



OFFICE OF INSTITUTIONAL ADVANCEMENT

Planned Giving Standards & Best Practices

University of Southern Nevada
11 Sunset Way, Henderson, NV 89014

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Mission and Vision

- **Mission**
 - The University of Southern Nevada prepares competent professionals. We also address the health care needs of Nevada and the surrounding regions through our innovative educational programs, scholarship, and public service.
- **Vision**
 - We envision a vibrant university, nationally identified as an innovative institution that produces quality graduates, highly competent in dealing with the daily demands, challenges, and rewards of contemporary professional practice, and well prepared to move forward into the future with confidence and professionalism.

Core Values

- **People**
 - We derive strength and vitality from each other and the constituencies we serve. We care about the current and future welfare of our students, staff and faculty. We seek to provide an environment open to free exchange of ideas where individual participation in decisions and cooperation for the common good are valued.
- **Diversity**
 - We reflect and serve culturally diverse populations. We welcome and respect differences in people and ideas.
- **Ethics**
 - We maintain our integrity through principled action and ethical decision making.
- **Scholarship**
 - We acknowledge and pursue scholarship of all forms, including discovery, teaching, integration and application. We uphold the rights and responsibilities of academic freedom and academic integrity.
- **Teaching and Learning**
 - We believe that our students want to succeed and are capable of high levels of achievement, given the opportunity to be actively involved in the learning process. We provide a teaching and learning environment that prepares students to become competent, caring, ethical professionals and life-long learners dedicated to providing service in their chosen profession.
- **Accountability**
 - We have a special relationship with, and are accountable to, our students and their employers. We actively strive to improve the quality of life of the people of Nevada and surrounding regions. We make sound financial decisions to ensure that we possess the human, physical, clinical and financial resources appropriate to the academic programs, scholarship, and services.

Model Standards of Practice

- **Primacy of Philanthropic Motivation**
The principal basis for making a charitable gift should be a desire on the part of the donor to support the work of charitable institutions.
- **Explanation of tax implications**
congress has provided tax incentives for charitable giving and the emphasis in this statement on philanthropic motivation in no way minimized the necessity and appropriateness of a full and accurate explanation by the Gift Planner of those incentives and their implications
- **Full disclosure**
It is essential to the gift planning process that the role and relationship of all parties involved, including how and by whom each is compensated, be fully disclosed to the donor. A gift planner shall not act or purport to act as a representative of any charity without the express knowledge and approval of the charity, and shall not, while employed by the charity, act or purport to act as a representative of the donor without the expressed consent of both the charity and the donor.
- **Compensations**
Compensation paid to gift planners shall be reasonable and proportionate to the services provided. Payments of finder's fees, commissions or other fees by a donee organization to an independent gift planner as a condition for the delivery of a gift are never appropriate. Such payments lead to abusive practices and may violate certain state and federal regulations. Likewise, commission-based compensation for gift planners who are employed by a charitable institution is never appropriate.
- **Competence and professionalism**
The gift planner should strive to achieve and maintain a high degree of competence in his or her chosen area, and shall advise donors only in areas in which he or she is professionally qualified. It is the hallmark of professionalism for gift planner that they realize when they have reached the limits of their knowledge and expertise, and as a result, should include other professionals in the process. Such relationship should be characterized by courtesy, tact and mutual respect.
- **Consultations with independent advisors**
A gift planner acting on behalf of a charity shall in all cases strongly encourage the donor to discuss the proposed gift with competent independent legal and tax advisors of the donor's choice.
- **Consultations with charities**
although gift planners frequently and properly counsel donors concerning specific charitable gifts without the prior knowledge or approval of a donee organization the gift planner, in order to ensure that the gift will accomplish the donor's objectives, should encourage the donor, early in the gift planning process, to discuss the proposed gift with the charity to whom the gift is to be made. In cases where the donor desires anonymity, the gift planner shall endeavor, on behalf of the undisclosed donor, to obtain the charity's input in the gift planning process.
- **Explanation of gift**
The gift planner shall make every effort, insofar as the possible, to ensure that the donor receives a full and accurate explanation of all aspects of the proposed charitable gift.
- **Full compliance**
A gift planner shall fully comply with and shall encourage other parties in the gift planning process to fully comply with both the letter and spirit of all applicable federal and state laws and regulations.

- **Public trust**

Gift planners shall, in all dealings with donors, institutions, and other professionals, act with fairness, honesty, integrity and openness. Except for compensation received for services, the terms of which have been disclosed to the donor, they shall have not vested interest that could result in person gain.

Importance of Gift Acceptance Policies

A Board resolution adopting formal gift acceptance policies is considered an important initial step to creating a planned giving program.

- **Purpose**
 - A gift acceptance policy is a written compilation of guidelines and suggestions for everyone involved in the gift process from the front-line fundraisers to the Board of Trustees. The policy should describe the standards necessary to evaluate various kinds of gifts for acceptance and should allow for some flexibility in handling each case.
- **Provides Discipline**
 - The primary benefit of gift acceptance policies is to maintain discipline in gift acceptance and administration. The gift acceptance policy defines (i) the types of assets that are acceptable forms of gifts (ii) the forms of gifts that are acceptable and (iii) the University role in gift administration. Discipline prevents the acceptance of gifts that will cost the University time, money and possibly its reputation.
- **Provides Education**
 - A gift acceptance policy provides education to staff and Board about the critical issues triggered by certain gifts. Development staff members must be able to recognize a planned gift that is truly given by a donor who really wants to benefit the nonprofit, versus a “gift” that is motivated by the donor’s person financial gain, which could obligate the charity to a lifelong arrangement that could cost the University time, money and possibly its reputation. A written gift acceptance policy helps everyone involved to understand the difference.
- **Preserves Donor Relationships**
 - Donors are one of the University’s most valuable asset. Written gift acceptance policies can also be very beneficial in helping to preserve relations with donors when a gift must for one reason or another be rejected. If the donor can be furnished written policies, it is much easier for university administration and development staff to handle any negative reactions. Written policies remove focus or blame from the contact person and make it clear that the rejection of a particular gift is the result of policies that had been considered and determined in the past. A donor may even gain a greater respect for the professionalism of an organization that is prepared to quickly respond to an offer to make an unusual gift.

Infrastructure

- At least one senior level staff or an approved outside source of expertise should have a high level of technical knowledge in relation to the various gift vehicles, how the gift vehicles are structured and the income, estate, and gift tax implications of various types of gifts.
- Planned Giving staff should be operating with a competency level of at least mid level planned giving technical expertise and able to confidently run and explain planned giving illustrations and explain income, gift and estate tax implications of all planned giving vehicles.
- When hiring new Planned Giving staff, preference should be given first to those with planned giving experience, fundraising track record and relationship building abilities.
- Appropriate budget for the planned giving program to include marketing, travel, donor recognition, cultivation and stewardship activities, professional memberships and professional development of planned giving staff, and administrative staff.
- Planned giving staff should focus their energy and effort solely on planned giving and should have no other annual giving fundraising responsibilities.
- A designated individual or outside expert should be identified as a main contact to proactively handle bequest administration
- Consideration of a gift planning program begins with a realization that:
 - Planned gifts will offer excellent opportunities for significant financial rewards. Gift planning is a continuing process from which the first fruits may be a long time in coming.
 - It involves the up-front commitment of time and resources by the organization's governing board, its administration, staff, and sometimes, volunteers.
 - The extent of the organization's up-front commitment and planning will likely dictate the expediency and degree to which results will be seen.
- A planned giving program is one part of an organization's asset development effort and in order to be successful, the organization must have a well-communicated, important charitable purpose and need for long-term financial resources.
- Major gifts are the desired result of - and typify - a planned gift. The type of plan, the "gift vehicle" used, is simply the means of making a major gift possible.
- Major gifts evolve from long-term relationships that take time and effort to cultivate.
- Planned gifts are arranged through instruments (often maturing at a future date or event), as opposed to cash, pledges, in-kind, or other traditional forms of giving. For the donor, potentially beneficial by-products of the gift planning process can include income and estate tax savings and addressing other financial planning goals.
- You'll never know everything--and you won't need to. Remember, there is help available from qualified outside sources and expertise.

Implementing a phased planned giving program

You may choose a gradual approach to adding gift planning to your other fundraising strategies. If phased implementation is how you choose to move forward, it is important to know that you are aware of these three distinct, but inter-related phases in the development of an effective planned giving program.

- **Phase One**, the Bequest and Beneficiary Designation, is quite basic, but the results can be very rewarding. It requires a thorough understanding and implementation of a practical wills and bequests program for which effective educational efforts and marketing and public relations programs are critical elements. Many times outright gifts of appreciated securities and real estate are also included as part of a phase one program. For many charitable organizations, it may not be necessary, prudent, or affordable to progress beyond this stage of the gift planning process.
- **Phase Two**, the Life Income Gifts Program. The nonprofit organization which has successfully initiated Phase One may be ready to proceed with a life income gifts program. This phase assumes an advanced understanding of gift planning options and commitment of the resources necessary to move successfully into a fully developed gift planning program. It builds on the successes achieved in the development of a strong Phase One foundation by continuing educational, marketing and public relations efforts.
- **Phase Three**, the Charitable Gift and Estate Planning phase, is the most pro-active option. This is the level at which organizations engage in professional gift planning and counseling with prospective donors. It involves well-trained third parties, such as attorneys, accountants, financial planners and other members of the planning team in the dialogue with prospective donors. It requires the retention of a level of professional expertise and training which many nonprofits may not have available on a full time basis. In many cases, the donor will actually engage the services of a professional who will help tailor the gift to insure that it meets the donor's needs and protects the donor's interests.

Planned Giving Prospect Identification

Preparing, implementing and measuring the success of your annual marketing plan to educate staff, volunteers and donors about planned giving options is an important component of your planned giving program.

- **External Identification**
 - Marketing strategy – Statewide or in pre-identified areas where prospects are likely to reside.
 - Contact donors on database – calls/letters to thank them
 - Insert PG response cards in EVERYTHING!
 - Outreach to donors and financial professionals through events and/or personal meetings
 - Seminars/health fairs/retirement community centers
 - Provide planned giving education through USN activities that “touch” our Planned Giving targeted market
 - Make use of Gift Law for estate planners
 - Develop systems for reaching out to members of the community who fit your top prospect criteria but may not have a strong USN giving history
 - Build partnerships with professionals – financial, legal, pharmaceutical, medical, non-profit counterparts through seminars or educational events, participation in

professional organizations (NCPG, AFP, Estate Planning Council) to identify additional prospects

- **Internal Identification**
 - Educate staff and volunteers how to identify planned giving prospects
 - Educate staff and volunteers where to direct planned giving inquires
 - Educate staff and volunteers about the planned giving program and the potential for success of a USN planned giving program
 - Position the planned giving program on a level equal to annual giving initiatives and university-wide special events
 - Establish criteria for identifying who should be considered a top planned giving prospect based on giving history such as: number of gifts (regardless of size of gift) age, recency of giving, income, assets, etc...
 - Use wealth overlays or prospect screening companies to periodically identify top prospects in the prospect/donor pool.

Planned Giving Donor Cultivation

- Develop one-on-one relationships with prospects and donors through face to face visits
- Use existing USN-CMS or other donor database management software to manage prospect/donor information and track prospect/donor activities
- Identify and plan approaches to donors who have recently made a gift of \$100 or more
- Make phone calls to prospects/donors to build rapport and gain appointments
- Send regular correspondence to prospects/donors thanking them for their gifts, time, interest and/or involvement in the University
- Acknowledge birthdays anniversaries, holidays, Valentine's Day, etc...via telephone calls, cards or email.
- Invite prospects/donors to participate in USN events and activities such as volunteering, boards, special events, health fairs, etc...
- Ask probing questions to qualify their interests in USN and their gift vehicle interests
- Develop an understanding as to why USN is an important part of their lives

Solicitation of Gift Commitments

- Focus on establishing the best opportunity for the donor/prospect as opposed to "selling" a product (gift option) to them
- Provide technically correct illustrations for gift opportunities
- Regularly present proposals to prospects and donors and make the ask for the appropriate gift at the appropriate time
- Maintain knowledge of the University – College of Pharmacy, College of Nursing, MBA program, community health initiatives, and USN mission and vision, core values, etc...
- Record all gift commitments and materially significant moves leading-up to gift commitments in USN-CMS

Planned Gift Stewardship

- Donor is thanked promptly and multiple times: from Director of Institutional Advancement, Chief Operating Officer, President (for gifts of \$25k or greater), volunteer leadership and unit or department head whose department or unit has been designated to receive the benefit from gift.
- Recognize the donor in the way that they prefer to be recognized –quietly, privately, publicly, with fanfare, through recognition events, in print, etc...
- Continue face to face visits semi-annually (at least) when donor is receptive
- Share advances made by the University and other news.
- Invite donors to participate in other events or activities of the University - campus tours, focus groups, board meetings, and make them feel special when they arrive.
- Help to identify PG donors who are capable of making major gifts and accept outright major gifts when appropriate
- Involve donors in the Robert Thom Society or equivalent affiliate legacy recognition program
- Remember special dates: birthdays, anniversaries, death of loved ones, date of planned gift
- Remember holidays that are relevant to them – only remember those Holidays you KNOW the donor recognizes and celebrates... don't assume.

Administration of Bequests

- **Monitor Estates and Trusts**
 - Develop relationship with advisors/heirs
 - Respond in timely manner
 - When a donor dies, the Planned Giving director or other senior-level staff designate should make it a point to meet the executor, attorney or trustee to recognize the generosity of the donor and reaffirm the University's gratitude and appreciation for the gift along with a brief explanation of how the University will benefit from the donors generosity.
- **Project current and future income**
 - Timely tracking system for outstanding estates
 - Cost savings using in-house procedures
 - Receive partial/early distributions
 - Meet FASB (Financial Accounting Standards Board) requirements
- **Bequest and Planned Gift Acceptance and Processing**
 - All notifications of a bequest / realized planned gifts that are received, should be routed to one central location for receipt and processing
 - Once initial notification of a bequest of other realized planned gift is received, donor files should be checked to determine whether this donor is known to the University.
 - Existing file or new file should be classified as deceased donor file and should include all correspondence and a record of all contacts with a note about who has been involved and the dates of contacts.
 - Write the attorney and or executor:
 - To express condolences and ask for a list of names and addresses of who else it would be appropriate to express condolences to
 - Send proof of University 501(c)(3) status
 - Ask for a copy of the will or document the University if named in

- If bequest is not specific, ask for a copy of the inventory and accounting when each is available
- Ask the amount of the bequest and if not a specific bequest, the amounts and time of distributions
- Offer help if needed.
- Once reply correspondence from attorney or executor is received
 - Read the will or other document carefully
 - highlight where the University is named and add this to donor file
 - Add all data to donor records, such as:
 - Amount of bequest
 - Expected date(s) to receive bequest(s)
 - Any other information deemed important, i.e. – name and addresses of friends, family members and other beneficiaries.
Send each a condolence letter
 - Respond to correspondence from attorney or executor putting your best foot forward
- Triggers for additional follow-up with attorney or executor
 - if copy of will or document is not received in 30 days
 - If inventory is not received within 9 months
 - If accounting is not received within 18 months
 - If there is no reply from attorney or executor in any time period of 6 months or longer during the administration of the estate

Planned Giving Glossary of Terms

- **Annuity** - A contract, legal obligation, to pay specified amounts over a specified period of time to a specified individual(s) in exchange for cash, securities, or other tangible property.
- **Beneficiary** - One named in a Will, Trust or other legal document to receive an interest in an estate.
- **Bequest** - A direction in a Will to pay over or distribute personal property. Also called a Legacy.
- **Estate Tax** - A tax on the net value of property subject to tax (“taxable estate”) plus the sum of “adjusted taxable gifts” at the time of a person’s death. It is based essentially on the right to transfer or transmit.
- **Gift Tax** - A tax on the donor of inter-vivos gifts (those made during life), based on the right to transfer or transmit, and payable primarily by the donor.
- **Grantor** - The creator of a trust or other legal instrument.
- **Gross Estate** - Everything in which the deceased person owned an interest in at the time of death. It embraces such items as life insurance, or partial interests in joint property, and transfers intended to take effect at or after death, or when the power to change the enjoyment of the property has been retained.
- **Insurance Trust** - A trust consisting of life insurance policies or proceeds.
- **Funded Insurance Trust** - A trust to which other property is transferred to be used, with the income, for the payment of premiums.
- **Unfunded Insurance Trust** - A trust which contains no fund for payment of premiums.
- **Irrevocable Trust** - A trust that cannot be changed or dissolved.
- **Legacy** - A disposition of personal property by a Will.
- **Life Estate** - Gift of property in which the donor retains the right to use the property for life.
- **Life Income agreement** - A gift of a principal sum, property, or securities with a stipulated life income paid to the donor or another person for his or her lifetime(s).

- **Life Income Trust** - A plan whereby gift assets are placed in trust for the lifetime benefit of an income beneficiary, with the remainder going to another beneficiary.
- **Personal Property** – Includes tangible items such as - jewelry, artwork, antiques, clothing as well as intangible items like - stocks, bonds, notes, patents.
- **Probate** - The process of proving a Will's validity; used loosely to mean the administration of an estate.
- **Real Property** - Includes land, buildings, and items attached in a relatively permanent manner, such as escalators and light fixtures.
- **Remainder** - The amount remaining in a trust after income payments have ended. A remainder is vested when payable to a designated beneficiary, or to a class of beneficiaries whether or not living at the termination of the trust. It is contingent when dependent on some occurrence or event to take place in the future.
- **Revocable Trust** - A trust that can be changed or dissolved at any time by the grantor.
- **Testamentary Trust** - A trust established through the Will of a grantor.
- **Testate** - Dying with a valid Will.
- **Trust** - An arrangement whereby property is held by an individual or institution for the benefit of others.
- **Trustee** - Party legally responsible for carrying out the terms and performance of a trust.
- **Will** - A legal instrument disposing of a person's property at the time of his or her death.

Sample Correspondence

TYPICAL INITIAL LETTER FROM ATTORNEY OR EXECUTOR

Olsen Law Offices
4798 Lincoln St NW
Washington, DC 20036

April 2, 2007

Director of Development
University of Southern Nevada
11 Sunset Way
Henderson, NV 89014

Re: Estate of Gladys Agnes Knight

Dear Director:

Our firm has been named attorney in the above captioned estate. Ms. Knight died March 15, 2002. Ms Knight left a bequest in her will to the University of Southern Nevada.

We estimate the estate will settle in 2 to 3 years.

Sincerely,

Janice Olsen, J.D.

Enc.

TYPICAL REPLY TO INITIAL LETTER FROM ATTORNEY OR EXECUTOR

Dennis Chamberland
Director of Institutional Advancement
Office of Planned Giving
University of Southern Nevada
11 Sunset Way
Henderson, NV 89014

April 15, 2007

Ms. Janice Olsen
Law Office of Janice Olsen
4798 Lincoln St NW

Washington, DC 20036

Re: Estate of Gladys Agnes Knight

Dear Ms. Olsen:

Please accept our sincere condolences on the death of Ms. Gladys Agnes Knight. The University of Southern Nevada, as you know since Ms. Knight was an alumnus, educates our future pharmacists, nurses and business professionals and this gift will help to ensure this tradition for generations to come. Are there any family members or friends you think we could express condolences to? Please send us their names and addresses.

Thank you for the Letters of Administration dated February 20, 2007 in which you informed us that the University of Southern Nevada was named as a beneficiary in the above captioned estate. We are very grateful for this bequest and for your prompt notification. I am the primary Planned Giving Officer handling this bequest, so could you please send all future correspondence to me at the above address? My phone is 702-968-1619 and my email is dchamberland@usn.edu.

Since you may need it for your records, our Federal Tax Identification Number is xx-xxxxxxx. We are a tax exempt 501(c) (3) organization and I have enclosed a copy of our IRS Determination Letter, as well as our latest annual report.

We would appreciate receiving a copy of the will that mentions the University of Southern Nevada. Could you please send a copy of the inventory and the accounting when each is available? Could you tell us the amount of this bequest? Could you give an estimate of the amount(s) and time(s) of distribution(s)?

Again, thank you for this notification and for your work on behalf of the University of Southern Nevada. Please call us if there is anything we can do to be helpful to your.

Sincerely,

Dennis Chamberland
Director of Institutional Advancement
Office of Planned Giving

**TYPICAL 2ND LETTER FROM ATTORNEY OR EXECUTOR IN REPLY TO YOUR
ACKNOWLEDGEMENT OF THEIR 1ST LETTER**

Olsen Law Offices
4798 Lincoln St NW
Washington, DC 20036

May 10, 2007

Dennis Chamberland
Director of Institutional Advancement
Office of Planned Giving
University of Southern Nevada

11 Sunset Way, Henderson, NV 89014

Dear Mr. Chamberland:

Thank you for advising me that you are the primary planned giving officer for the University of Southern Nevada and for sending your contact information, USN's IRS Determination Letter and latest annual report. It makes my job easier when you send this information without me asking and I thank you.

I also appreciate your note of sympathy. Ms. Knight had been my client for many years and I shall miss her.

Enclosed, as you requested, is a copy of Ms. Knight's final will and testament. Ms. Knight's mother and brother predeceased her.

You also requested the names of relatives and friends of Ms. Knight so you will be able to send condolences. They are her nephew and Executor, Jonathan Albert Pipp, Ms. Knight's sister and Mr. Pipp's mother, Mabel Elizabeth Pipp and Jonathan's daughter, Gladys Agnes Pipp, who was Ms. Knight's favorite niece and her namesake.

In addition, Ms. E.M. Fitzgerald and Ms. D. B. Reese were dear friends. I have included a list of their names and addresses. Ms. Knight's ex husband, Harold, was left out of the will, so we think it may be best not to contact him.

Because Ms. Knight's estate is fairly sizeable, we are hopeful that we will be able to file the estate tax return within the ordinary time periods. Thus, I would anticipate distribution of the bulk of residuary bequest in about two years or less.

Sincerely,

Janice Olsen, J.D.

Enc.

Sample Specific Gift Clauses

- I give the following specific gifts to the following people:
 - To my Nephew John Albert Pipp, my home and the contents at 8548 Gratitude Street, LV, NV 89012
 - To the University of Southern Nevada, my certificate of Deposit with Citibank for \$1,000,000.00

Sample Residuary Clauses

- In the event that any beneficiary of a specific gift provided for herein does not survive me, such gift shall become part of the residue of my estate.
- I give all the rest, residue and remainder of my estate, both real and personal, of whatever kind or character and where located, in the following shares:
 - 15% to my brother, Harold Bigbucks
 - 15% to my grand niece, Gladys Agnes Bigbucks
 - 70% to the University of Southern Nevada to be used to further the research for establishing a cure for blindness
- In the event one of my beneficiaries does not survive me, then the at beneficiary's portion of the residue shall go to the University of Southern Nevada to be added to the above noted fund.