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Advancing the Philanthropic Conversation

THE AMERICAN COLLEGE OF FINANCIAL SERVICES®

THE NEW GIFT PLANNING STANDARDS IN CONTEXT

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The National Association of Charitable Gift Planners (NACGP) has now launched its comprehensive Gift Planning Standards, or GPS. These codify the institutional conditions needed for sophisticated gift planning – the kind of work you do as a CAP® – to succeed.

Those of you who are nonprofit gift planners know very well that what works with high-capacity donors is connecting with them over time, so that they feel heard and valued, as partners in an important enterprise. You also know that the process of eliciting the largest gift of a lifetime cannot be rushed. It is not a sales job; it is not a transaction; the donor is not an ATM. Yet, how well does your supervisor understand this? The head of Advancement? The Comptroller? The Board?

Many nonprofits today, probably including your own, are driven to emphasize short-term results, even at the expense of longer-term success. Demands are made and metrics are put in place to support transactional gifts that bring in much-needed cash today, even if this means missed opportunities for larger gifts, which take more time.

Two mega-trends here are in tension: the inescapable need for a nonprofit to bring in "right now" money to maintain solvency, and the opportunity to secure immense, but complex and deferred, gifts offered by the largest wealth transfer in history.

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MISSION

To provide fundraisers and advisors with a common body of knowledge and a common credential, enabling them to collaborate effectively at the planning table when the client's legacy is planned.

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Demand 1: Maintain Solvency

Many nonprofits today, even more than in years past, have cash-flow issues, as you well know. These difficulties have only been exacerbated by the COVID-19 crisis and its economic fallout. Many boards, contemplating the bills coming in, demand payback within a single budget year. It is challenging, to say the least, to build a strong relationship with a donor and a sense of partnership while making a one-interview "ask."

Demand 2: Capitalize on the Largest Wealth Wave in History

"Where there is death there is hope."
- an old Irish saying

With the leading edge of the Boomers now age 73, never has there been more hope for securing planned gifts, including legacies. As Boomers, who hold most of the nation's wealth, move through their mortality curve, some $30 trillion will pass to heirs and charities. In this, the single greatest wealth transfer in history, depending on how well gift planners do their job, charities may receive as much as $9 trillion.[1]

NAVIGATING TO GIFT PLANNING SUCCESS

Often, the legacy gift, given towards the end of life or via an estate, is the largest single gift the donor has ever made. In many cases, particularly with wealthier donors, it exceeds the sum total of all gifts made in a lifetime. No nonprofit wants to miss out. But negotiating and designing a planned gift is not easy, as planned gifts tend to be deferred, contingent, complex, and restricted. To get both the planned gift and also a significant current or campaign gift to keep the lights on today demands state-of-the-art strategizing and may be essential for the nonprofit's very survival – but doing so also requires both a well-trained gift planner and strong institutional support for the gift planning function.

That support must start at the top. You know this. So does the CGP Leadership Institute, which is why they have developed the Gift Planning Standards to help you tell the story ("make the internal case") to those in leadership positions in your organization.

LOOKING AHEAD

Check out the Standards. Ask yourself how you can bring these GPS to your organization as your leaders navigate these challenging times, which are also times of great opportunity. At stake are your job, the success of your department, the success of the organization, the fulfillment of your donor's highest aspirations, and, ultimately, the success of our communities and our country.

In this issue, you will learn how the Standards came to be, who was involved (which includes many of your fellow CAP®s), and how you can use the GPS to position your career and your organization for the brightest possible future.

[1] "Baby Boomer Report," *US News and World Report*, 2015 and Adam Bakhash, "The Millennial Wealth Transfer," *Forbes*, August 2018.

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AN INTRODUCTION TO THE NATIONAL STANDARDS FOR GIFT PLANNING SUCCESS (NSGPS)

The National Standards for Gift Planning Success (NSGPS) identify the elements essential to a successful, sustainable gift-planning program.

HOW THE STANDARDS WERE DEVELOPED

The Gift Planning Standards (GPS) originated in an effort by the National Association of Charitable Gift Planners (CGP) to develop universal metrics by which large, often deferred, gifts could be fairly and consistently counted within and among nonprofits. But the more those tasked with this challenge tried to develop such metrics, the more they realized that the nonprofit universe was so complex and diverse that it was impossible to devise any universal, fixed set of metrics through which gift planners could demonstrate their success.

And then, CGP Board Chair Kent Weimer recalls, those working on this project had an epiphany: rather than devise a prescribed set of metrics to quantify the success of a planned giving program, a far more useful approach would be to identify the factors that characterized successful gift-planning programs regardless of an organization's focus, size, location, or any other factor. A CGP task force of experienced gift planners examined the data and drafted the Standards. These were then refined by members of the CGP Leadership Institute, an organization of thought leaders in philanthropy who are among the country's most experienced, successful fundraisers, charitable planners, and gift-planning program managers.

KEYS TO GIFT PLANNING SUCCESS

Accompanying the sixteen Standards are checklists, assessment surveys to help you identify your organization's strengths and weaknesses, useful tools (e.g., model policies, procedures, and gift agreements), and extensive links to additional information. The Standards are organized into three overarching categories:

Support from the Top – The first seven Standards present the policies, structures, and metrics that encourage the long-term flourishing of a nonprofit's gift-planning program.

- Standard 1: The nonprofit has an easily accessed, compelling strategic plan, with clearly defined goals that board and staff review annually.
- Standard 2: The case for gift-planning is data-based and businesslike and is regularly reviewed.
- Standard 3: Fundraising responsibilities are clearly

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defined, with all fundraisers – not only planned giving officers – trained in planned gifts and expected to initiate a discussion of gift-planning in all donor conversations.

- Standard 4: The nonprofit has available to staff and donors detailed, documented policies regarding all aspects of gift valuation, administration, and counting.
- Standard 5: Management sets clear, realistic goals for fundraising staff that encourage internal cooperation and collaboration rather than competition.
- Standard 6: Fundraising performance metrics focus on activities that drive success, using benchmarks consistent with the performance of peer organizations.
- Standard 7: The development budget adequately funds staffing, administrative support, gift-planning software, and marketing efforts as well as the costs of donor identification, cultivation, recognition, and stewardship.

The Ability and Capacity to Execute – The next set of Standards cover the strategic deployment of staff and data.

- Standard 8: Staff are trained annually to use the donor data management system, which they use to log donor contacts as well as the count and valuation of all gifts.
- Standard 9: The organization's prospect management process – which fundraisers are trained to use individually and collaboratively - is designed to keep donor portfolios manageable.
- Standard 10: Development staff are disciplined about filing the organization's standardized donor reports, which are reviewed twice annually by managers.
- Standard 11: Development staff have detailed, current job descriptions and receive annual performance reviews, and all, upon hiring, are provided with orientation that includes gift-planning policies, procedures, and metrics.

Donor-Centric Engagement and Management – The last five Standards present strategies that connect donors to the organization's mission, to their mutual benefit.

- Standard 12: The case for both near-and long-term support for the nonprofit is visionary, current, and compelling, and is easily accessed by staff and donors.
- Standard 13: All donors and prospects receive gift-planning information to help maximize the donor's charitable impact and personal benefit. All staff are trained not only in planned giving tools and techniques but also in the ethics of charitable finance.
- Standard 14: Systematic, meaningful stewardship encourages donor retention and is included in fundraiser performance metrics.
- Standard 15: Gift-planning information is included in all marketing efforts, with all marketing messages audited for brand consistency.
- Standard 16: The nonprofit seeks to meet each donor's communication needs and tracks its success in doing so annually and systematically.

One of the most valuable aspects of the GPS is that it is not necessary for organizations to adopt all the Standards

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but they can choose which to focus on according to their individual circumstances. By using the assessments to identify the organization's weaknesses, the areas apt to yield the greatest benefit can be targeted for improvement.

THE GPS AS A TOOL FOR CAP®s

If you're a nonprofit gift planner:

As the Standards indicate, success in fundraising requires support from the top. Unfortunately, however, most other fundraisers as well as nonprofit leaders and board members are unfamiliar with planned giving tools and processes – problems these Standards can help solve:

- Sharing a copy of the Standards with your colleagues, supervisor, Executive Director, and/or Board can help them understand what you, your department, and the organization need to succeed in securing planned gifts;
- The Standards can show your colleagues and leadership how working collaboratively with other fundraisers in the organization can enhance the success of all;
- The assessments will reveal your organization's strengths and weaknesses, so that you and leadership can focus attention where it's most likely to reap rewards.

If you're a financial advisor:

- If you serve on a nonprofit board, an understanding of the Standards can help you assess the organization's ability to solicit, accept, and manage their largest gifts, enhancing your value as a board member
- By sharing the Standards with other nonprofit board members and encouraging/leading the adoption of these best practices, you can help the organization better pursue, secure, and manage its largest gifts.
- In working with a nonprofit gift officer, an advisor can help the donor give the most, with the least risk, and in the most personally fulfilling way. Knowledge of the Standards can help you recognize any weaknesses with respect to gift-handling of the donor's chosen charity and proactively address these

What we've presented is but a fraction of the information and resources you'll find at the website for the CGP Standards, charitablegiftplanners.org/donor-centric-engagement-and-management. Whatever your position at the philanthropic planning table, you'll find this resource rich with well-considered, practical guidance.

> "The Standards provide a roadmap that allows people to be nimble and flexible – to work with what they have in front of them, with what their organization will permit."
>
> **Donna M. Bandelloni**
> Senior Consulting Associate with the Heaton Smith Group

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Planned Giving Today is the leading publication in the field of gift-planning, delivering proven, practical guidance, marketing ideas, and actionable information for both the not-for-profit and for-profit planned giving communities.

This journal provides access to the insights of thought leaders in planned giving, and includes articles written by members of the CAP® team, including CAP® alumni and students.

Planned Giving Today subscriber and CAP® Program Director Phil Cubeta encourages you to join him as a subscriber to this journal: *"I have read Planned Giving Today for years. It is a valuable resource to the field and has shaped my own thinking. It is an honor to have articles from the CAP® team included in future issues. Planned Giving Today is a wonderful continuation of the learning journey not only for CAP®s but for all, across the disciplines, who shape significant planned gifts."*

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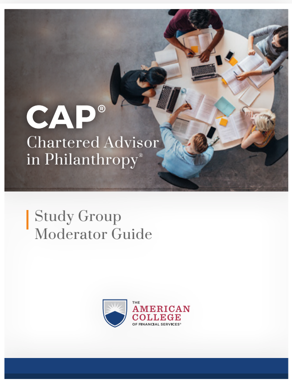

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