



Is Planned Giving Right for You?

Should a small nonprofit organization get involved in planned giving?

Q:

What exactly is planned giving? Is it appropriate and worthwhile for small nonprofits? How would a small nonprofit get started in planned giving?

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A:

Planned giving is a form of fundraising in which donors receive tax and financial advantages in exchange for their contributions, while benefitting the charity as well. It includes such types of gifts as life insurance, real estate, pooled income funds, gift annuities, charitable remainder trusts, charitable lead trusts, bequests, and the simplest form of “planned gift”—the outright major gift.

While small nonprofits often shy away from planned giving, thinking it is only appropriate for large organizations, that is not true. Planned giving can be very worthwhile for small nonprofits.

There are many benefits to a planned-giving program. Organizations usually receive much larger gifts when they have such a program. A planned-giving program also builds a base of loyal

donors. But such a program does require incorporating a sophisticated, estate-planning approach to gift solicitations.

For specific steps to take, see the articles in the “Fundraising” category on the Society’s Web site or on its *Nonprofit World CD-ROMs* (visit www.snpo.org or call 734-451-3582), especially articles by Debra Ashton. As detailed there, a small nonprofit can have the solid beginnings

of a planned-giving program within 60 days by following three simple steps:

1. Retain legal counsel. You will need an attorney to handle the logistics and help you with details of planned giving.

2. Start a bequest society. Write to your donors, asking about their bequest intentions and letting them know that they can receive tax benefits while helping your organization through their bequests.

3. Include a planned-giving check-box on all your mailings. Have people contact your organization for information on five types of planned gifts: endowed funds, securities, life insurance, bequests, and converting real estate to new income. Consult with legal, tax, and brokerage experts for details on handling these types of planned gifts. ■

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