

GiveTake[®]

Ideas and Insights from Sharpe Group

It's About **Simple, Consistent Communication**

A Message From the CEO

With the global pandemic of the past few months, all of us have experienced the importance of relationships and the challenge of maintaining them when we can't be together face to face.

In my own life, my wife has been in an assisted living facility suffering from advanced Parkinson's disease. She is fortunate to receive cards and letters from long-time friends and family to help her stay connected, but she struggles to open the envelopes. Her failing eyesight makes it difficult to read these thoughtful and sincere messages. So, once a week on our date night, I gather the cards and letters and read the messages to her. These notes from long-time friends always make her days better.

It is clear to me that simple, consistent communication is essential to maintaining long-term relationships.

We all know one goal of a charity's stewardship program should be to treat donors like family. As part of a full communications strategy, consider adding easy-to-handle and simple-to-read postcards for your oldest donor segment. Envelopes can be difficult for older donors to open, and handwritten notes can be hard to read, just as they are for my wife.

A simple, large-format postcard with a short message, larger fonts and bright colors is inexpensive to print and mail, and those selected to receive the postcard can be segmented by gender, marital status and other selections. A piece with a fold-over flap that could be detached as a response card with prepaid postage is another excellent option.

Sharpe Group can recommend selection criteria as well as create the content, design and layout for these types of communications. During these unprecedented times, it's more important than ever to maintain donor relationships in the most effective and cost-efficient manner.

All the best,

Jim Ross

Chairman, CEO

Important Dates for 2020 YEAR-END FUNDRAISING



For all of us, fall is traditionally the busiest time of the year. This year, the final three months will be more critical than ever for charitable organizations that have been impacted by COVID-19 and the economic crisis. With hopes of a vaccine on the horizon, donors could have a more positive outlook this fall.

In addition, the *CARES Act*, set to expire December 31, has created incentives to encourage charitable giving.

Given the importance of year-end giving, several national events have been established to help nonprofits promote fundraising. These campaigns may help bring extra awareness to your fundraising programs.

National Estate Planning Awareness Week: October 19-25, 2020. This week offers an opportunity to partner with estate planners in your area to educate your donors about charitable bequests and other planned gifts that offer income and other financial benefits. Visit http://www.naepc.org/events/awareness_campaigns.

National Philanthropy Day: November 15, 2020. While your supporters should be recognized throughout the year, this day has been set aside to shine the spotlight on volunteers and donors. For more information, visit the Association of Fundraising Professionals' (AFP) site for this event at <https://afpglobal.org/NPDLove>.

#GivingTuesday: December 1, 2020. Coming shortly after Black Friday and Cyber Monday, Giving Tuesday encourages donors to add their favorite charities to their gift list. www.givingtuesday.org.

Year-End: December 31, 2020. The charitable giving deadline for the roughly 20 million taxpayers who itemize charitable gifts is traditionally one of the most popular days of the year for online and direct mail gifts.

Increasing year-end giving

Act now to ensure your communications plan is designed to maximize year-end giving. A successful fundraising strategy in the last three months of the year could make a real difference in your final fundraising numbers, especially when overall giving is predicted to decline in 2020.

Contact a Sharpe Group consultant for information on creating an effective year-end communications plan, including a printed brochure to rise above the chatter of eMarketing and get your donors' attention as they are planning their 2020 contributions.

Sharpe Group offers multiple options to create personalized year-end brochures in 2020. Choose from our selection of copy and cover images that align best with your fundraising strategy. You can also upload your own image to further brand the cover and back panel. For more information, visit www.SHARPEnet.com/year-end-giving-communications-2020. ■

ACGA Announces NEW SUGGESTED CHARITABLE GIFT ANNUITY RATES

The American Council on Gift Annuities (ACGA) recently announced new suggested maximum charitable gift annuity rates, effective July 1, 2020.

Generally, the recommended payout rates have been lowered by 0.3 to 0.5 percentage points, based on the donor's age. This translates to a very slight reduction in the overall payment amount.

To the right is a chart for suggested single life rates for ages 55+. The full charts are available at acga-web.org/gift-annuity-rates.

Featuring a team of volunteer professionals active in the field of planned giving with some of America's most well-respected charities, the ACGA's mission is "to foster the success of charitable gift annuity programs at charities nationwide through the promulgation of suggested maximum gift annuity rates, education, research, monitoring state regulations, advocacy, and other activities that promote good gifts for nonprofits and their donors."

The organization's suggested maximum rates have long been recognized by charities, donors, state insurance departments and the IRS as being actuarially sound and in the best interests of all parties involved. ■

ACGA Recommended Gift Annuity Rates Effective 07/01/20

Age	Rate	Age	Rate
55	3.7%	73	5.1%
56	3.7	74	5.2
57	3.8	75	5.4
58	3.8	76	5.6
59	3.9	77	5.8
60	3.9	78	6.0
61	4.0	79	6.2
62	4.0	80	6.5
63	4.1	81	6.7
64	4.2	82	7.0
65	4.2	83	7.2
66	4.3	84	7.4
67	4.4	85	7.6
68	4.5	86	7.8
69	4.6	87	8.0
70	4.7	88	8.2
71	4.8	89	8.4
72	4.9	90+	8.6

The “Philanthropy Puzzler” features gift questions fundraisers may encounter in the field, followed by solutions from our panel of experts. If you would like to send us your own “puzzler,” please email us at info@SHARPEnet.com with “Philanthropy Puzzler” in the subject line.

Philanthropy Puzzler

Marsha’s family didn’t have the money to send her to college when she was younger. She wants to help others who would like to obtain a college degree but lack the funds, so she consulted a college in her area about establishing a scholarship fund. Marsha has numerous grandnieces and grandnephews living in the area who could use the scholarships. She asked the college whether her family could be given preference.

Puzzler Solution

In general, a gift to an individual does not qualify as a charitable contribution. However, contributions to establish a scholarship fund may be deductible if the class of potential recipients is not limited to members of the donor’s family, although the class may include family members [Est. of Robinson v. Comm’r., 1 T.C. 19; Ltr. Rul. 9338014]. The scholarship restrictions cannot be so narrowly drawn as to limit the scholarship to a private class (TAM 9631004). ■



When Will I See You Again? AN UPDATE ON SHARPE TRAINING EVENTS

In light of the continuing health crisis, Sharpe Group has cancelled all in-person seminars for 2020. As we begin the process of planning seminars for 2021, we will be monitoring the health conditions and CDC recommendations. Our greatest priority is the safety of our attendees and staff.

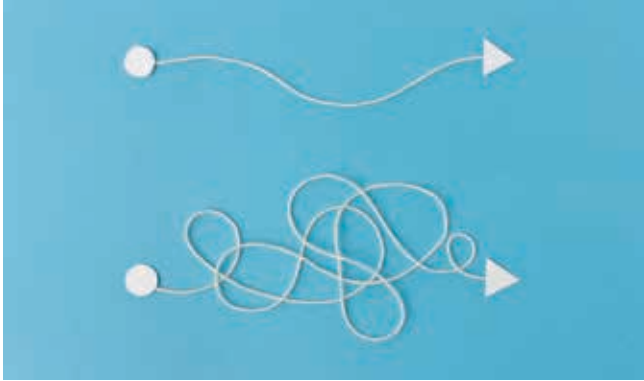
In the meantime, we are making plans to host three virtual gift planning seminars adapted from our popular in-person training curriculum this fall.

In addition, we are creating virtual training opportunities for organizations’ staff or board taught by Sharpe Group’s experienced faculty. More information about these educational options will be available on our website soon. If you would like to share your suggestions or have a specific request, we would love to hear from you. Contact us at info@SHARPEnet.com. ■



Sharpening Your Appeal to Donors With Occam's Razor: **SIMPLICITY IS KEY**

By Professor Christopher P. Woehrle, J.D., LL.M



The spirit of Occam's razor¹ should drive gift options which benefit both charity and the donor. To relate to the context of gift planning, the complexity of a gift should not be increased without necessity driven by donor needs.

Over the years I have noted how development professionals can become enamored with the complexities of various split-interest gifts to the detriment of a supporter and the charity. While it is true a charitable remainder trust can be constructed in very complex ways to manage the commencement and the taxation of payments, the presentations of various options often paralyze a potential donor in deciding. A charitable lead trust can be an excellent way to transfer wealth in the most efficient transfer tax way possible, but only the tiniest slice of an organization's donor base should be presented with it.

Simpler lifetime gifts often are just as efficient without the complexity. Some gifts are not even part of the gift transfer tax base, such as direct payments to medical care and education providers. And while, for most donors, the ultimate gift of property will be a bequest intention, never assume a donor [or even nondonor] of a "certain age" is either unable or unwilling to make outright gifts.

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Evidence of simplicity's appeal to generous donors to major institutions

A sampling of our country's most prolific development programs at private universities suggests "simple" trumps the complex split-interest gifts. A Sharpe Group study reported that matured bequests represent the predominant percentage. The median percentage of bequests as percentage of all deferred gifts was 83 with a high of 97 and a low of 56.2.

Importance of discovering bequest intentions

The same Sharpe Group study noted that a known bequest intention is likely to be greater than one that is unknown.² The ability to thank a supporter can "cement" the relationship to the institution, minimizing the risk of a revoked intention or assuming the stewardship of a future gift with a purpose that might not be effortlessly fulfilled. The act of identifying and stewarding bequest intention donors should never be paused; rather, ideally, it should be increased as a constituency's base merits. During 2020, Sharpe Group looks forward to sharing the latest technological and analytical tools for this identification.

Understanding what drives donor motivation

In my charitable gift planning course in the LL.M program at Villanova Law, my students are often surprised to learn income and/or transfer tax considerations are not the primary appeal. Anyone who works with donors as either a development professional or an experienced financial or legal advisor is not surprised by this.

Donors want to support missions or accomplish specific philanthropic goals. The "tax savings" are identical for all publicly supported charities. An in-person visit or a virtual one via Zoom is often the best way to unearth the donor's philanthropic goals. But remember, many bequest donors most often self-identify through a mailing. So, a combination of personal outreach and broad outreach are needed. ■

Endnotes

1. Occam's razor, or Ockham's razor, is a philosophical principle that simplicity, rather than multiple options, is preferable. <https://www.britannica.com/topic/Occams-razor>
2. Sharpe Group Gift Planning Seminar: An Introduction to Planned Giving: Gift Planning Toolbox, Part One.



Christopher P. Woehrle is professor and chair of the tax & estate planning department at the College for Financial Planning in Centennial, Colorado. As one of Sharpe Group's technical advisors, Chris is a frequent contributor to *Give & Take* and authors Sharpe Group blogs.



TIMING IS EVERYTHING: THE PLANNED GIVING PROGRAM AUDIT AND REVIEW, PART 1

by John Jensen

During this global pandemic, perhaps it's not a surprise that there has been an increased awareness of estate planning and planned giving.

There's no doubt COVID-19 has had a major impact on nearly every facet of American life, not least of which has been the short- and long-term health of nonprofits. Some are predicting charitable giving will take a downturn in light of economic uncertainty, and many charitable organizations are searching for fundraising strategies that work in this environment and also are sensitive to ongoing donor concerns.

During this global pandemic, perhaps it's not a surprise that there has been an increased awareness of estate planning and planned giving. See our recent blog post by Professor Chris Woehrlé, "I Am Ready for My Closeup, Mr. DeMille: Planned Giving's 'Moment.'" According to recent surveys, some charities are seeing a large increase in bequest commitments, while overall interest in updating estate plans has risen significantly.

For seasoned gift planners, this is unsurprising. Americans, understandably, tend to review estate plans during major life events: marriage, divorce, birth of children, death of loved ones, serious illness, etc. Pandemics, though rare, certainly qualify as major life events.

In light of current events, the question, then, isn't whether to consider planned giving strategies, but how to increase gift planning activity while maintaining sensitivity in donor communications?

Because of this need for an overall assessment and strategic plan, this may be the perfect time for a planned giving program audit.

What is a planned giving program audit?

A planned giving program audit is a comprehensive review of an organization's efforts in this area. It identifies strengths and weaknesses and looks closely at constituency marketing resulting in past gifts while benchmarking against national norms and groups with similar types of donors.

A program audit will lay out facts and create realistic expectations for leadership. Armed with solid facts based on an organization's actual experience, strategic decisions become much easier for everyone.

Gold in your estate files

The starting point of any audit is to look at your donors by relevant factors. Knowing who the donors are—especially your best planned giving prospects—is key.

A vital source of marketing information can be found in past estate files. A thorough assessment will help you find information that works for you. The audit will help you learn:

- ▶ If you are asking the right questions and gathering the right data.
- ▶ Whether there is a difference between types of bequest gifts.
- ▶ Whether estates are being handled systematically and proactively.

There is so much more a planned giving program audit can tell you. Part 2 of this article, which will appear in the next issue of *Give & Take*, will explore how an audit can offer guidance on marketing, donor cultivation, communication and more.

In the meantime, now may be the perfect time to take a new look at your planned giving program and determine ways you can unearth the prospects whose support will provide stability to your organization for years to come. Contact us at 901.680.5300 or info@SHARPEnet.com for more information. ■



John Jensen is a Sharpe Group senior vice president and senior consultant based in Washington DC. He has conducted planned giving program audits for numerous charities across the country.



Order **PERSONALIZED GIFT PLANNING BROCHURES** Online

Donor communications should be informational, motivational and educational. Even in the age of digital marketing, print publications still resonate with those donors who can and will make planned gifts. We recommend including a full line of print publications in your overall marketing program.

Sharpe Group offers an efficient and appealing way for you to personalize and order printed gift planning brochures through our online platform. Choose an accent color and cover image from the provided selections to create a brochure that aligns with your fundraising strategy and fits your organization. Or upload your own image and your full-color logo to further personalize your brochure.

We continue to add titles to our ecommerce platform at www.SHARPEnet.com/personalized-publications. For more information, visit the website or contact us at 901.680.5300 or info@SHARPEnet.com. ■

Learn more at SHARPEnet.com or contact us via phone or email. Sharpe Group consultants know that every organization is different, so every project begins with a conversation about *your* needs.

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Timing Is Everything: The Planned Giving Program Audit and Review, Part 1



Sharpening Your Appeal to Donors With Occam's Razor: Simplicity Is Key



Philanthropy Puzzler



When Will I See You Again? An Update on Sharpe Group Training Events



Important Dates for 2020 Year-End Fundraising



ACGA Announces New Suggested Charitable Gift Annuity Rates

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SHARPE GROUP[®]

2020 Personalized Year-End Giving Communications



Develop and Implement an Effective Year-End Fundraising Strategy

Sharpe Group has tools to help you create a multi-tiered year-end fundraising strategy to maximize your fundraising efforts. For more information, contact us at info@SHARPEnet.com or 901.680.5300.

Sharpe Group's **2020 Year-End Giving Brochures** are a convenient and cost-effective way to remind your donors of the advantages of certain giving options before the end of the tax year. Our brochures highlight the benefits associated with the various gifts in light of current economic conditions and recent tax law changes.

Use our online platform to create and order printed year-end brochures targeted to your donors.

- **Select** a brochure from the three available **titles**. (*Giving at Year-End*, *The Benefits of Giving in 2020*, *The Gift That Comes From Giving*)
- **Choose** an **accent color** and **cover image** from the provided selections, like the ones pictured, or **upload** your **own image**.
- **Add** your **full-color logo** and **contact information** to the front and back panels to create a brochure branded to your organization.

Visit www.SHARPEnet.com/year-end-giving-communications-2020 to get started today!

How can you use year-end brochures to encourage gifts this year?

- As inclusions with your year-end appeal letter.
- As inserts in gift acknowledgments and thank-you letters to donors.
- As follow-up information requested in response to other planned giving marketing.
- As support materials to accompany gift proposals.
- As "leave behind" pieces following virtual visits with donors.
- To supply information to targeted groups of high-level donors on specific gift plans.
- In campaigns for important year-end fundraising events such as National Estate Planning Awareness Week, National Philanthropy Day and #GivingTuesday.