

SAMERS SPEAKERS MATERIAL

Soliciting and Drafting Bequests: Innovative Tricks of the Trade

William D. Samers, Esq.
Palm Beach Planned Giving Council
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1. Show Me the Money/Gold Rush Wealth Transfer Study

2. Largest and Most Common Gifts

- Bequests (Revocable)
- Pledges (Irrevocable)
- Bequests + Pledges = Testamentary Pledge

3. Revocable Bequests

- Types of Revocable Bequests
- Specific Amount
- Percentage
- Specific Asset

4. Why Use Revocable Bequests?

- Add to Future Campaigns
- Stay in touch with your supporters
- Ensure future bequests
- Find donor interests
- Increase planned giving support
- Donor may not fulfill pledge

5. Why Use Testamentary Pledges

- Part of Your FASB Campaign
- Help Increase Organization's Profile
- Help solicit other gifts
- Planned Giving Department greater value
- Ensure Proper Use of Funds
- Donor obtains Recognition
- Helps in legal challenges

6. Not Over the Transom

7. Donor Motivations

- Caring Heart
- Recognition
- Religious belief
- Tax savings
- Peer pressure

- Mission critical
- Content
- Giving back
- Reciprocity
- Religious beliefs
- Effect change
- Drink the water
- Counted
- Recognition
- Family values
- No/hate/love kids
- Government vs. you
- Name lives on/legacy
- Exchange of value
- Financially beneficial
- Stewardship/cultivation
- Financial sound org
- Last chance to do good
- Recession – 3x effect
- Reduce expenses

8. One More Motivation “The Ask”

9. Ways to Ask for Bequests – Learn from the Best

- Fred Rodgers
- James Baker
- Ed McMahon
- Times Square
- Obama
- Barbara Walters
- Peer Pressure
- Practice
- NIKE
- Torah
- Piece of the Pie
- Obituaries
- Persistence
- KISS

10. Ways to ask for Bequests

A. Organization Current Events

–Mission approach – Connect new exciting programs to funding source

(donor endowment, bequests etc.) or what are long term funding needs

–Business Approach – Practical aspects of campaign and business plan Ex. Aging donor base, professional outreach) – advice from donor’s other charitable involvement

B. External Current Events
Political and current events regarding economy or taxes (ie. Obama tax plan, estate tax)

C. Personal life and Values
-Donor life and values

- Ex: Your own experiences
- Contingency plans when traveling
- Prenuptial for marriages

-Donor financial events

- Major inheritance or business sale

-Donor Centered approach

- Achieve value goals through planned giving
- Family values philanthropy

D. World of philanthropy
-Other donor’s estate giving
-News Story of charitable pledge
-Other charity involvement

E. Tools
-campaign results
-recognition incentives
-focus groups
-letters of intent

11. How Not to Ask – Key Phrases

The Less Personal Asks

12. Creative Bequests

- Revocable
- Straight

- Endowment
- Alternative Source
- Virtual Endowment
- Mortgage Endowment
- Gift Annuity Proceeds Reduction
- Locked in price
- Family philanthropy
- Remember Bequests lead to outright
- IRA’s & Life Insurance

A. Balloon Loans = Virtual Endowment

B. Mortgage Endowment= Philanthropic Mortgage

C. Trade In = Larger Endowment

D. Layaway Plan = Down Payment Locks Bequest Price

E. Private Equity Fund =Family Endowment

G. Formula Clause = Gift Annuity Proceeds + Bequest

Method to Calculate Value of Remaining Principal of Annuities:

Column J refers to final remaining principal in a given year
The chart on Page 2 is calculated as follows:

Column D (Year End Principal) = Column A (Beginning Principal) + Column B [Deemed Earnings] – Column C [Distribution]*
Column H (Year End Principal) = Column E (Beginning Principal) + Column E [Deemed Earnings] – Column F [Distribution] =*

Column I is calculated as follows: *A (Gift Annuity One) + E (Gift Annuity Two)*

Column J calculated as follows: *D (Gift Annuity One) + H (Gift Annuity Two) = J*

*The earnings included in the formula are based on the historic rate of return for ACWIS gift annuity account. The rate of earnings for purposes of this Agreement shall be fixed in amount and shall not be subject to revision. In some cases the dollar amounts have been rounded.

Should D/K establish additional charitable gift annuities with the ACWIS, and if he designates that those annuities be used for the purposes set forth in the Agreement, then the remaining principal of those annuities as of his death, will be calculated in accordance with the same assumptions and earnings rate applicable to Gift Annuity One and Gift annuity Two, and the testamentary pledge of D/K of \$5,000,000.00 referred to in Section 1(a) of the Agreement, shall, in addition to any offsets because of the remaining principal balance of Gift Annuity One and Gift Annuity Two, be further reduced, dollar for dollar, by the remaining principal value of such additional gift annuities existing as of his death. As and when such additional gift annuities are established, the Table of Principal Values attached hereto shall be revised to encompass the additional gift annuity.

At the point in any given year that D/K should die, the

remaining principal will be valued as of the year end principal for the year in which death occurred (Column J) notwithstanding that all distributions for such year have not been made as of D/K's death.

13. Proper Agreements

14. The Importance of Proper Agreements

- You Might Have To Enforce
- Heirs May Challenge
- Needs and Institutions May Change
- Lack of Organizational Memory
- May be enforced against institution

15. Negotiation

- Know When To Say No
- Know How to Say No
- Create a Way to Say Yes

16. Investment

Palm Beach Planned Giving Council, March 8, 2011 for-profit in the country, where he leads a 20 person gift planning department. Before UJA-Federation, he worked for the American Committee for the Weizmann Institute of Science (ACWIS) most recently as the Vice President of Gift Planning and Compliance. He is a past president of the Philanthropic Planning Group of Greater New York and previously was the Secretary and Chair of the Investment Committee of the Partnership for Philanthropic Planning (formerly known as the National Committee on Planned Giving). Bill has presented to the National Conference on Planned Giving and the Planned Giving Councils of New York, New England, Connecticut, Philadelphia, Houston and San Francisco as well as to the Association of Fund Raising Professionals and the New York State Society of Certified Public Accountants. He has been published in the Journal of Gift Planning (2004) and the Conference Proceedings for the Partnership for Philanthropic Planning National Conference (2008), and has been quoted in the New York Times, Non Profit Times and the Chronicle of Philanthropy. Bill graduated from the University of Pennsylvania and received his J.D. from Boston University Law School.

17. What to Include in Agreements

- Preamble/Story
- Who is donor
- Foundation/DAF issue
- Pledge payment terms/binding upon estate
- Creation/Naming of project
- Use of funds based upon proposal
- Spending rate policy
- Investment decisions
- Approval of the Board
- Additional gifts as solicitation/cultivation tool
- Additional gifts from friends, family, others
- Use at future time or change of use (flexibility to highest level)
- Recognition/signage
- Reporting requirements
- Publicity
- Governing law (state)
- Requirements of FASB
- Charitable Status
- Legal obligation
- Breach
- Detrimental reliance
- Right to enforce/waiver
- Entire agreement
- Amendment
- Partially invalid
- Counterparts clause

Biography: William D. Samers, J.D. is Vice President of Planned Giving and Endowments at UJA-Federation of New York, the largest local not-