Tips for Formalizing Legacy Commitments

(from *Formalizing Legacy Commitments – A Panel Discussion, May* 2021 Legacy Gathering)

WHY - *Dirk Bird, Vice President, Planned Giving & Endowments and Managing Director, Total FRD, The Jewish Federations of North America.*

1. Provides additional detail to the fiduciary/organization to better enable you to steward the resources that donors are leaving for their intended purpose.
    1. Relevant provision
    2. Beneficiary designation
    3. Other
2. Helps to mitigate against gaps in communication with professional staff turnover at your organization.
3. Increases the likelihood of your organization receiving funds.
4. Deepens your relationship with donors as our advisory can play a primary role in the formalization process.
5. Is an important step in the overall planning process and helps to bring clarity to where all a donor's assets are being transferred.
6. Clarifies for donor's heirs exactly how much they are giving, to whom they are giving it, for what purpose, and through what vehicle.
7. Simplifies the planning process when all beneficiaries and vehicles may be evaluated.
8. Takes advantage of current tax law or future tax considerations.
    1. IRA
    2. Estate tax exemption
9. Gives donors the peace of mind that they have left a gift that will be protected.
10. Demonstrates the donor's values as to the importance of leaving a legacy by going through the process of formalizing the gift.

HOW - *Ed Beckwith, a Partner in the law firm of BakerHosteler based in Washington D.C*

1. Successful ***Philanthropic Planning*** is part of a comprehensive Private Wealth Plan.

2. The more the Donor knows about the Donor's assets and the vehicles available for giving the more the Donor will give.

3. The more the Philanthropic Planner (Legacy Team Member) knows the more the Donor will give.

4. All charities accept ***cash*** AND the amount of cash gifted to ***Public Charities*** like Federations that is currently deductible for income tax purposes is temporarily increased to 100% of the donor's adjusted gross income.

5. Gifts of ***marketable appreciated assets*** are a win-win for the Donor and the Charity.

6. Gifts of ***"hard to market" appreciated assets*** often provide the biggest benefits BUT they require more work and expertise.

7. A ***bargain sale*** can unlock significant value.

8. Donors can give away the tree but keep the fruit for themselves:

    a. ***Charitable Remainder Trusts*** (CRTs)

    b. ***Charitable Gift Annuities*** (CGAs)

    c. ***Pooled Income Funds*** (PIFs).

9. AND they can give away the fruit BUT keep the tree for the family with ***Charitable Lead Trusts.***

10. Always provide Donors with a ***contemporaneous written acknowledgement.***

GIFT RECEIPT - *Fredrick Weber, Senior Wealth Advisor, National Estate Settlement Services Practice with Northern Trust based in Chicago*

1. Meaningful legacy discussions must be part of an ongoing conversation between and among donors; their families; their professional advisors; their fiduciaries; and their beneficiaries.

2. Having documentation of a donor's commitment provides a greater chance you will receive their gift.

3. Do you have documentation showing the gift has been legally put in place? A legacy gift confirmation form? Copy of will, trust, beneficiary designations? If not, who in your organization or at the Federation or Jewish Community Foundation can help you secure these documents?

4. Have you encouraged the donor to share information about their legacy commitments with their family and other beneficiaries?

5. If the donor is hesitant to do so, might someone at the Federation or Jewish Community foundation, be able to help facilitate such a meeting, or a series of meetings so heirs are aware of the commitments made in advance of the donor passing?

6. Do you know who has been nominated to act as the donor's executor/personal representative/trustee? Is this information included in the documentation the donor has provided? If not, who in our organization or at the Federation or Foundation can help you secure these documents?

7. For beneficiary designations, do you have the name and key contact information for the insurance company or financial services provider on either the legacy gift confirmation form or other documentation provided? Discuss the difference having this information will make.

8. Have you encouraged the donor to talk to their family members about their legacy commitment and others who are key stakeholders in their estate plan?

9. Family members, beneficiaries, fiduciaries, and advisors often have lots of questions following a death. Answering any or all of these questions while the donor is still alive is far better than surprising everyone after the funeral.

10. It can also make the post-death administration process go much more smoothly for everyone who will be mourning the loss of the donor – and ensure that the donor's philanthropic wishes come to fruition.

STEWARDSHIP - *Ellen Frank, Director of Donor Relations for PJ Library at the Harold Grinspoon Foundation*

1. Back to basics
   a. Thank them, quickly!
   b. Notes, phone calls, etc.
   c. Think about who is doing the thanking – Board members, staff, other
2. What are your standard, systematized steps?
   a. For each step of formalization, but also, going forward, what do they get every year?
   b. importance of integrating into overall organizational culture – and organizational calendar so becomes part of their operations
3. Keep stewarding them
   a. This gift is not irrevocable!
4. Think about who comes next
   a. Who will you steward after the donor's lifetime?
   b. Opportunity to ensure that donors are talking about details with their next of kin
5. Get creative
   a. Amaze, Dazzle, Inspire! Make them feel great. Care, Share, Honor – invitations, etc.
   b. Fun examples – mission specific, donor centric
      i. Box sets of foreign language books
      ii. Book of photos of Mimi's garden
      iii. Put your own examples in the chat
6. Don't forget that you are helping them to realize what they care about
   a. The ask should be the easiest part of the cultivation and solicitation process – same here