

Choosing Planned Giving Leaders and Other Leadership Issues

Know Thyself

Are you the leader who will move your planned giving efforts forward at your congregation or religious organization? You might very well be. However, before you make that commitment, please ask yourself if you have the extra time and energy to devote to this effort and if you are willing to guide others into leading this effort as well? If you think immediately, “I cannot do this alone!” as noted in chapter 1, good. You should not want to go this alone and should want to discover at least one other individual to assist. When encouraging Episcopal Church leaders to consider taking this role (at ECF we call them Planned Giving Shepherds), we always encourage at least two people to take this on together. Such a collaboration leads not only to better decisions and broader understanding, but it also allows for compensating where the other may be lacking in one skill or another. In addition, if one of the pair chooses not to, or cannot, continue in these efforts, there will be someone left to seek a new second colleague leader. What is your default style when working with others? Is it collaborative, directive, or somewhere in between? Do you easily share information? Knowing this about yourself will certainly help you to work more effectively with others. With respect to planned giving efforts, it will help leaders to delegate tasks to others which suit them best.

Know Your Constituents

For congregations, you may be challenged to find that second person due to your size or a lack of volunteers who may wish to do this work. For organizations, you may be the volunteer board member or the development staff who also struggles to find someone to assist in these efforts for some of the same reasons. However, even if you are a paid staff member officially responsible

for this endeavor, I will still encourage you to seek an additional leader, preferably a volunteer from among your organization's supporters to assist. You should seek someone who works well with others, is a good listener, and actively shares information. If choosing from among your constituents, pick someone who is well respected and has already made arrangements for a planned gift. They should also be someone who has enough time to devote to this effort and is not overburdened with other duties. These two planned giving leaders should both have sufficient free time to devote to learning more about planned giving as well as a willingness to work with other leaders at the congregation and beyond, at the judicatory or denominational level, and perhaps even outside your denomination or faith tradition. In time your charity can expand to a larger planned giving committee, but for most small religious organizations and congregations, starting out with at least two leaders will work well.

Know the Basics

Choosing Planned Giving Leaders

Neither leader must be an expert in planned giving, but both should be willing to expand their current knowledge so that they can share basic information with both donors and other leaders. It is often tempting to assume that one or both planned giving leaders should have experience in estate or financial planning. In some contexts, having a practicing attorney or financial planner could appeal to some constituents and that specialized knowledge might prove valuable in some cases. However, professional certification is not necessary to be an impactful planned giving leader. What is required is a willingness to work with others and a dedication to raise awareness of various options for planned gifts to constituents while encouraging them to seek their own legal/tax/financial advice. Yvonne Lembo's and Perkin Simpson's case studies to follow demonstrate the importance of leadership involvement and knowledge, as well as a caution for leaders to remain focused on vision as they promote aspects of planned gifts.

I am reminded of an Irish proverb from my youth (originally from Epicurus, a Greek philosopher in Rome ca. 60 CE), *God gave us two ears and one mouth, so we ought to listen twice as much as we speak*. An important factor in choosing a leader will be to pick someone who is willing to listen to people who express an interest in creating any type of planned gift. Although the

leader does not need to have all the gifts in the next chapter memorized, it is vital that they are willing to learn the basics and be receptive. Many of our case studies highlight the importance of listening and collaboration.

Whom Not to Choose?

Choosing amenable planned giving leaders is important and crucial to your success, but who should not be the main planned giving leaders? I recommend the following do not take on this role: main clergy leader (pastor, rector, rabbi, or executive director), main financial leader (treasurer, endowment chair, or CFO) or main congregational lay leader (pastoral council chair, churchwarden, president of the assembly, or board chair). Although the individuals in these important roles need to be supportive of planned giving efforts and should work together with the designated planned giving leaders by sharing information and interacting with donors, due to extensive existing duties, they should not take on this additional responsibility. While the main clergyperson in a community of faith should be available to speak with donors and could share important pastoral guidance with planned giving leaders, their role should be to remain mainly supportive.

The main congregational leader or board chair of an organization can be a very tempting option to choose as main planned giving leader since that person is often so well-known and well connected. That individual can certainly be consulted and brought in to speak with donors and constituents, or of course, to convene events as, I would hope, the main clergy or executive leader would desire such opportunities. However, the people in those roles hold enough responsibility and adding these duties to their plate may cause efforts to be delayed. There will be exceptions, of course, especially as congregations and organizations may be too small not to mix these roles, but if it can be avoided, that choice will benefit the overall efforts by having a leader with a dedicated focus.

Though financial leaders will be crucial for enabling proper management and oversight of donations, it is best to demonstrate that the planned giving leader is not so deeply involved in finances. Planned gifts are made out of conviction and devotion. The more that “money” is highlighted, such as having the planned giving leader “report to the Finance Committee,” the more that regular individuals will think the organization is only looking for large dollar gifts. I have seen this occur many times. In my experience, overfocusing on money will inhibit your most likely (and potentially largest)

donors from thinking they should finalize a planned gift. This is because most of them do not think of themselves as wealthy, and they may become convinced that their future gift won't be significant enough. Please avoid that typical psychological switch from being flipped in the mind of constituents, causing them to think that planned giving efforts are primarily about largesse from the wealthy.

Also, there is a danger in appointing a practicing attorney or financial planner to this role. Appointing such professionals who are currently active might be interpreted as an opportunity for them to seek new clients. That also creates a legal and reputational risk for the charity. Perception that any leaders are offering professional advice regarding particular gifts should be consistently avoided for the same reasons. Planned giving should be perceived as a natural extension of your donor cultivation and stewardship efforts.

Among many mainline churches, stewardship is now a common understanding on the proper use of one's time, talent, and "treasure." Our personal resources are from God and intended to be shared to build up God's kingdom on earth. Many of these concepts echo within other faith traditions. Religious organizations can apply this wisdom to their own donor cultivation. When I speak to congregational leaders, I often say that planned giving is a natural extension of your ministry of stewardship and not something new and separate. For an in-depth review of giving from a Christian perspective, please see Henri Nouwen's *A Spirituality of Fundraising*.

Self-Knowledge and Reflection for Planned Giving Leaders

Even with the wide agreement on planned giving shared within this book's case studies, there is still significant cultural diversity between congregations and religious traditions. The bottom line is that you know your own community of faith better than someone from outside of it. You will have insights to guide your planned giving efforts and can usually determine the best steps forward. You as a leader have insights into the mindsets and predispositions of your members, which should provide clues into how you should adapt any suggestions in this book for helping people to consider planned giving. Balancing what you know along with a willingness to attempt new things is important. Remember, leaders who solely know their congregation might maintain "blinders" on witnessing certain truths which keep them from valuing outside perspectives. Those outsider insights may help your congregation to grow and evolve.

Please do not be dissuaded from trying something new or raising awareness of planned giving because “our people are just not the type who want to talk about death” or some similar predisposition. Your knowledge of constituents should empower you to know what can be tried now versus later and certainly the best ways to get started on raising awareness for considering planned giving. Even if your constituents are predisposed only to leaving assets to family, there are suggestions featured in the book and its case studies that may give you new ideas. Take advantage of them.

As a leader, you will know the particular aspects of your context, in addition to the particular variations to tradition and culture that evolve in specific congregations or organizations. Knowing your religious tradition and its structures is also important. However, one cannot assume that all leaders are aware of the many intricacies of their own faith. Do not assume if leaders grew up in your denomination that they know its particular governance or guidelines. Many “converts” may actually know much more detail on its structure better. Bottom line, be confident but also receptive to new possibilities.

The Importance of Senior Leadership Support and Administrative Coordination

The ongoing support of planned giving efforts by the main clergy/CEO and official lay leaders (board chair, treasurer, etc.) is key to ensuring efforts continue for the long term. If the main leaders do not demonstrate support, the effort will eventually fail, just as if they openly opposed it. The support of the treasurer, or similar role, is also very important for ensuring that when gifts are pledged and eventually received that accurate reporting on their use or investment can be provided.

If clergy and other senior leadership are not supportive, eventually planned giving efforts will falter by neglect, and no new or additional leaders and resources will be given toward this effort. Although many clergy and senior leadership are comfortable with fundraising, some are not. Regrettably for congregations, some clergy consider the cultivation of planned gifts as one more way of pandering for money and a distraction from their main pastoral duties. Even though raising gifts is an essential aspect of ministry, some clergy prefer to focus on the traditional pastoral aspects of their role, misunderstanding that encouraging planned gifts is not primarily about the money from an eventual gift, but that it is about the opportunity for an individual

to feel a part of the future of a congregation or institution. The extra good news for clergy who struggle with fundraising is that since clergy should not be the primary planned giving leader, but a supporter to other leaders, this effort will not consume extensive time but will call upon their pastoral acumen. (See Randall Nyce's case study following chapter 4.)

Coordinating with Other Fundraising Efforts

As affirmed by the staff at Temple Sinai Pittsburgh, Pennsylvania, collaborating closely with others doing development/fundraising at organizations or congregational stewardship work is important for updating giving materials and coordinating various fundraising efforts. As previously mentioned, planned giving will not interfere with annual giving efforts, as planned gifts are provided from accumulated assets and are future focused. However, if a capital campaign or major donation effort is underway, that is a great opportunity to raise awareness of opportunities for supporters also to consider future gifts from their estate. I emphasize "also," as you still want those people with current means to make an actual multiyear pledge to any capital campaign. Although not everyone will choose to give to such a campaign, you want to encourage everyone to consider it. There is a small risk that some people, who may not be desiring to make a current pledge to the capital campaign, may try to use the excuse that they will make a future "planned gift" instead of major donations now. It will be important to clarify with all donors that there are three types of gifts, and the congregation/organization needs to ask for each of them at different times for different reasons.

Other Leadership Challenges

From time to time, there are also challenges when there is a history of bad pastors who misspent funds or CEOs who broke trust in various ways. Though I hope you do not have this history, these memories long outlast the problematic past leader and can cause donors to delay or choose not to make a gift at all. There is no perfect solution to this, but I would recommend being honest about previous problems and being clear on how procedures or policies were put in place to help make things better.

Additionally, planning for leadership changes will be important. No planned giving leader will do their work forever, and although seeking to have two main planned giving leaders and good data base records will

alleviate some of the problems, leaders should be mindful of putting their procedures and activities in writing to pass on information to guide future leaders. It will be crucial to understand what had been done and how records were kept in the past. Administrators may be able to help with this by confirming they could maintain written records to pass on to future leaders. It could be as simple as a shelf in parish office or possibly a dedicated folder on a network drive. Don't forget to keep data updated on websites and social media sites! (See chapter 5 on raising awareness.)

Collaborating with Other Roles

Administrator roles can be very broad, especially in a small organization or congregation, and may be consolidated in a single person's job in many cases. The "administrator" role may also be expanded to include the leaders or staff involved in communications if your congregation or organization is large enough to have that role separated. However, many congregations task a single administrator with data collection, record keeping, and communication efforts, including document/letter production and website maintenance. If your charity has a small staff, who is the "administrator" in your context? That dedicated person is very important for your planned giving's future success.

Whether they are the long-term "church secretary" or similar role in other traditions, he or she is not usually given the accolades they deserve for carefully tracking records in addition to all of their other tasks. Consider gestures of appreciation or small gifts from time to time to show them how much you value their mostly unseen but vital work. In addition, it will be a great idea to keep them as a strong supporter of your planned giving efforts. The main record keeper will be crucial to recording when someone has made the commitment of a planned gift, as well as the person who will often facilitate the sending of e-mail, receipt of checks, thank-you notes, birthday greetings, and follow up on materials to estate attorneys, banks/brokerage firms, and ultimately condolences to family and friends of planned giving donors. Build up this important relationship as often as possible. (Trust me.)

Database Issues

Ensuring that future gifts are properly recorded is very important so that there is not a loss of data if leaders change, or for that matter, databases

switched. Keep back up records secure so that if system failures or other tragedies cause a loss of data, you will still know who has raised your charity to the level of family in their estate plans. Planned giving efforts often lag in-between planned giving leaders (if guidelines previously discussed are not followed), but if records are well kept, individual commitments and gifts will not be forgotten. I have personally experienced numerous cases where gaps in planned giving leadership caused annual thank-you events/actions to cease for several years. This is another reason for having at least two leaders working together to ensure records and relationships are maintained.

Good use of databases and record keeping can truly benefit all of your fundraising efforts, but especially planned giving. Keeping gifts private and informing supporters that databases are secure will benefit the ongoing effort of trust building as well. Databases can be used to track important information about constituents to enhance relationships, such as birthdays, special commemorative dates of deceased loved ones (especially those related to a memorial fund), and notations about a donor. Be careful not to record embarrassing or truly confidential information in a donor's record. Not only is that inappropriate, but every donor has the right to request a copy/print out of records kept on themselves. Few things would destroy trust and confidence more than witnessing that inappropriate details have been kept on a treasured donor. However, basic information can greatly enhance a relationship, such as sending thank-you notes on a birthday or, for congregations, to notify a confirmed planned giver that they or their deceased loved one will be remembered in daily prayers on a particular anniversary. This is a long-standing tradition in many Roman Catholic parishes, synagogues, and mosques. Reflect on what is best to record so that leaders at your congregation/organization can enhance relationships with supporters. (Please see data tracking suggestions in online resources.)

Spending and Investing Planned Gifts

The fastest way to dissuade potential planned giving donors is to take actions that would break down trust! As previously mentioned, though the donor may no longer be living, family members, spouses, and friends will keep a watchful (sometimes hawklike) eye that their loved one's gift is being spent properly and is being recognized. One very dangerous activity is the practice of spending planned gifts as a part of the regular annual budget. (Generally planned gifts are best placed in existing endowment funds so that those gifts

will be well managed and continue to fund the future of the charity; undesignated gifts can become a part of the assets managed or, if meeting preset criteria, could be subaccounted for purpose or naming.) If the practice is simply to fill budget gaps or fund “pet projects” when unrestricted planned gifts are received, eventually people will stop making planned gifts or will reduce them to insignificant token gifts. Remember leadership actions today inform potential planned giving donors on how leaders will treat their own gift in the future.

I once consulted with a formerly prominent and large parish in the Northeast United States on a variety of issues with their finances and giving. One of the first things I discovered when reviewing their income statements and financial documents was that they listed a line for “planned gifts” under ordinary income, following “rental income” instead of being segregated to show how special the gifts are. I asked the person representing the parish to tell me how long they had listed these types of gifts in this way, and she told me about fifteen years. I then asked how many years ago they had received their last significant planned gift. Her response was, “Sixteen years ago.” That conversation literally proved my point of the direct and dangerous correlation to their leadership. It also highlighted the importance of demonstrating proper care and use of these important donations.

To Endow or Not to Endow

I recommend that, if possible, most, if not all, undesignated planned gifts received should be invested along with general endowment funds by default, including small planned gifts. By doing so, leadership demonstrates to their supporters that they will treat every gift with similar care and respect. In fact, by showing that leadership will care for small allocations as well as they care for larger ones, more people will be willing to trust the charity with these donations that are so important to the donor. (For our Christian readers, please see Luke 16:10–13.) Of course, if a donor specifies their planned gift to be spent presently and not placed in the endowment but dedicated to an acceptable purpose, that should also be carefully followed, with its impact communicated effectively to the rest of your constituents, as another demonstration of trustworthiness.

There may be cases when an undesignated planned gift could legitimately build trust even if the board/parish council/vestry chooses to spend it in the present. The most reasonable situation would be when there might

be a capital expense, such as replacing a roof or implementing crucial building improvements or some other future-focused project that could be easily justified since the planned gift would be used to enhance the future mission or ministry of the congregation or organization. I am sure you can conceive of a number of appropriate situations to explain to donors. However, the danger will always be if a governing board becomes comfortable with creating “emergencies” or new future-focused opportunities simply so that a planned gift could be spent in the present. This will be an ongoing challenge for your senior leadership on the board to use their authority well over windfall planned gifts. They must use that power of choice carefully so that trust is built among potential planned givers, and not diminished. Clear gift acceptance and endowment/designated fund policies can help guide leaders at those times of great temptation.

For those charities that choose not or cannot hold endowments, be certain to share the impact that the unrestricted gifts or designated funds are having to better people’s lives. This should also be done for endowments too. However, since endowments are typically more publicly known, sharing impact will normally be encouraged. Other designated funds should also remain in the minds of supporters through regular reporting and communication of impact by leaders. This demonstrates that such assets are making a difference but also prompts potential donors to consider future gifts from themselves as well.

Take the Next Steps Forward

Choosing appropriate planned giving leaders and their effective collaboration with other roles is clearly a starting point in your planned giving efforts. The next steps of education, raising awareness, and relationship building are in the chapters to follow. Though we hope this book and its many resources will help as you move forward, if you are a part of denomination or faith tradition with a national or regional foundation or other beneficial organizations which can assist to give you additional resources, please take advantage.

Documentation and the Future

Getting procedures and plans formalized in writing is one of the best actions to keep your planned giving efforts moving forward. We have already discussed the importance of putting in writing appropriate endowment and gift

acceptance policies. These policies will build trust among donors and constituents by outlining how future planned and other gifts will be prudently invested and spent. They will also guide leaders. Setting out a calendar for upcoming events and when communication to potential donors would go out will also help keep leaders on track for taking action and planning ahead. (See Yvonne Lembo's case study to follow as well as chapter 5 on raising awareness.)

It should not come as a surprise, but religious people will not always agree on what is best. As leaders are confronted with new challenges, there will always be a variety of ways to address an issue related to planned giving too, such as how to spend a windfall gift or whether to accept a particular kind of gift. I would recommend that returning to your official gift acceptance policies will be best, but if a situation is not clarified there, a gift committee could be set up for that review. Whatever decisions are reached, ensure that the results and reasoning are recorded in notes for future leaders.

I also recommend that if separate funds, either endowment or special purpose funds, are created from gifts, a basic record of the donor, date of gift, and copies of any original documentation such as wills or attorney's letters specifying purposes of gift are all kept on record in perpetuity. Taking the time after a donation is accepted to carefully record in a summary document all the basic details of the gift and the donor will be extremely beneficial when issues or questions arise in the future about spending purposes, especially when identifying if a fund is to be added to or used to create a new True Endowment or designated for a specific use. This extra detail can be kept as a part of the official endowment and fund policies and will greatly assist leaders.

Reaching Beyond

I strongly suggest that you reach out to other communities of faith both within your own tradition, and those different from your own. Other traditions, or even others within your denomination, may be more direct or subdued in asking for planned gifts than yours, but you may learn many new ideas regardless. Perhaps others will have a new way to do a legacy society gathering, or a successful way of inspiring knowledge about types of planned gifts you have not raised awareness of yet. Also, I have been amazed how some churches in the same denomination within a few miles of each other have absolutely no relationship or regular communication. Although I hope

that is not your experience, I fear this may be a problem for some traditions. So please reach out among and beyond your own faith tradition if possible. It may be beneficial to connect with another community of faith in your denomination that is similar to your own demographically, even if they are much farther away or possibly with one nearby from a completely different tradition. Ask them what has been working well for them and what they are considering trying next in their planned giving efforts. More knowledge is always beneficial.

These outreach efforts may open not only new opportunities to enhance your local community and build new friendships, they may also afford a new opportunity to collaborate on a future educational event. I had been involved in several interfaith events which gathered large numbers of potential planned giving donors together and, for a shared cost among several communities of faith, professional speakers were able to provide their insights on planning for the end of life, basic estate planning, as well as information on some of the more complex planned gifts. The pooling of resources, both financial and professional, may enable more effective education on the common choices of medical care, end of life/funeral preferences, and estate and retirement planning that may be very different among individuals even within the same family.

Evaluate Your Efforts from Time to Time

Planned giving leaders should seek the insights of other leaders to evaluate how efforts are progressing. As previously noted, one of the biggest challenges I have witnessed in sustaining planned giving is not having more leaders involved in those efforts. Though collaboration with senior leaders benefits your endeavors, a central lesson is that the main planned giving leader should always have a partner to complement their strengths and weaknesses and protect continuity. If only one leader has been cultivated to focus on planned giving efforts when that sole person burns out or departs, planned giving efforts often cease. The damage to the charity can be great when activities simply end, as those supporters who previously committed a planned gift may no longer feel connected to the congregation/organization and also feel that their gift and commitment are not being appreciated. The wound leaders cause may be so deep, donors may choose to change an ultimate charitable designation. Consider well what you are doing to build up your relationships in the future.

Summary of Main Points

- Appoint at least two planned giving leaders for mutual support and continuity.
- Form affiliations with other leaders and plan for record keeping.
- Retain records and secure backup copies for the next planned giving leaders.
- Ensure clear documentation is in place and that procedures for recognition and record keeping are followed to ensure that trust and accountability can be maintained.
- Even if actions in the past damaged trust, recognize what went wrong and how it was corrected, then focus on the future and how that trust can be sustained going forward.