# *AN AUDUBON CHAPTER LEADER'S GUIDE TO ATTRACTING PLANNED GIFTS*

Prepared for National Audubon Chapters by:

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## I. Introduction:

Since the inception of Audubon's planned giving program in 1984, National Audubon has received almost $144 million in revenue from bequests, and closed life income gifts valued at over $40 million. These gifts have helped purchase land for Audubon sanctuaries and Audubon Centers, and helped support countless Audubon conservation and education efforts. A number of Audubon chapters have been the occasional beneficiaries of bequests, but only the larger chapters have consistently encouraged their members to include a bequest to the chapter in their wills.

Audubon's planned giving staff has prepared this manual to help chapters attract bequests in support of their programs, and to alert chapters to an opportunity to work with National Audubon to attract life income gifts.

## II. Why Every Chapter Should Run a Bequest Program:

- 94% of all planned gifts are straight bequests.
- Any organization with a compelling case for support and a dedicated constituency can attract bequests.
- Bequest dollars are the cheapest dollars to raise. Bequest income produces the highest net return of any fund raising program.
- A bequest program requires less investment of time and money from staff and volunteers than any other fund raising activity. This is a critical factor for a small staff or a cadre of volunteers with limited time and resources.

## III. Start With Guidelines:

Your chapter's board of directors should adopt a policy statement that paves the way for a bequest program. The policy should determine how bequest income will be used. Although some donors will include language in their wills restricting their bequests to specific programs, most will leave the allocation of their gifts to the discretion of your staff and board.

We recommend that your board adopt a policy placing all unrestricted bequests in a "quasi-endowment." This fund should be invested and only the income (or a portion thereof) used for the chapter's general operating, or educational expenses. This policy will build your chapter's endowment. It will also be a selling point in attracting new bequests, since many people want to know that their bequests will ensure a kind of immortality.

In considering a board policy, you may wish to establish several quasi-endowment funds, giving donors an opportunity to decide how their gifts will be applied. (For example, your chapter may want to create a "Sanctuary Fund," an "Education Fund," or an "Issues Fund.") By allowing donors some latitude, you will be giving them an opportunity to express their own preferences in a way that doesn't handcuff the staff to donor-imposed restrictions that are difficult or impossible to honor.

The bequest policy must also authorize the staff or specific board members to accept bequests, sign receipts and waivers on behalf of the chapter, and to refuse bequests that are not in your chapter's best interest to accept.

## IV. How to Attract Bequests:

You will succeed in attracting charitable bequests if you make a long-term commitment to pursuing them. Consistency is the key to success. Few people, no matter how charitable, are likely to change their wills in response to a single solicitation from a charity, but many will include charitable bequests in their wills if the information or the idea is fresh in their minds when some other event causes them to prepare a new will or revise an old one.

Prepare a brochure on bequests to your chapter. Although several companies sell pre-printed brochures, we urge you to write and print your own. Your brochure should:

- Make a case for investing in the future of your chapter.
- Describe named gift opportunities and special funds to which a donor may direct his or her bequest.
- Encourage prospective bequest donors to notify you of their plans, and to discuss any restrictions with you before finalizing their wills.
- Tell the donor's attorney your legal name, tax status, and person to contact:

| | |
|---|---|
| Legal Name: | *Our Town Audubon Society* |
| Address: | *100 Main Street*<br>*Our Town, Michigan 00000* |
| Telephone: | *(333) 444-5555* |
| Tax Status: | *Our Town Audubon Society is a tax exempt organization under section 501(c)(3) of the Internal Revenue Code. All gifts and bequests are tax deductible.* |

- Include a "Confidential Reply" to make it easy for prospective donors to request information or to inform you that they have already included a gift to your organization in their wills.

Begin with the Board of Directors, Staff (if there is one), and Volunteers:
Someone on the Development Committee should serve as Planned Giving Chair. This could be an attorney or accountant. His or her first responsibility will be to obtain a commitment from each chapter board member to support the chapter through a bequest, or by naming the chapter as a beneficiary of a retirement plan or insurance policy. The bequest chairman should talk about the importance of bequests at board meetings and announce his or her intention to personally call each board member to ask for a commitment.

If your chapter has a paid staff or volunteers, each one should be asked to make a bequest (or retirement plan or insurance policy beneficiary) to the chapter. Other prospective donors will be inspired by the actions of those people closest to the chapter.

The goal should be to announce 100% participation, thereby inspiring your donors and others in your community to follow the lead of the chapter leadership.

Spreading the Word:

- If your chapter has a web site, use the site to promote bequests. For inspiration and ideas, visit National Audubon's web site at www.audubon.org/givenow.

- Every issue of the chapter newsletter should include an advertisement emphasizing the importance of bequests as a source of support, and inviting people to send for information about including a provision for the chapter in their wills, retirement plan, or insurance policy.

- A check-off box should be included on all membership and fund raising remit devices. It should say something like:

  "Please send me information about naming *Our Town Audubon Society* in my will."

- Remit devices in direct mail, newsletters, brochures, annual reports, and business return envelopes should all have check-off boxes for requesting information about bequests.

- Include a bequest brochure or a one-page insert promoting bequests in every gift acknowledgment, annual membership renewal, or tax receipt. If using an insert, use check-off boxes such as:

  "Please send me information about naming *Our Town Audubon Society* in my estate plans."

  "I have already named *Our Town Audubon Society* in my will."

  Consider enclosing a return envelope when sending out planned gift inserts to increase responses.

- Distribute bequest brochures in display racks or make available at all chapter facilities.

- Use a tag-line such as "Please remember *Our Town Audubon Society* in your estate plans" at the bottom of stationery and direct mail.

Responding to inquiries**:** Someone in the chapter (a staff member, the fund raising chair, or the bequest chair) should have the responsibility of responding to inquiries from people who ask about making bequests to the chapter. All inquiries should be **promptly** forwarded to this person.

- The person who responds to inquiries should send a letter thanking the respondent for his or her interest and send a copy of your chapter's bequest brochure, or information sheet. Follow up each inquiry with a phone call. The call should simply be to thank him or her, inquire whether the respondent has any further questions about bequests to your chapter, how this person became interested, an invitation to call for further information, and (perhaps) an invitation to meet.

- Anyone who requests information about including your chapter in his or her will should be flagged for special treatment whether or not he or she notifies you that your organization is in his or her will.

Keep in mind that most people will never inform you of their plans. (At National Audubon, we have previous knowledge of only 5% of the bequests we receive each year.) Those who do notify you are just the tip of the proverbial iceberg. Nevertheless, you should always encourage people to notify you of their plans. This gives you an opportunity to thank the donor while he or she is still alive, rather than his or her surviving family. It also allows you to treat donors like members of the family, helping ensure they don't change their minds.

**V. What To Do When You Are Notified Of An Open Bequest** (when the donor has died, and the funds have not yet been disbursed):

Establish responsibility for managing open bequests from the outset of the program. If you have an accountant or attorney on the chapter board, this is the ideal person to deal with this. The person charged with managing open estates will have the following responsibilities:

- Request all relevant documents for each estate, (including a copy of the will or trust agreement, copies of estate inventories, accountings and judicial orders).
- Review wills and all other documents to make sure the administration proceeds apace and to ensure that your chapter is getting what it is entitled to.
- Contact executors to determine a timetable for estate administration. Timetables should be entered on a tickler system and appropriate follow up initiated when distributions are late.
- Question anything you don’t understand, including fees that appear to be irregular.
- Obtain names and addresses of surviving families and make sure they receive a letter of appreciation from the chapter president.

**VI. RECOGNITION**:

Treat people who have included your chapter in their wills ("expectancies") like major outright gift donors. Expectancies who are treated like investors are likely to keep your organization in their wills, to increase their investment, and to make the largest outright gifts they can afford.

# PART II LIFE INCOME GIFTS

## I. Life Income Gifts: What are they?

National Audubon Society offers a variety of arrangements under which a donor can make a current gift and receive lifetime income in exchange. Because these arrangements have a charitable purpose they receive special tax treatment -- making them especially attractive to people who are inclined to support our efforts on behalf of the natural world.

There are several types of life income gift arrangements. They are called:

(1) Charitable Gift Annuities,
(2) Charitable Remainder Trusts, and
(3) Pooled Income Fund gifts (see the attached summary for descriptions of these plans).

With all of these arrangements, the donor makes a current gift of cash or stock, and receives lifetime income in exchange. After the death of the last income recipient the remaining principal automatically becomes available to Audubon to help fund its conservation programs. There is no benefit to Audubon during the donor's lifetime.

The donor is entitled to an immediate income tax deduction for part of the amount donated, and avoids some or all capital gains taxes if appreciated stocks or real estate is given. Donors may choose an arrangement that pays fixed income or income that varies with overall market conditions.

For a more complete explanation, visit Audubon's web site.

## II. A Partnership Between National Audubon and Chapters to Promote Life Income Gifts

Typically, chapters do not have access to life income gifts because these gifts require technical expertise that is usually found only in organizations that can afford to hire a planned giving staff, and because chapters cannot attract enough of these gifts to justify the expense of meeting state licensing and reporting requirements. Life income gifts also involve stewardship responsibilities that most chapters cannot fulfill.

National Audubon's planned giving staff will be pleased to assist in closing and managing any life income gift for the benefit of a chapter if the donor designates one half of the remainder for the Audubon state office closest to the chapter.

For more information, please contact: Wayne Mones, Vice President, Audubon, 700 Broadway, New York, NY 10003, phone: 212-979-3033.