounts are available. For more information or to register, please contact The Sharpe Group. Phone 1-800-238-3253, ext. 5313 • Fax 901-761-4268 • Web site: www.sharpenet.com • E-mail: seminars@sharpenet.com

Meeting Multiple Goals Through a Charitable Trust

Suppose you have a donor who wants to use an asset to accomplish what at first glance may seem to be conflicting goals—pay off some debts, but also receive a lifetime income, and make gifts in her mother's name to institutions that were special to her. How would you proceed? For Ron Heath, vice president for advancement at Lindsey Wilson College, a century-old, small liberal arts college in Columbia, Kentucky, assistance was just a phone call away.

The asset

Five lots in Arizona with an appraised value of approximately \$1.2 million.

The donor

The late Joyce Cooley, a retired teacher, whose mother was a Lindsey Wilson College alumna, and whose cousin currently sits on the College's board of trustees.

Evolution of the gift

According to Heath, the development department had been working with Miss Cooley for more than 15 years. During that time she made a few small gifts, but she always talked about wanting to do something more significant. "She told me she had bought desert property in Arizona in the 1960s as a retirement investment," Heath said. "She never had any idea how valuable that land would become. These lots had appreciated to the point where, if she sold them, she would owe a large amount in capital gains tax. Miss Cooley said she wanted to find a way to use these lots to pay some bills, and also set up a trust that would pay her a lifetime income and ultimately establish endowed scholarships in honor



Ron Heath, Vice President for Advancement at Lindsey Wilson College.

of her mother at Lindsey Wilson College and Western Kentucky University."

“While bigger organizations may have legal and technical experts on staff, we do not.”

After listening to Miss Cooley's concerns and wishes, Heath set out to determine the gift planning options available to her that could best address her multiple goals. He decided the best place to start was with a call to his consultant, Barlow Mann of The Sharpe Group.

“We have a small shop here at Lindsey Wilson,” Heath explained

of his development department. “While bigger organizations may have legal and technical experts on staff, we do not. So I called Barlow and explained Miss Cooley's situation. He suggested that by careful planning she could accomplish all her goals with this gift.”

Heath then arranged a conference call with Miss Cooley, her attorney, and a cousin whose financial advice she valued. “We described how Miss Cooley could sell one of her Arizona parcels and use the proceeds to pay off her debts. She could then place the other parcels into a trust,” Heath said. “We explained that this trust would not only provide Miss Cooley with the income she desired, but she would also bypass capital gains on the property placed in the trust and create a charitable deduction to offset the tax owed on the sale of the one parcel.”

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staff has the flexibility it needs when working with donors?

This is especially true when considering the area of major and planned gifts—one where there can increasingly be an overlap of functions—particularly when working with older, wealthier donors. Many now use the titles “director of planned giving,” or “director of gift planning.” These can be very useful titles where an organization has the volume of activity necessary to employ one or more specialists in this area.

“It is important that titles be considered from the perspective of the message being conveyed to a prospective donor.”

In 1988, we first proposed the definition of “planned giving” that follows:

“A planned gift is any gift of any kind for any amount given for any purpose—operations, capital expansion, or endowment—whether given currently or deferred if the assistance of a professional staff person, qualified volunteer, or the donor’s advisors is necessary to complete the gift. In addition, it includes any gift which is carefully considered by a donor in light of estate and financial plans.”
—Give & Take, March 1988

While it is often desirable to employ specialists in planned giving, it is increasingly the case that people who use other titles may also sometimes be engaging in gift planning to a greater or lesser extent. The proliferation of information about planned giving on institutional Web sites and as part of other development activities will add impetus to this trend. Those who specialize in planned giving may likewise find themselves involved in other aspects of fundraising from time to time.

Clarity is the key

There is no right or wrong answer to the “title question.” First and foremost, however, it is important

that titles be considered from the perspective of the message being conveyed to a prospective donor, and should be flexible enough to allow a staff member the ability to best serve a donor. This was in fact the impetus for originally moving from the term “deferred giving” to the broader term “planned giving” in the early 1970s. (See box below.)

We often hear complaints about how an organization has developed “silos” that can stifle effective cooperation among staff and inhibit the ability to serve donors. In our experience, these situations are not intentional, but sometimes stem from the use of language in designing titles and organizational charts.

The key is to make an organization as complex and specialized as is needed to best serve donors and make sure everyone knows their position on “the team.” But remember, from the donor’s perspective, he or she is more interested in watching how the team plays the game than the nuances of the manager’s playbook or the roster of positions.



Robert F. Sharpe, Jr., is president of The Sharpe Group. He advises a number of the nation’s leading nonprofits in the design, implementation, and management of their gift planning initiatives.

35 Years Ago in Give & Take

The following is excerpted from the August 1972 edition of *Give & Take*:

“A donor usually considers a current gift to your institution as a cash outlay now. To make a deferred gift, a person decides to give at some future date, either a number of years from now or at death. A deferred gift is a present decision to make a future gift, evidenced by a legal contract.

While the name ‘deferred giving’ is the best known to professionals in the field, it is not a term that communicates very much to the average donor. Therefore, we suggest the term ‘planned giving.’ When a person makes a planned gift, it suggests forethought.”

Charitable Trust . . . continued from page 4

While the conference call ended on a positive note, neither Miss Cooley nor her attorney made a commitment over the phone, which came as no surprise to Heath. "Miss Cooley was a very deliberate person," Heath said. "During the two years I worked with her, she was always very methodical, thinking through every possibility before making a decision." However, soon after the call, Miss Cooley decided to create the trust just as Mann had suggested it.

Unfortunately, Miss Cooley, who had cancer, was admitted to the hospital and died about one month after signing the trust agreement. Although Miss Cooley never received a payment from the trust, Heath believes she was pleased she fulfilled her financial goals and accomplished her dream of honor-

ing her mother. "As a teacher herself, Miss Cooley knew the value of education," Heath said. "That's why she felt so strongly about endowing scholarships at two institutions in her mother's name."

"It is imperative for us to have an expert available to us."

Message to gift planners

For Heath, this gift brought home two important lessons. "Even though we had been working with Miss Cooley for 15 years and she had previously made only a few small gifts, we kept the relationship going, even through our own inter-

nal staff changes," Heath stated.

"Second, we learned the importance of taking advantage of the expertise of others when it is needed. I don't feel that I have the time to learn all there is to know about the various gift options," Heath explained. "My job is to know the basics and be able to spot opportunities for larger gifts through more effective planning. When specific questions come up, as in this case, it is imperative for us to have an expert available to us. I'm not sure we could have helped Miss Cooley make this gift without the assistance Barlow was able to provide."

Giving USA 2007 Now Available

Giving USA, the annual yearbook of American philanthropy, is now available. Published for over 50 years, *Giving USA* examines data and trends on charitable giving and philanthropy in the United States.

To learn more about *Giving USA 2007*, or to order your copy in a variety of formats, please visit www.givingusa.org. Among other leaders in the nonprofit world, The Sharpe Group's president, Robert Sharpe, serves on the board of the Giving USA Foundation and is a member of *Giving USA's* Advisory Council on Methodology.



Assist Donors With Year-End Gift Planning

Experience reveals that most charitable gifts come in the final months of the year. Make plans now to reach a broad range of donors this fall with informational materials that encourage and explain a range of year-end gift planning options. The Sharpe Group has created four brochures for 2007 that explore ways donors may want to maximize their giving before the end of the year.

Offered in two attractive designs, “**Giving at Year-End**” reviews the advantages of funding gifts using not only the most common form of property—cash—but also other assets such as appreciated property and retirement plans.

“**Giving Thanks at Year-End**” emphasizes the theme of Thanksgiving and may, therefore, help motivate charitable gifts prior to the busiest December holiday season.

“**Giving Before December 31st**” highlights the importance of arranging and completing one’s gifts before the end of the year. This brochure may be especially useful as a supplement to communications with donors late in the year.

As always, these publications may be personalized with your logo and contact information on the front

and/or back covers. Or, if you prefer a completely customized brochure, our creative team of editors and graphic designers can work with you to create a piece just for you.

See www.sharpenet.com/yearend to see each year-end brochure in its entirety. To place an order or for more information, please call a Sharpe representative at 1-800-238-3253.



Spotlight the Benefits of IRA Gifts for 2007

Congress may or may not act to extend the charitable IRA rollover provisions of the Pension Protection Act of 2006 into future years. Regardless of Congress’ future decision on this matter, the fact remains that PPA benefits are still in effect for IRA gifts made before December 31, 2007.

Tell your donors about the following opportunities that continue to be available through the end of the year:

- Those over 70½ who make charitable gifts directly from traditional or Roth IRAs can do so tax-free.
- Donors may give all or a portion of their mandatory IRA withdrawals—up to \$100,000.

- If eligible donors are not able to itemize their tax deductions, they can give directly from their IRA and gain the same benefits as if their gift was fully deductible.
- Gifts of this type will not increase a donor’s adjusted gross income and, therefore, will not subject Social Security income they may be receiving to higher tax levels.
- Those whose retirement assets are in other plans, such as a 401(k), may be able to transfer assets to an IRA and then make their charitable gifts.

Don’t assume your donors are aware of the benefits of IRA giving that are set to expire at the close of

2007. Make plans to remind them well in advance of the year-end deadline about the advantages of funding their gifts with IRA assets. Consider providing your constituents with the informative brochure titled “**The Charitable IRA.**”

To view “The Charitable IRA” brochure, visit www.sharpenet.com/irarollover. Or call 1-800-238-3253 to speak with a Sharpe representative about planning a mailing that highlights this year’s continuing IRA rollover benefits.

Sharpe Gift Planning Seminars

For over 40 years, development executives have turned to The Sharpe Group for premier training. If you want to increase your awareness of gift planning techniques and help your program reach its full potential, there is still space available in the following Sharpe Training Seminars:

September

Major Gift Planning

New York

September 13-14

October

An Introduction to Planned Giving

Tampa

October 29-30

November

An Introduction to Planned Giving

San Francisco

November 28-29

December

Integrating Major and Planned Gifts

Washington, D.C.

December 3-4

Registration is always limited to allow for more interaction between participants and instructors. Previous seminar presentations have sold out. Register early to ensure your spot.

For more details or to register, call 1-800-238-3253 ext. 5313, or visit www.sharpenet.com/seminars.



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