

ADVICE

JANUARY 31, 2017

✓ PREMIUM

How One Nonprofit Formed a Planned-Giving Council and How You Can, Too

By Timothy Sandoval



As many baby boomers enter their golden years, they may consider including charities in their wills. Nonprofits that can handle bequests and more complex gifts will have an advantage over competing organizations.

To that end, some have started planned-giving councils — groups of financial professionals who advise organizations on how to seek and structure bequests and other planned gifts.

Often made up of accountants, estate attorneys, and financial advisers, these councils carry an added benefit for nonprofits: potential connections with members' well-to-do clients, who could become donors.

For example, many donors to the Tucson Medical Center — including some who have made five- and six-figure gifts — were introduced to the nonprofit hospital by members of its planned-giving council, says Michael Duran, chief development officer of the center's TMC Foundation.

The panel also underwrites an annual "legacy dinner" to honor people who have pledged to make planned gifts, and its 11 members offer advice for countless donors regarding their planned giving. But how does a nonprofit start such a body? *The Chronicle* spoke with Mr. Duran, who got his organization's planned-giving council off the ground about 10 years ago, to get some tips.

Start with a list of professionals to approach. When the TMC Foundation was looking to start its planned-giving program, Mr. Duran and two other staff members drew up a list of local professionals who might serve on its council. He said the hospital wanted to have a well-rounded

group of financial advisers who could handle questions about all types of assets. "That way, when you begin your exploration with a particular donor about their particular needs, you've got the bases covered."

The people who made it on to the list had ties to the hospital already. One, for instance, was an estate planner who had previously assisted a donor with a planned gift. Others were recommended by the foundation's trustees.

Have the people who know your organization reach out. Trustees or employees who have existing relationships with financial professionals should make the first contact, Mr. Duran says: "That made it a lot easier." Foundation staff followed up with formal meetings with potential council members to pitch the idea of joining the group.

Sell financial professionals on your mission. Making a case for the importance of your services is key. "The hospital has deep roots in this community, so that was an easy conversation to have," Mr. Duran says, noting that many of the council candidates or their relatives had been treated at Tucson Medical Center.

In the hospital's case, forming the council took about six months, he says. "We moved pretty quickly, but I think that's a function of having the right people make the ask."

Make council members feel like insiders. The foundation's planned-giving advisers are treated in some ways like trustees, keeping them engaged in the organization's work, Mr. Duran says.

At its quarterly meetings, the council is given updates on the hospital's latest strategies. Members get insider tours of the medical center's facilities and invites to its events. "I think it's our job to keep them interested in what we're doing," Mr. Duran says.

The hospital also tracks council members' communication preferences in its donor database — a reflection of how keeping a committee in place is akin to other relationship-building fundraisers do, he notes.

Give them exposure. The foundation posts council members' names on its website and includes information about them in publications and on social media. What's more, members are often asked to provide specific help for donors looking to leave planned gifts, some of whom become full-time clients of the financial professionals, Mr. Duran says.

Be patient. Don't expect that forming a planned-giving panel will yield immediate access to wealthy donors. For one thing, ethical guidelines often preclude financial advisers from directly promoting charities with which they are involved to their clients.

However, if a client expresses interest in a particular cause, like health care, financial advisers can offer information about nonprofits they know, Mr. Duran says. Another route of access that comes without ethical strings is to ask members of your planned-giving panel to invite clients to your organization's events, or on tours of your site, steps Mr. Duran says have brought new donors to the Tucson hospital.

Still, at the outset it's better to consider the council advisory in nature and take time to assess whether there are opportunities to meet with members' clients, he advises.

"You'll get frustrated" if you think donations will start rolling in quickly, Mr. Duran says. "It takes time."

Send an email to Timothy Sandoval.

Copyright © 2017 The Chronicle of Philanthropy