



Summer Planned Giving Housekeeping

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As Gershwin never wrote “Summertime, and the livin’ is PG.”

For many shops, particularly those with a June 30th fiscal year, fundraising activity hits a slump in the dog days of summer. Your donors are taking hard-earned vacations or may even be away at a second home for the summer, making them hard to reach. Hopefully your staff is using some vacation time to rest and recharge. If you’re experiencing a lull in proposal drafting and donor visits in July and August, but your finance team has not yet roped you into annual reporting responsibilities, here is some PG housekeeping that can be attended to in this quiet time.

Beneficiary Check

At some point most charities will experience the uncomfortable realization that they’ve been paying income to a deceased beneficiary. This can be innocent – a spouse naturally assuming they were the second beneficiary – or this can be outright fraud. To stave off this uncomfortable situation it’s a good idea to do a “vitality check” of your beneficiaries at least once a year.

You can start by checking if your oldest beneficiaries are still alive. Anyone born earlier than 1932 is at least 90, and therefore a prime candidate for a quick check, but you can start with any age that works for your donor cohort. If you own *GiftWrap*, you can begin by running a Person Summary report for all active beneficiaries, export the report to Excel, and sort by date of birth. Make sure you’ve unmasked the Social Security Numbers, as you’ll need them for the next step. If you use a third-party administrator, ask them to produce such a report for you.

There are some subscription services that allow you to enter a beneficiary’s Social Security Number to see if it has been published on the internet. These operate on the principal that once an individual is deceased their Social Security Number ceases to be protected and becomes public information.

If you don't have the budget for a paid service, such as PG Calc's SSDI Death Screening Module, you can enter the donor's name, year of birth, town of residence and the word "Obituary" into Google. In my time as a fundraiser, I've found many deceased beneficiaries just by taking a few summer hours to perform this type of Google search.

Update Your Disclosure Statement

Each time a donor establishes a charitable gift annuity with your organization, whether it's their first or 31st annuity, you must provide them with a disclosure statement. Sending these to donors can become so routine that it can be hard to remember that the information within them may need to be updated from time to time.

Many disclosure statements contain language regarding the valuation of the gift annuity pool as of a specific date. If it's been a while since this was updated, now is the time to request that information from your finance team (both the amount and the date).

Most disclosure statements contain information on how the charity invests its gift annuity pool. Take a minute to confirm that the investment portfolio is still positioned as described in your disclosure statement. This language is often quite general, but when it's not, it needs to be current.

Don't overlook information about the governance of your organization included in the disclosure. For instance, if your charity changed its legal name, did you make sure the disclosure statement also contains this change? If the governance section refers to the organizing body of your charity and you've expanded the size of your board, this should also be captured.

In addition to legal guidelines, many disclosure statements contain language about the usability of deductions, or basic gift acceptance information for the charity about certain assets. Make sure these are up to date. Have your gift minimums gone up? Are you still quoting that the usability of a charitable deduction for a cash gift is 50% of AGI? If so, it's time to update your disclosure.

If you rely on paper disclosure statements and budgets are tight, consider printing a buck slip that can be included in your current disclosure brochure rather than reprinting the entire run. Your donors may appreciate the green gesture. If your disclosure statement is maintained in *PGM Anywhere's* Narratives so that you can print a PDF as needed, you can make almost all of these adjustments through the Settings window. If your changes are more complex, please be in touch with our [Client Services](#) team, and we will update the template for you.

File Fling

Prior to the pandemic, planned giving did not have a reputation for being a "paper free" practice. In addition to all of our contracts – from gift annuities to trust instruments – we often had boxes of brochures and disclosure statements crowding our offices, and paper donor files of correspondence and trip reports bursting from filing cabinets. If you've returned to the office, even part time, all of this paper may feel like relics from an earlier civilization, and you may

experience the “urge to purge” this summer. Consider adding the following categories to your “scan and save” pile.

For any deceased estate or planned gift donor who was a US resident, as a courtesy to the donor’s estate, you should consider keeping their file intact for three years from their date of death. Three years is the typical horizon for an IRS audit of an estate tax return, and it is not unheard of for an executor to reach out with clarifying questions about valuing a life estate or to request a copy of a gift annuity contract in that time frame.

For estate or planned gift donors who live abroad, the audit window may be longer – or as I learned from dealing with a Japanese donor’s estate tax audit first 10 and then 20 years after the donor’s death – the audit window may never close. There are also some countries that may require additional estate filing even if the decedent was not a resident but died abroad. I once had a donor confide to me over lunch that they weren’t afraid to die, but they were afraid to die in France. As a courtesy to the estates of foreign residents, and foreign decedents, consider keeping these files for five or more years.

As a best practice for all endowed gifts, evidence of the donor’s intent, such as letters expressing why they wanted to support your organization, should be maintained. This is especially true if the fund terms include language allowing the organization to repurpose the gift if (in the fullness of time) it cannot be used for its original purpose, for instance – a fund to support curing a disease that the organization successfully cures. In such a case, having donor communication about the gift’s intent will be quite valuable. Consider making time this summer to scan this type of communication and upload it directly to the donor’s record in your database.

Have the Donor Experience

Consider taking an hour to view your charity with an outsider’s lens. Set yourself a particular task you hope your donors have in mind and then see how long it takes you to complete it.

For instance, if you were a donor trying to find the charity’s tax identification number to add to an IRA change of beneficiary form, how much time does it take to find that information from your website? Count the clicks -- more than three, and you’ve lost that donor’s attention. Click through every screen to make sure there are no dead links or out of date information that could frustrate the reader.

What’s your Zoom background look like? Consider customizing your background to reflect your organization’s campus or mission, so that when you’re meeting with donors they’re visually reminded of your charity, not that they, too, should reorganize their bookshelves.

And to get a bit analog, when was the last time you listened to your department’s outgoing voice mail message? Is it the bored voice of the temp you had three summers ago? Maybe it’s time to replace that with a message that sounds warm and welcoming.

Conclusion

My grandmother was a firm believer that “a change is as good as a rest,” and that switching between big and little jobs was the secret to being productive without burning out. I hope these summer suggestions, along with time away from the office, will help to make you ready for a busy and successful fall fundraising season.