



GIFT PLANNING
DEVELOPMENT

Donor-Centered Gift Planning Marketing

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History of Gift Planning

■ In The Beginning

-Deferred Giving Programs

- Asked loyal supporters to provide for charity through their will
- Some offered charitable gift annuities
- Focus was gifts in support of charity at death of lifetime donor

History of Gift Planning



■ After the 1969 Tax Act

-Planned Giving Programs

- 1969 Tax Act made additional deferred giving options, such as the charitable remainder trust available
- Focus moved to the selection of the right charitable giving vehicle or tool

History of Gift Planning



■ Today

-Gift Planning Programs

- Focus shifts to using charitable gifts to integrate donors' philanthropic goals with their overall tax, estate and financial planning needs
- Donor-centered, rather than gift timing or gift vehicle centered approach
 - Relationships
 - Mission
 - Impact
 - Outcomes

History of Gift Planning



■ Today

-“Charitable gift planning is the **PROCESS** of cultivating, designing, facilitating, and stewarding gifts to charitable organizations.” -NCPG

-Charitable gift planning:

- uses a variety of financial tools and techniques for giving,
- requires the assistance of one or more qualified specialists,
- utilizes tax incentives that encourage charitable giving, when appropriate, and
- covers the full spectrum of generosity by individuals and institutions, and is based on powerful traditions of giving in the United States.

Break the Mold



■ Promote a donor-centered gift planning process

-Stop sending out materials selling gift vehicles

-Stop selling tax benefits

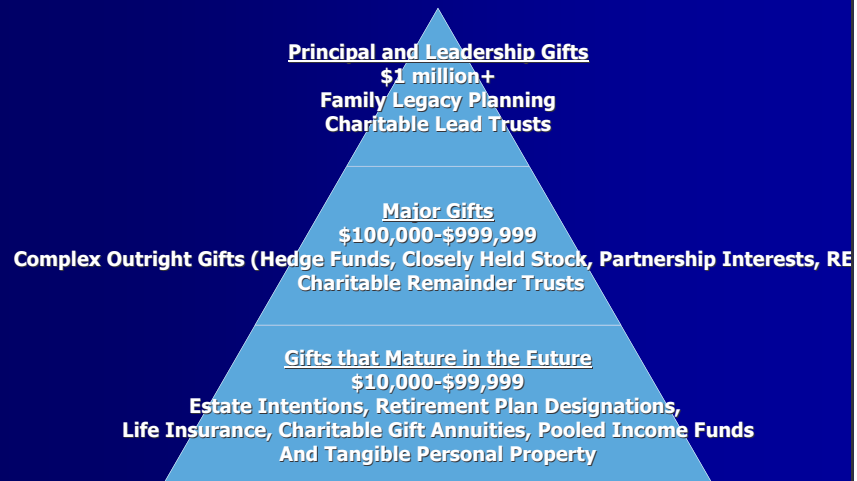
-Redefine your pool of prospects based on affinity, rather than wealth or age, using the **NEW** gift planning pyramid

■ Create a sub-brand within your charity’s brand

The Gift Planning Pyramid



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Marketing With a Donor-Centered Approach



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- Build your marketing program using moves-management steps
 - Identify
 - Educate
 - Cultivate
 - Solicit
 - Negotiate/Close
 - Steward



Question and Answer Session 1



Identify Prospects

How do I find gift planning prospects?

- Is there such a thing-doesn't this just create a silo mentality?
- You already know them well
 - Consistent annual fund donors
 - Engaged board members and volunteers
 - Those closest to your organization

Identify Prospects



Clarifying Conventional Wisdom

- Shouldn't I be talking to OLD people?
- Shouldn't I be talking to WEALTHY people?
- What about people who attend our events?
- Are electronic screenings effective?

Educate Prospects



Make Donor-Centered Info Broadly Available

- Existing Publications
- Existing e-publications—consider a gift planning “tip of the month” in e-newsletters
- Existing pledge cards
- Website
- E-brochures
- Receipt Stuffer
- Educational Seminars
- Radio Spots

Educate Prospects



Use Donor-Centered Messaging

- Crafting Your Legacy
- Unlocking Value in Your Existing Assets
- Using Your Real Estate Creatively
- Increasing Your Retirement Income
- Providing Income to Your Elderly Parents
- Paying for College for Your Children or Grandchildren
- Maximizing Your Children or Grandchildren's Inheritance
- Creating a Family Vision and Multi-Generational Plan

Cultivate Identified Prospects



Prospect Visits

- Still the best way to cultivate prospects
- Should be your top priority
- Set ambitious visit goals and then exceed them
- Mailings and marketing do not drive legacy gifts
- Use visits to get to know prospects' personal planning and philanthropic objectives so you can match them to your mission and create donor-centered gift plans

Cultivate Identified Prospects



- Brochure Program
 - Use print materials or e-brochures as a first contact or when you cannot meet with an interested prospect
 - General Brochure – Stand alone piece to deliver a comprehensive but generalized description of personal planning opportunities
 - Specific Brochures – Series of brochures to provide more detailed information on the personal planning objectives. Include both charitable and non-charitable solutions, or references on where to find non-charitable information
 - Packaging – delivery mechanism

Cultivate Identified Prospects-Gen. Brochure



Cultivate Identified Prospects-Gen. Brochure



GIFT PLANNING DEVELOPMENT



GIFT PLANNING SOLUTIONS TO COMMON FINANCIAL PLANNING CHALLENGES

As charitable gift planners, we often hear from generous friends and alumni of the University that they would like to make a gift, but cannot do so due to personal circumstances. Over the years we have developed charitable giving techniques to help solve the most common of these challenges, and have in-depth materials we can share with you and your advisors to allow you to meet both your personal planning and charitable giving goals.

GIFT PLANNING-HELPING YOU MAKE A DIFFERENCE | 3



HOW CAN I...

... Increase My Income In Retirement?

This is a common question from Penn's friends and alumni. It comes from individuals in their 40s and 50s, who are "maxing out" their qualified retirement plan and IRA contributions and wish to save more in a tax-advantaged way. It comes from those who have already retired and who simply want to increase income from their existing stock portfolios. Many solutions exist, from a charitable gift annuity paying guaranteed income, to a special tax-advantaged charitable trust for younger donors.

... Pay for College for My Children or Grandchildren?

With college costs continuing to increase, planning to pay for education is an important part of any financial plan. We can provide you with detailed information on both charitable and non-charitable ways to help meet this need, from the College Gift Annuity to selecting a Section 529 Education Savings Plan.

GIFT PLANNING-HELPING YOU MAKE A DIFFERENCE | 6

Cultivate Identified Prospects-Spec. Brochure



GIFT PLANNING DEVELOPMENT

THE PLANNING NEED: INCREASING RETIREMENT INCOME

Integration, coordination, service, benefit

MAKING HISTORY
THE CAMPAIGN FOR PENN
Office of Gift Planning
www.giftplanning.org

With increasing life-expectancies and looming questions about the long-term stability of Social Security and company pension plans, each year Penn receives a large number of requests for information about supplementing retirement income. Alumni continue to realize the need to plan for enough income in retirement to maintain our lifestyle and pay for other important needs, such as long-term care. With recent changes to Federal laws regarding retirement plans, you now have more options than ever as you consider how planning for and managing your assets in retirement will fit into your overall tax, estate, financial and charitable planning.

INCREASING RETIREMENT INCOME

Creative Charitable Options

Many alumni, parents, and friends of the University of Pennsylvania ask us how they can integrate their support for Penn with their desire to increase their income in retirement. Fortunately, there are several creative charitable options available to help do this.

Pre-Retirement Planning
I currently "max out" my contributions to my company 401(k) retirement plan and my IRAs. How can I save additional money for retirement, so my retirement income will continue to grow?

For individuals who fully fund their tax-advantaged qualified retirement accounts each year, but want to save additional amounts during their peak earning years for a growing income in retirement, the University offers the Penn Retirement Annuity. In exchange for your gift commitment of at least \$20,000 per year for five years, the Penn Retirement Annuity allows you to avoid capital gains tax and receive supplemental retirement income, all while making an exceptional gift to support the University at your giving.

EXAMPLE: John W. '77 and Annick (2017) currently save the maximum amount allowed by John's pension plan and Annick's 401(k) plan, and also contribute to IRAs. They would like to make a significant gift to support the

The Planning Desk: Increasing Retirement Income | 1

I retired some time ago and invested in government bonds that are now maturing. How bonds are paying at such low rates that I will see a substantial decline in income. Penn is going to get the remainder of my estate when I pass so is there a way I can give you Penn funds now and maintain or increase my income?

The Penn Retirement Gift Annuity is a simple way to supplement your retirement income with guaranteed income, while supporting Penn in the future. With a minimum gift amount of \$10,000 and no market risk, it is a convenient way to add to your retirement income as funds are contributions of deposit mature.

EXAMPLE: Regina, age 61, would like to have a gift to support the School of Veterinary Medicine through her will, as graduates have always cared for her pets with kindness and compassion. She consults with her estate planning attorney, who suggests that because she has several CDs maturing, she may want to consider a Penn Retirement Gift Annuity. Not only will it provide a gift to support the Vet School at Regina's death, it will also increase her current income from \$400 to \$700 and provide her an income tax charitable deduction this year. Best of all, the income is guaranteed for life, so she will not have to worry about investing these assets over again, and she has the comfort of knowing she has provided for the Vet School.

Maximum gift annuity rates vary depending upon life expectancy (as of the birthday last of the annuity and donor's period). Contact us for a retirement example that applies to your situation.

Traditional, Non-Charitable Options

The government continues to provide a wide array of incentives for retirement savings. For individual plans, including Traditional IRAs, Roth IRAs and SIMPLE IRAs, consult IRS Publication 199. For small business plans, including defined benefit plans, 401(k) and new Roth 401(k) plans, consult IRS Publication 560. If you have access to a tax-deferred annuity plan, also known as a 403(b) plan, consult IRS publication 771. These publications and other information about retirement savings plans can be found at <http://www.irs.gov/efile/pub/efile.html>.

We stand ready to assist you and your advisors as you integrate your charitable giving plans with your overall tax, estate and financial planning.

The Planning Desk: Increasing Retirement Income | 2


Cultivate Identified Prospects



- E-brochures
- Reply/Pledge Cards
 - Consistent language across charity
 - Use on all reply/pledge cards
 - Use same donor-centered titles that you use for your inserts
- Donor-centered web content

- integration, collaboration, service, benefit -
"The used key is always bright."
- Benjamin Franklin


OFFICE OF GIFT PLANNING, UNIVERSITY OF PENNSYLVANIA



Welcome
Meet Our Donors
Harrison Society
UNIVERSITY OF PENNSYLVANIA
Gift Planning Tools
Legacy Planner™
Goals & Benefits
Gift Plans »
Compare Gift Plans
Assets to Give »
Newsletters
Gift Calculator
Frequent Questions
Glossary
Request Information
Contact Us
Today's Tip!
Supporting Penn
New!
Personal

ABC Increase AB Decrease Print Share

Discover the Benefits of Giving Wisely




Planned gifts provide the resources that create extraordinary opportunities and preserve Penn's future.

The programs of the University of Pennsylvania depend upon your goodwill. To that end, there are a myriad of easy giving options from which you can choose – from naming Penn as a beneficiary in your will to a more complex trust arrangement.


We've created this easy-to-understand website to tell you about creative giving strategies – strategies that enhance you and your family's well being, as well as Penn's.

If you're already considering certain giving options, simply click on [Compare Gift Plans](#) and choose the gifts you want to learn more about.

LEGACY planner™



If you're not sure on how to proceed, try our [Legacy Planner™](#). This planner helps you design your own gift plan – it's interactive and fun to use!



Make a gift that pays income for life.

[read more]

Legislative Update
New Tax Incentives for IRA Giving

Cultivate Identified Prospects



■ Professional Advisors Network

-Attorneys, accountants, financial planners, estate and investment professionals, philanthropic advisors, family offices, trust officers, and life insurance agents

-National or local depending upon your charity

-Reasons to create a network:

- Referral network for prospects who need advisors
- Resource to draw upon for state specific questions
- Conduit to pass gift planning information to advisors
- Potential supporters of your charity

Cultivate Identified Prospects



■ Professional Advisors Network

-Create a Resource Binder (print or electronic) including:

- general information about your charity and its mission
- donor profiles
- descriptions of personal planning objectives and tools available to help meet them
- sample bequest language
- technical information on gift and estate tax implications of gift types
- contact information

-E-mail distribution list for providing updates

Soliciting Prospects



- Visits
 - In-person conversations are the best way to solicit gifts
 - Visits are required at the top and middle levels of the pyramid;
 - Mailed and e-mailed solicitations are designed to close gifts at the bottom of the pyramid or get prospects to self-identify from the middle and top of the pyramid
- Telephone Calling Program

Soliciting Prospects



- Postcard Mailings
 - 5-6 postcard messages throughout the year
 - Start with the entire identified list
 - Highlight mission and impact
 - Different versions for different units of your charity
 - Emphasis on personal planning needs
 - Do not sell or market gift vehicles
 - Drive traffic to your toll-free number, website, or via response card

Soliciting Prospects



- Postcard Mailings
 - Time messaging to donor-centered planning opportunities
 - Sept. 15 - Increasing Retirement Income (Treasury bonds mature in October)
 - November 1 - Unlocking Value in Your Existing Assets (Year-End)
 - January 1 - Estate Intentions/Retirement Plan Designations (New Year's resolutions)
 - March 1 - Increasing Retirement Income (April 15 tax planning is underway)
 - May 1 - Estate Intentions/Retirement Plan Designations (most wills are drafted prior to summer travel and beneficiary designations are reviewed at fiscal year end)

Soliciting Prospects



Looking for ways to increase your retirement income?

University of Pennsylvania
Claire M. Fagin Hall
418 Curie Boulevard
Philadelphia, PA 19104

Non-Profit Organization
U.S. Postage
PAID
Ceresbroscocks, PA
Permit No. 84

Where your legacy will endure



WHERE SCIENCE LEADS THE CAMPAIGN FOR PENN NURSING

Soliciting Prospects



The retirement gift annuity may be the right answer for you.

Retirement Gift Annuity

Here are some of the benefits:

- Supplement retirement income and support a cause you love
- Guaranteed annuity income for life
- Highly attractive annuity rates
- Part of your annuity income will be tax-free
- Capital gains tax savings on appreciated property you donate
- A tax deduction now for your gift
- The remaining principal goes to the area you support when the contract ends

Not yet retired? Consider a Penn Deferred Payment Gift Annuity. You choose the date you want to begin payments and benefit from tax-free accumulation and guaranteed supplemental retirement income.

Sample Rate Chart for a \$25,000 Gift Annuity on a Single Life

Annuitant Age at Gift	Age 65	Age 70	Age 75	Age 80	Age 85
Annuity Rate	6.0%	6.5%	7.1%	8.0%	9.5%
Charitable Deduction*	\$10,328	\$11,068	\$12,021	\$12,982	\$13,686
Annual Payment	\$1,500	\$1,625	\$1,775	\$2,000	\$2,375

*Deduction will vary slightly with changes in the IRS Discount Rate. Assumed rate 6.2%.

PLEASE NOTE: Charitable Gift Annuities are not investments or insurance and are not regulated by the insurance department of any state.



For more information please contact:

Ms. Wylie Thomas
 Assistant Dean for Development & Alumni Relations
 215.898.5089
 wthomas@nursing.upenn.edu
www.alumni.upenn.edu/giftplanning

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Soliciting Prospects



Looking for ways to increase your retirement income?

Penn Graduate School of Education
 3700 Walnut Street
 Philadelphia, PA 19104-6216

Non-Profit Organization
 U.S. Postage
 PAID
 Conshohocken, PA
 Permit No. 84

Where your legacy will endure



Soliciting Prospects



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- As program evolves, subdivide the list based upon particular characteristics and opportunities
 - Women
 - Same gendered couples
 - Singles
 - Married no kids
 - Generational cohorts
 - Life transitions
 - Reunions or other cycles within your charity
 - Tax law changes

Soliciting Prospects



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CONSIDERING A GIFT TO WHARTON FROM YOUR IRA?



The Wharton School
Office of Gift Planning
344 Vance Hall
3733 Spruce Street
Philadelphia, PA 19104-6360

Non-Profit Organization
U.S. Postage
PAID
Combs/Bocken, PA
Permit No. 84



Creating futures.

Soliciting Prospects



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YOU NEED TO LEARN MORE ABOUT THE IRA CHARITABLE ROLLOVER



For more information contact

Greg Wolcott
The Wharton School, Office of Gift Planning
800.400.2948 or 215.898.1638
wolcott@wharton.upenn.edu

IRA Charitable Rollover

The Pension Protection Act of 2006 created a brand new tax-incentive to make gifts of up to \$100,000 per year to Wharton from your Individual Retirement Account (IRA).

You should consider an IRA Charitable Rollover if:

- You do not itemize deductions but make charitable gifts, OR
- You are required to take a distribution from your IRA that you just don't need, OR
- Your charitable gifts already equal 50% of your adjusted gross income, OR
- You are subject to the 2% rule that reduces your itemized deductions.

To qualify, you must be at least age 70 1/2 and have assets in an IRA or a qualified plan (401(k), 403(b), etc.) that can be transferred to an IRA.

To learn more, contact the Wharton Office of Gift Planning or visit www.wharton.upenn.edu/giftplanning and click on Legislative Update-New Tax Incentives for IRA Giving.

Don't miss out! This special tax incentive expires 12/31/2007.

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Question and Answer Session II



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Stewardship



- Must be consistent and comprehensive
- Allows for continuing relationship and engagement after the gift closes
- Starts cultivation for next gift

Stewardship



- Legacy Society - A special recognition society to celebrate meaningful gifts that create enduring legacies.
 - Society should have its own brand, a special keepsake and brochure describing its history and purpose.
 - The list of members should be published whenever possible and in all donor recognition vehicles.

Stewardship



■ Events

- Annual event at a location where you can provide real life examples of the benefits matured gifts have produced
- Special tent or gathering spot for members at other existing events (i.e. alumni or homecoming weekends at higher education institutions or galas for hospitals)
- Special treatment at events (i.e. wear a special medallion or pin, preferential seating or parking)

Stewardship



■ Newsletter

- For stewardship, NOT solicitation
- No detailed descriptions of CRTs, CLTs, etc.
- Include donor profiles
 - Show motivation for and impact of gift
- Include articles that are genuinely helpful to the donors, such as “important documents in your estate plan” or “how to arrange your affairs before you travel overseas”

Stewardship



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■ Newsletter

- Give donors a chance to write in and share their views
- Provide tax updates on both non-charitable and charitable changes to the law
- Foster the relationship with your gift planning staff, but don't get too personal
- Send it to all Society members, plus anyone who has inquired about a Society qualifying gift in the last 3-5 years. It keeps you front of mind in a service-oriented way

-integration, collaboration, service, benefit-

"The used key is always bright."

FROM THE UNIVERSITY OF PENNSYLVANIA HARRISON SOCIETY ~ AUTUMN 2006

Letter from the Executive Director

WELCOME to the first edition of *The Used Key Is Always Bright*, the official newsletter of the Charles Custis Harrison Society of the University of Pennsylvania. Two years in the making, this newsletter replaces the retired *Partners in Penn's Future*, which many of you have received in the past.

Aside from the obvious alterations in title, size, colors and layout, *Key* is designed to provide Harrison Society members and those who have expressed an interest in gift planning at Penn with helpful financial planning information from experts in the field, tax law updates, information on past and future Harrison events, and stories of how other members have used gift planning. This is a fundamental shift from the focus of *Partners*, which sought to provide detailed information about specific gift planning vehicles. With the introduction of our new, updated website, www.alumni.upenn.edu/giftplanning, which provides detailed gift planning vehicle information in a format that is constantly available, searchable and interactive, *Partners* was no longer needed.

This change follows a shift in the purpose of the Office of Gift Planning at Penn. In the past, our role has been to provide information about specific gift planning vehicles and assist generous donors in creating gift planning arrangements such as charitable gift annuities, charitable remain-

[THINK AHEAD]



UPCOMING EVENTS

Save the Date!
Harrison Society Annual Luncheon
April 18th, 2007
12:00 p.m. to 2:00 p.m.
Penn Law's Levy Hall

Alumni Weekend 2007
May 11th-14th

Stewardship



- Birthday Card Program
- National Philanthropy Day/Thanksgiving Day/Holiday Card program
- Check Stuffer - similar to the receipt stuffer, to encourage donors to consider adding to their legacy gift when they get each payment from a life-income gift

Conclusion



- Gift planning is a process of creating more and better charitable gifts
- Gift planners need to use donor-centered marketing and stewardship efforts to encourage these gifts
- Donor-centered gift planning puts the needs of the donor first and focuses on relationships, mission, impact and outcomes, rather than tax advantages and gift vehicles
- The best gifts, at the top of the new gift planning pyramid, result from visits and personal attention to donors, not marketing materials
- Stewardship of your best donors is vital to a healthy gift planning effort.

Conclusion



■ Question and Answer Session III

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