

Planned Giving MENTOR™

◆ The Newsletter for Newcomers to Gift Planning ◆

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Gift Acceptance Issues

It's December 27. The phone rings in your office. You answer and begin a conversation with someone you don't recognize as a donor or volunteer with your organization. Early on, the caller mentions that he has been talking with his accountant and he is happy to inform you that your organization will be receiving some commercial real estate in the industrial section of your city before December 31. He simply needs to know the official name and tax identification number of your organization. Just before he hangs up, he mentions that while there is some remaining debt on the property, he's sure that, in time, you will be able to sell it for more than the mortgage balance.

The Proposed Gift

What do you do? You're in the business of receiving gifts to help advance your charitable organization's mission, but admittedly you're not even sure what to say to him, or what the next step is once the phone conversation is over. This could be an exciting, transformative type of gift for your organization, or it could be a real burden.

Many would-be donors have viewed charitable organizations as "dumping grounds" for real estate that they either could not, or should not, try to sell themselves. Thankfully, these scenarios seem to be fewer and farther between, but you can be sure that a few organizations in your area received similar phone calls during the holiday season.

The key to help your organization avoid accepting real estate (or any other gift for that matter) that may become more of a burden than benefit, is to have really good policy related to the acceptance of *all* gifts other than cash or readily marketable securities. Your gift-acceptance policy should become the anchor around which you operate.

With a good gift-acceptance policy in your hip pocket, consider again the conversation with the prospective donor on December 27.

A Safe Reply

Imagine his response if you simply said, "Thank you for considering our organization for this gift of commercial property. However, our gift-acceptance policy dictates that before we can accept your gift, there are several things I will need to receive from you related to this commercial property which I will, in turn, need to discuss and get approval on from our gift-acceptance committee. In fact, given the lateness of the year, our gift-acceptance policy states that we should not consider any new gifts of real estate after December 20 . . . but in this case we will see what we can do."

Almost immediately, you will know how serious the prospective donor is in his desire to support your organization. If his response is that your policy and process will take too long and he'll just have to find a charitable organization that is more amenable to his gift, then chances are you didn't want his property anyway. However, if he responds by saying that he will do whatever we need as quickly as possible so that we can try to get the proposed gift reviewed before December 31, then maybe the proposed gift has merit.

Ask charitable organizations in your community that are well established if they would be willing to share their gift-acceptance policy with you. Or call the National Committee on Planned Giving to see if you can get sample policy from their library of resources. Finally, consultants are often a good source to turn to when you need to have a good gift-acceptance policy written.

Whatever the case, every charitable organization today must have a well-written gift-acceptance policy as well as a group of professionals in your community who are willing to serve on a committee to help you review proposed gifts. Doing so will help take the pressure off of you personally and also ensure that every gift your organization receives is a good gift.

— Gene Christian

Involving Professional Advisors

Involving professional advisors can be critical in finalizing a gift. If you do it correctly, the professional advisor will be your ally and help you with the closing. If you do it incorrectly, the advisor may make it difficult if not impossible to finalize the gift. Let's look at why, when, and how you involve professional advisors in gift closure.


Why Involve Advisors

Why should you involve professional advisors? The most important reason is that it's the right thing to do. Professional advisors often know more about the donor than you do and can make sure that the gift design you are proposing fits with the donor's entire family and financial situation. The advisor can also offer

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