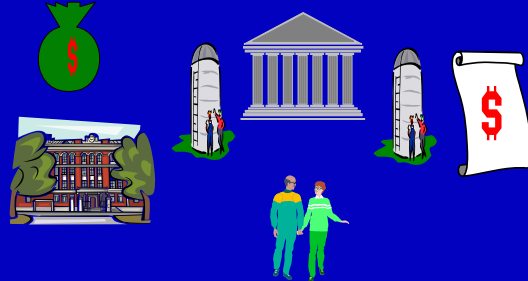


PLANNED GIFTS IN A DEVELOPMENT PROGRAM

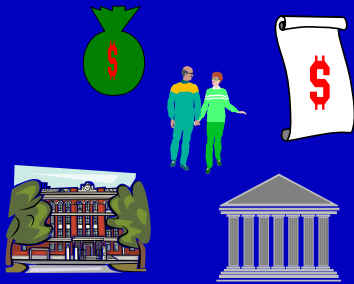


Al Zimmerman, CFRE, CSPG
Executive Director
Northwest Christian
Community Foundation

Planned Giving in the past



Planned Giving & Well-rounded Development Program



Planned Giving & Well-rounded Development Program

- Good fundraising focuses on the donor & his/her passion.
- Good fundraising takes an interdisciplinary approach.
- Good development officers cannot afford not to understand planned giving.
- Many development programs have combined major & planned giving positions.

A **planned gift** is any gift of any kind for any amount given for any purpose -- whether given currently or deferred, if the assistance of a professional staff person, qualified volunteer, or the donor's advisor is required to complete the gift. In addition, it includes any gift which is carefully considered by a donor in light of estate & financial plans.

- Robert Sharpe Jr.



Planned giving is the integration of sound personal, financial, and estate planning concepts with the individual donor's plan for lifetime or testamentary giving.

DEFERRED GIFTS

Charity's benefit deferred, donor benefits immediately in some way.

LIFE INCOME GIFT PLANS

Provide an come for the donor for life or for a term of years.

PLANNED GIFTS

are

SPLIT INTEREST GIFTS

Income
Interest

Remainder
Interest

Charitable Remainder Trust

Income
Interest

Remainder
Interest

People
Donors or Others

Charity

Charitable Lead Trust

Income
Interest

Remainder
Interest

Charity

People
Donors or Others

Key Definitions

- **Capital gain or loss** -- profit or loss resulting from sale or disposal of a capital asset.
- **Ordinary income** -- rent, royalties, interest and dividends.
- **Face value** (initial value) -- established FMV at time of the gift.

Key Definitions

- **Fair Market Value** -- price a knowledgeable buyer would pay for the asset to knowledgeable & willing seller.
- **Present Value of Remainder Interest (IRS Deduction Value)** -- the value (in today's dollars) of the remainder of a gift that will flow to a charity sometime in the future. Donor's income tax deduction.

Key Definitions

- **Applicable Federal Rate (AFR)**
Charitable Midterm Federal Rate
\$7520 Rate -- monthly discount rate used in gift calculations. Based on 120% of the federal midterm interest rate as published each month.

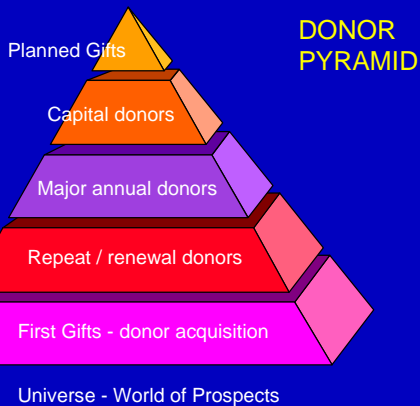
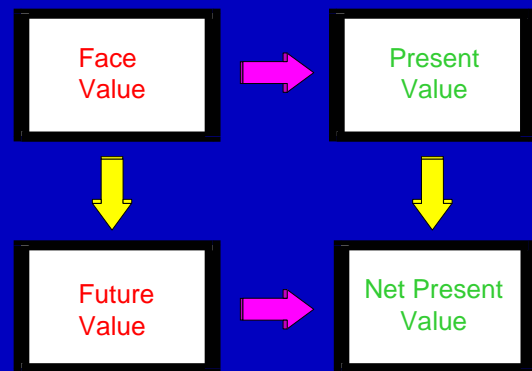
PATH OF THE \$7520 RATE

March, 2000	8.2
March, 2001	6.2
September, 2001	4.8
October, 2007	5.2
March, 2008	3.6
October, 2008	3.6
March, 2009	2.4
October, 2009	3.2

Recent AFR rates have been lowest in history.

Key Definitions

- **Future Remainder Value** -- the value (in tomorrow's dollars) of the remainder of a gift that will flow to a charity in the future. Calculated estimate based on assumed investment earnings.
- **Net Present Value (NCPG Present Value)** -- the value (in today's dollars) of a future gift, including growth in value of the principal. Future value discounted to today's dollars.



PLANNED GIVING & DEVELOPMENT PROGRAM

- Every donor can make a bequest.
- Some planned gifts require smaller investment.
- Many donors have appreciated assets.
- Successful development is discovering the donor's passion & helping donor make the best gift.
- Focus on the needs & priorities of the donor.

Why people create planned gifts?

- 1 Meet the need for significance & meaning.
- 2 Provide support for charities that are meaningful to the donor.
- 3 Receive significant tax savings.
 - Income tax savings
 - Capital gains tax savings
 - Estate tax savings

Why people create planned gifts?

- 4 Increase the donor's spendable income.
- 5 Eliminate estate problems.

The Gift Planning Encounter



Focus on the Donor

Start by seeking to understand the donor/client.

The Gift Encounter

What are your needs?

- Increased retirement income.
- Reduce current income tax.
- Provide assets / income for heirs.
- Reduce estate or move assets out of estate.
- Avoid capital gains taxes.
- Turn appreciated asset into income.
- Gift to charity.

The Gift Encounter

- What are your desires? What would you like to do?
- What assets do you have to work with?
 - Cash, securities, real estate.
- Develop the plan.
- Transfer assets via the gift plan.

Ameriprise Financial Advisors
People buy services or products because they and their problems are understood by the seller.

Planned Giving Officers
Donors make planned gifts because they feel that they & their needs are understood by the organization's representative.

Principles of Need-based Presentation

- Process built around a trust bond relationship.
- People become planned gift donors because representative understands needs & desires of the donor.
- People strive to make their own decisions.
- Imposing a gift brings resentment.



Keys to PG Success

- Continually be prospecting.
- Keep needs of donors foremost in mind.
- Focus on service to your donors.
- Give special attention to seniors.



Keys to PG Success

- Your current donors are your best prospects.
- Emphasize your charity's mission.
- Remember planned giving is donor-centered.
- Look for connections.
- Be patient.
- Continually be marketing.