

# PLANNED GIVING T·O·D·A·Y®

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## How to Build Win-Win Relationships With Donor Advisors

BY SCOTT JANNEY

**T**he relationships we have with attorneys, accountants, stockbrokers, financial planners, estate planners, real estate agents, and other professionals can be marked by an exchange of value where professionals on both sides of the table profit from the relationship. It will help the donor advisors improve their skills, reputations, and honor lines, as well as serve the charities we represent more effectively. This type of exchange will serve the interests of the donor/client better, too.

There are six ways we can use help from donor advisors, but we often fail to realize that these professionals can also benefit from our help in these same areas. Each of these is full of opportunities for exchanges of value that are profitable to both the planned giving officer and the donor advisor. Since most of us are used to thinking about this from our own perspectives, I am focusing here more on the benefits to the advisors.

*Continued on page 6*

### How to Build *Continued from page 4*

#### Access

Have you ever been approached by a financial planner who wanted to "give free seminars" to your donors, and all you needed to do was give the planner your mailing list? You probably recognized that this exchange would have violated the trust of your donors. However, donor advisors can achieve very practical and profitable access to many of your donors in ways that will benefit your charity, the advisor, and your donors without crossing any ethical boundaries.

Any time advisors' names are associated with your organization, people who believe in your cause take a closer look at them. When they sit on a board or attend

a function that your charity hosts, they associate with people who may be able to make a gift to your organization while increasing their own business opportunities. When you have a list of prominent professionals on your board or planned giving council, other donor advisors may wish to spend time helping your organization and associating with those other professionals.

#### Publicity

When you publicize a large estate gift, have you ever thought of ways to mention the name of the donor advisor(s) who facilitated it? This would send a message that these professionals are good members of the community. It could help other people who

*Continued on page 7*

## How to Build *Continued from page 6*

may be interested in helping your charity find the professionals who have their ears open to messages about charitable giving.

Donor advisors could also be interested in the publicity you give to your planned giving council and board in newsletters and on your Web site. If you have access to the traffic report on your Web site, you might see the same phenomenon that I have noticed: The names of donor advisors associated with our charity are common search strings that people use to find us and find out about those advisors. Their associations with charities build their reputations and provide important visibility in communities where they work and desire greater exposure.

### Credibility

Many donor advisors see themselves as "pillars of the community." Joining a board or planned giving council of a respected charity or helping out an important charitable cause adds to this image. This type of service helps current and potential clients feel that the advisors are genuine community members who share their values and can be trusted with their resources.

This is a two-way street. You and your organization also gain or lose credibility through your associations with donor advisors. In the same way that good donor advisors will want to associate only with respected charities, we protect our organizations from close associations with people of questionable reputation.

### Free Advice

Of course, I use the advice that my planned giving council members provide, but I find that they are also willing to listen when I have information that will help them serve their clients. I like to discuss difficult gifts with a variety of advisors, or my whole advisory council, so that those with less experience or expertise can learn from the advice provided by their peers.

I have found that advisors lend greater credibility to their peers, so I try to provide a platform for this type of sharing whenever possible. This process brings the less-experienced advisors up to speed about charitable giving methods that may be useful to their clients while providing reinforcement for the best advisors through positive recognition.

Planned giving officers aren't the only ones who need advice. Many donor advisors want information about planned giv-

ing vehicles. Those who feel confident about the vehicles need to understand the missions of local and national charities so they can help their clients make the connections that produce charitable gifts.

Many planned giving professionals have found receptive audiences among donor advisors when they offer to provide anonymous gift illustrations and supply information about their channels. I have reviewed trust documents for advisors that could have been written to provide more benefits to the donors if the advisors had had access to and familiarity with the types of software we use on a regular basis.

### Increased Bottom Line

There is now an abundance of research showing that the wealthiest individuals in America are extremely interested in their charitable giving, and donor advisors are getting the message that the professionals who offer the best advice in this area are experiencing an increase in business from the highest net-worth clients. The simple dichotomy between money in the account versus money given to charity fails to explain many of the dynamics that lead wealthy individuals to choose their advisors.

Those advisors who are able to best meet the needs of their charitably inclined donors often see their assets under management increase dramatically. The success of the Fidelity Gift Fund and its many competitors show that brokerages and brokers are learning how to do well by doing good.

When you help advisors understand gift planning and be seen as knowledgeable about charitable giving, you help them reach an important constituency that can drive their success.

### Philanthropy

Donors are often motivated by a mix of motives that include tax consequences, family considerations, and recognition. Donor advisors aren't any different from their clients in this respect. Most advisors would like to be respected by the community and their peers, and they naturally want to increase their business.

But the people from all walks of life who make the greatest difference through their philanthropy share a strong motivation to help their fellow human beings and improve their communities. In fact, many professionals derive the same satisfaction facilitating gifts that their clients receive from making the gifts. As a planned giving

*Continued on page 10*

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Always do your job  
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## Donors *Continued from page 9*

ally cashed by the right person. The last one can be tricky, depending on the processes put into place by the administrator and, as we've seen before, may require help from the gift planner to get to the bottom of uncashed checks or other irregularities.

The administrator should also provide timely and correct tax information to beneficiaries and principal terminations in charities. This includes the implementation of the four-tier system for trusts and the proper income determination of pooled income funds or the right taxation of each gift annuity based on its life cycle. This last task is not so easy when a donor has three annuities that were funded at different times. Although the total annuity will be the same each year, the 1099-R information will change several times because the tax-free portion of each annuity will expire in a different year.

In several states, annuity reserve calculations need to be computed and filed annually. For institutions that follow GAAP accounting, liabilities should be computed and reported in accordance with FASB 116/117. These are two very big jobs!

Along the way, the administrator should provide proactive opportunities for the institution to exceed the donor's expectations in this process and encourage a happy donor to make repeat gifts.

### The Donor's Perspective

Is the gift you are about to set up the right one for the donor? No one wants to say, "Are you sure?" when the donor has a pen in his or her hand, but sometimes that is the right question to ask. The more explicit a donor can be in being sure, the more invested he or she will be in the process and less likely to have a bad experience.

After the pen has touched paper (or, someday not so far away, when the mouse

has been clicked) and the donor understands what is expected, the actual process of closing the gift is important, too. A donor should be treated as an individual, but within the boundaries and rules set up by your organization.

Personal treatment is not the same as bending the rules. Providing good customer service is not the same as having customers do whatever they want. Institutions have policies and donors have feelings, not the other way around.

What about the donor who hears that his or her annuity rate would have been higher if he or she waited another few weeks? And what if this discovery was made when another charity's proposal came in the mail?

Until the last of the income beneficiaries has passed away, donors don't want any surprises and want to stay happy. Usually it's not too hard to do that when expectations are met.

### Conclusion

There are several roles to play over the planned gift life cycle, many of which overlap within the same group of people. The areas with the most tasks reside with the planner at the beginning and the administrator at the end. With various people and often different departments involved, the planned giving officer should not only bring in the gifts, but also act as the quarterback, making sure gifts are processed smoothly and administered well.

Who plays which role will depend greatly on your institution. Some business offices demand control of the money, while others are happy to let the fundraisers print checks. Yet no matter which role you play or what kind of institution you work for, always do your job as if the next gift depended on it, because in many cases, it does! ♦

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## How to Build *Continued from page 7*

officer, you have a special role in helping donor advisors achieve their philanthropic dreams and the dreams of their clients.

### A Win-Win Relationship

Take some time to walk in the shoes of the professionals who can make the difference between your success and failure as a planned giving officer. I believe you will find that there are numerous

opportunities for helping them with their businesses while helping them advance the mission of your charity. ♦

## WRITE US

PFT readers are invited to respond to articles appearing in the newsletter by writing a "Letter to the Editor." Articles, news, humorous anecdotes, and other items of interest to the planned giving community are also welcome.

Send editorial correspondence to: [rgwr@pftoday.com](mailto:rgwr@pftoday.com)