



BEQUESTS – STEWARDSHIP AND ADMINISTRATION

NORTHWEST PLANNED GIVING ROUNDTABLE

**MULTNOMAH ATHLETIC CLUB
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Presented by:

**Alison O’Carroll, J.D., MBA
Senior Consultant, PG Calc**

**115 NE 100th Street, Suite 300
Seattle, WA 98125**

**Phone: (206) 329-8144, ext. 1503
E-mail Address: aocarroll@pgcalc.com**

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I. INTRODUCTION

All non-profits should be interested in nurturing planned gifts to their organization. A planned gift through a bequest in a will or revocable living trust, beneficiary designation, gift annuity, charitable remainder trust, etc., is often a donor's largest gift to a non-profit. It is not uncommon for bequest gifts to be 10 to 20 times the size of a donor's average annual gift, with many gifts being even higher multiples. Because of the larger gift size and because planned giving builds upon previous cultivation actions, it is arguably the most cost efficient fundraising a non-profit can undertake.

A non-profit that has a positive image and has been around for a while will receive bequest gifts from time to time without particular effort on its part. However, it will realize a much greater number of planned gifts and larger gift amounts if it seeks out these types of gifts and stewards the donors who make them.

While bequest gifts are by definition deferred gifts – arranged today by the donor but coming to the charity at some unknown time in the future – there will come a day when that gift “matures.” In other words, when the donor passes away. (There might be instances where it comes to fruition later, as when the bequest gift established a life income arrangement, but this paper is focused on the outright bequest gift.) Sometimes it seems like that day will never come, especially if you have an impatient board, but we all know that eventually it will. Good bequest administration practices will help ensure that a non-profit receives all it is entitled to in as efficient a manner as possible.

Lastly, when a non-profit stewards its bequest donors well and is diligent in the management of matured bequests, it will be successful in securing more bequest gifts and increasing bequest dollars received by the non-profit. That success needs to be reported within the organization to help in planning and to justify continued allocation of scarce resources to a planned giving program. Dollars in the door is an important measure, but there are additional ways to evaluate success that tell a fuller story and should be considered as well.

Except to the extent that good stewardship of bequest gifts leads to additional gifts (more on that later), this paper will not cover how to secure bequest gift commitments. Rather, it will pick up where that leaves off – what to do when the donor notifies you that she has arranged a bequest gift (stewardship), what to do when the donor dies (administration), and what to do in reporting these gifts (measurement). But, first, some fundamentals of estate gifts are in order.

II. FUNDAMENTALS

Distribution of Assets Upon Death

There are essentially four ways a person's assets can be distributed upon death: 1) by default according to state law, 2) by will, 3) by beneficiary designation, or 4) by living trust.

- If someone dies **intestate**, that is to say, without having executed a valid will while alive, applicable state law will determine how his or her assets will be distributed. Significantly, no provision for charity exists under the laws of any state, even if the decedent made substantial charitable contributions during his or her lifetime.
- If a person dies **testate**, i.e., having executed a valid will, then his or her assets will be distributed according to the terms of the will. Either way, the person's estate will be subject to probate, a court supervised process in which the person's assets are identified; debts, taxes, and estate settlement costs are paid; and whatever remains is distributed (once again, according to the terms of the will if there is one, but otherwise as required by state law).
- Moreover, regardless of whether a person dies having executed a valid will, certain assets can be distributed without having to go through the probate process, pursuant to written instructions furnished by the person while living, i.e., a **beneficiary designation**. Examples include funds remaining in a bank account or in an IRA or other retirement plan, the death proceeds associated with a life insurance policy he or she owned, or the investments held in a brokerage account. If no such instructions have been furnished, however, then the assets will typically become subject to the probate process.
- Assets placed in a **revocable living trust (RLT)** pass directly to named beneficiaries and do not go through the probate process. This is one of the advantages cited for this type of estate distribution vehicle. It is called revocable because it can be changed or terminated at any time during the donor's life, assuming sufficient mental capacity. It becomes irrevocable upon the death of the person (trustor) and its dispositive provisions are permanent at that point and carried out by the successor trustee named in the trust agreement. (Note that a revocable trust is distinct from and should not be confused with other types of trusts such as charitable remainder trusts, perpetual trusts, and the myriad of other types of trusts that may be created.)

Terminology

Traditionally, a "bequest" referred specifically just to gifts made through a person's will. Today, that term is understood to encompass distributions from revocable living trusts as well.

A "bequest expectancy" refers to a gift that has been arranged and the donor is still living. This is also sometimes referred to as a "KB" or "Known Bequest" by some non-profits. A "matured bequest" is one where the donor has died and the process of distributing the gift can now begin.

In the Stewardship section of this paper the term "bequest" will also include gifts by way of beneficiary designation. This is because the gifts are very similar in nature to a bequest gift (they are sometimes referred to collectively as "bequest alternatives") and share many of the same features, most notably the fact that they are entirely revocable while the donor is alive.

III. Stewardship

Good stewardship serves to strengthen a donor's relationship with your organization and is a vital part of a bequest program. The hope is that both "new" and "uncovered" bequest donors will, as a result of recognition and good stewardship, *at least* continue to keep the provision in their estate plans and *at best* a) increase the level of their bequest, b) make additional planned gifts or c) accelerate their gifts by implementing life income plans or by making outright contributions.

A. Stewardship begins the moment the non-profit is informed of a bequest expectancy.

Mantra: This gift is extremely important and deserves timely personal attention.

The stewardship process begins at the moment the **non-profit** is informed of the bequest expectancy, not necessarily when the development officer finds out. While often it is the development officer who is the first to know, this is not always the case. Make sure to train other staff, volunteers, and Board members so that if they are the first to be notified, they know what to say and whom they should relay the information to for follow-up. Think ahead of time about what you want their response to be and devise a system for timely referrals.

Determine what the follow-up will be and how you will manage donors once you are notified of their bequest arrangement. Have your "thank you/welcome" packet at the ready, having already thought through the wording and signatory of the letter and prepared the reply form. Know who will acknowledge and thank the donor for what.

For example, once notified, a non-profit might take the following steps:

- Contact the donor within 24 hours to personally thank him or her and set up a visit, if possible.
- Send a thank you/legacy society welcome letter with a gift notification form. This is done by the development officer within two-four days of notification. See [Appendix A](#) for sample letters and forms.
- Have the President/CEO or an appropriate Board member contact the donor and thank him or her. This could be by letter or by phone. Many non-profits look for ways to involve their board members in the fundraising process and this is an ideal activity for doing that. If your board member is amenable, a phone call can be more gratifying and offers the opportunity for them to hear firsthand why donors support the non-profit. This should be done within two weeks of notification.
- Enter the gift information into the donor database so it can be readily tracked.

Before making the first call, take a moment to look at your database and learn about your donor. Has the donor given recently? Check on patterns of giving. Has the donor given over a long period of time?

When you call, thank the donor personally not just for the bequest but for yesterday's gift, for last month's gift, or for loyal and longstanding support in general. Also, be sure to

thank the donor for sharing with you information about the bequest. In addition, you should:

- Emphasize respect for confidentiality.
- Mention that the donor is now eligible to be a member of your legacy society by virtue of the bequest. If no such society exists, don't worry. Say that you will try to keep the donor involved in things that are going on.
- Emphasize that the donor can choose his or her level of involvement.
- Assure the donor that the gift is important no matter how small (or how contingent!).
- Make clear that you can help ensure the donor's wishes are carried out and that you are a resource and would welcome any questions.

Once a donor has been welcomed into a charity's community of bequest donors, the relationship should continue to grow. Indeed, the focus now shifts to deepening that relationship through ongoing contact by cards, phone calls, and personal visits.

B. The Bequest Recognition Society

A legacy society is not an absolute necessity for a planned giving program. Stewardship can certainly be done through the usual means without one. However, it has become a best practice in planned giving for several reasons. A legacy society:

- formalizes stewardship and ensures that it happens. Too often planned giving donors fall between the cracks at a non-profit and the only time the donor hears from the non-profit is a thank you upon notification (sometimes not even that!). One non-profit had the experience of hearing from a donor that they had been named in his will, only to discover upon searching the records that this donor had informed them of this gift twice before. It wasn't clear if thank-you's had been sent upon these prior notifications; certainly no contact had been made since then, with the non-profit losing track of his gift in between times.
- creates an identity and, if done correctly, helps the donor feel a part of something special. Seeing themselves as a part of like-minded community helps reinforce their gift decision and makes them good about arranging it.
- provides the means of recognizing your bequest donors. What does it say if a non-profit offers all sorts of giving levels, clubs, and recognition opportunities for donors of outright gifts but is silent for those who name the non-profit in their estate plans? While some donors will say they do not want the organization to make a fuss (ask if they are being completely honest), many others like the attention.
- can be a very useful tool for initiating planned giving conversations and promoting bequest gifts generally.

So if a non-profit is intent on increasing its number of planned gifts, it should most often look to the day when it will establish a legacy society of its own. Here are some considerations that come into play in doing so.

1. Membership - Be Inclusive

Legacy societies add value by providing a mechanism for deepening and strengthening the relationship planned giving donors have to your non-profit. This will result in the retention of what are otherwise revocable gifts, the arrangement of additional planned gifts (as well as outright ones) by individual members, and an increase in the size of these gifts. There is only an upside to being as inclusive as possible and very little, if any, downside.

This means that all bequest donors should be counted as members, regardless of gift size or if it is contingent. By including a non-profit in his or her estate plans, the donor has shown a commitment to the non-profit and a desire to leave a legacy. Beyond being the right thing to do, greater contact and stewardship through a legacy society will help small gifts to grow and contingent gifts to become certain gifts.

While it is a very good idea to eventually obtain a copy of the gift documentation, or the relevant portion thereof, do not make this an initial requirement. Donors are sometimes reluctant to share these and only harm can be done by excluding them on this basis. You will lose opportunities for stewardship and you may alienate donors by communicating a lack of trust or being seen as too intrusive.

Instead, focus on having something in the file that is written and memorializes the gift. Next best to the actual gift documents is a “gift notification form” that provides basic information about the gift (including an approximate indication of gift size), notes any restriction as to use, and gives permission to be recognized publicly. (See [Appendix A](#) for examples of such a form.) However, any written indication from the donor should be acceptable, be it an e-mail, a letter, or the like. If it is an oral commitment and no gift notification form is forthcoming, compose a letter to the donor that expresses your understanding of the gift. You may or may not want to ask for their signature at the bottom.

With good stewardship, there is a strong likelihood that the donor will eventually share their gift documentation. It helps to let donors know the information will be kept confidential and that your purpose in asking is to make sure their gift can be carried out as desired. It serves both the donor and the non-profit to make sure that 1) the intended organization is identified correctly, which is especially important for non-profits with different branches or offices, 2) you can meet any gift specifications or restrictions, and 3) any possible confusion down the road is minimized.

2. Offer Meaningful Membership Benefits

A core component of any legacy society is the benefits that will be offered. These are designed with several goals in mind: to let the donor know that the non-profit is grateful for their estate gift, to help a donor feel part of a special group, to encourage donors to reveal their estate gift

plans, and to provide opportunities for personal stewardship. *The key is for the non-profit to offer enough to achieve some or all of these goals but at a level that is sustainable given the level of committed internal resources.*

There are some more or less standard benefits offered by non-profits that help achieve the goals stated above. How many of these should be offered is a function of staff time and budget. Think about providing quality over quantity and limiting yourself to providing only those benefits that you can do well. Devote some time to thinking about how these “bread and butter” benefits might best reflect your non-profit and the mission your donors feel so strongly about.

Common benefits

- **Donor recognition.** Publish names of donors in printed materials, on the website, and in e-mail. List names in a physical space and recognize donors at public events or ceremonies.
- **Membership certificate.** Membership certificates may seem mundane and may not resonate with all of your donors. However, a certain group of donors will be very touched to be recognized in this way, with some proudly displaying the certificate at home. This is a low-cost benefit and so there is little reason not to offer it.

The key is to have the certificate look nice, be on quality paper, and be signed by high level leadership, commonly the Board Chair and/or the President/CEO. The certificate should be branded with your organization’s logo/look and/or the legacy society logo. The more personal you can make it to your organization, the better. See [Appendix B](#) for some sample certificates. In particular, note the unique approach taken by the Make-A-Wish organization.

- **Membership pin.** This is not quite as common as membership certificates because it is somewhat more expensive to produce. However, once again it is fairly low-cost and will resonate with some donors in particular. It also serves to publicize the legacy society for those times when donors wear it to non-profit functions.

As with the certificate, the key is to have a pin that is nicely done. The Japanese American National Museum has a pin that is cloisonné and is a lovely piece of jewelry, which they present in a jeweler’s box. Northwest Harvest, a hunger relief agency, has a quality but more simple legacy society pin that is attached to the inside flap of their membership packet. Avoid designing pins with too much detail as it does not translate well in the limited space, particularly human faces. Consider your vendor carefully and avoid brassy, cheap looking pins.

- **Memento.** Some non-profits have a memento of membership instead of, or in addition to, a membership pin. These token gifts can remind a donor of your non-profit and serve as evidence to others that he or she supports your organization. Design something that will remind donors of your non-profit each time they see the item, and ideally is useful to the

member. (Remember that your target audience is older persons who are very likely in a downsizing mode and do not need more “stuff.”)

Some good choices are a coffee mug, drink coasters, a bookmark (especially for libraries and schools), a thumb drive, and/or note cards with mission related photos. Consider whether you might want two different mementos to be able to offer the one that would be most meaningful to a particular member. For example, a magnifying glass might be just the thing for your older members while it would not be useful to (and might be a negative) to your younger members.

Less recommended are items such as paperweights, bookends, and plaques. They are heavy to mail and tend towards the “dust gatherer” category. In most cases, it is best to avoid anything that is too expensive - it is more the thought that counts, not the amount of money spent.

Having said all this, the caveat is that what item or items work best will vary between non-profits and their different donor compositions. Take some time to think about what will resonate best with your donors and reflect your non-profit’s character. Ask your legacy society members and prospects on a regular basis what they would most value.

- **Dedicated legacy society [annual] event.** This is discussed in detail below in Point 4.
- **Invitations to other events.** Look for opportunities to include legacy society members in other important events at your organization. This is a very low-cost way to steward your donors and underscores the importance you attach to their estate gift.

Unique Benefits

The greater challenge (and fun) is to think about offering one or two benefits that are unique to your organization, or that would be uniquely valued by your donors. You might want to develop a group of three to four such offerings so that they can be tailored to the particular individual. Here is a list of some ideas with a more complete list and description found in Appendix C.

- Special parking privileges
- Access to campus libraries
- Invitations to “special experience” wishes (Make-A-Wish)
- Custom books with mission related photos and quotes (Make-A-Wish Washington and Alaska uses Snapfish, an online photo sharing and products site, to make a “Wish Kid’s” book with wish quotes and photos at a modest cost. Snapfish can also be used to create invitations or cards with images from your organization.
See: <http://www.snapfish.com/snapfish/fe/photo-books>)
- Backstage tours (performing arts organizations)
- Invitations to watch rehearsals, classes

- Special edition music CD (from a public radio/jazz station)
- Wine release parties (College Wine Academy)
- Invitation to judge student project presentations
- Event with scholarship or grant recipient(s)
- A bush or flowering shrub planted on the grounds of the non-profit, in the member's honor
- Personalized quilts from members of the Quilting Club at the benefitting senior center (donors could even choose the fabric squares they wanted)
- Sneak previews of art exhibitions

3. Recognize Donors

Public recognition offers the double advantage of recognizing donors while building awareness about your program. If donors are reluctant, let them know that public recognition is, in many ways, a second gift to your non-profit as it may inspire others to be equally generous. For many donors, this latter point is an appealing reason to be a member of the legacy society.

Look for as many opportunities to recognize your donors as you can. At a minimum, integrate them into the recognition given to other donors at your organization.

- If you have a physical donor recognition wall, add a section for the legacy society.
- Include them in donor listings in the annual report and other non-profit publications.
- If the non-profit has a planned giving newsletter, highlight new members on a periodic basis.
- Include them on the non-profit's website.

Georgetown University sends periodic e-mails announcing the newest members of its legacy society. ACT Theatre in Seattle has taken a unique approach in having a "Legacy Society Night" at which the Legacy Society and its members are acknowledged in front of all of the opening night patrons. (This is in addition to their annual legacy society luncheon and takes inviting them to a play one step further.)

A note of caution: show great respect for a donor's preference for anonymity or confidentiality and consider proactively seeking permission to publish any names. In other words, weigh carefully the pros and cons of not listing anyone's name without their express permission, versus letting donors know you will list their names unless they "tell you otherwise."

Another recognition tool that has been used is a video tribute kiosk. This is placed in a public space (e.g., lobby) of the non-profit and plays taped video interviews of legacy society members. (These interviews can also be posted on the website.)

Decide if the non-profit will distinguish donor recognition, either in terms of donor listings or "perks", based on gift size. To do so with planned gifts raises several issues. Oftentimes, donors prefer to keep the amount of an estate gift private. Sometimes they do not know what it will be with certainty (e.g., % of the residue of their estate) and are reluctant to mislead by

estimating. Even when known, would you count the gift at face value? Would the answer to that depend upon the age of the donor? With life income gifts, would you count the full gift amount or the estimated remainder amount?

Recognizing these difficulties, and building on the desire to create a feeling of community, the most common practice is not to distinguish recognition or benefits based on gift size. However, some non-profits have chosen to do so. The Lyric Opera of Chicago, for instance, has the Bel Canto Benefactors (see: <http://www.lyricopera.org/support/bel-canto-benefactors.aspx>). These are members of the legacy society who have designated one or more planned gifts exceeding \$100,000. They even go a step further and combine this with an annual gift of \$1,000 or more in order to qualify.

4. Hold a Dedicated Legacy Society [Annual] Event

Try to offer some type of event during the year that is for legacy society members only. Donors enjoy the chance to meet and mingle with like-minded people and it helps build a sense of a special community especially dedicated to the future of the non-profit. With this in mind, the primary goal of the event should be to recognize and thank your members and convey to them a feeling of special status. A secondary goal is to educate your donors about the activities of your organization and create a greater level of involvement.

This does not necessarily have to be a large annual event. The key is to make it be as big or as small as your non-profit can sustain, focusing on the quality of the experience. It might be something relatively simple such as coffee with the President or perhaps a tour of a new facility. If smaller groups are more manageable, offer small group meetings with the President (coffee, lunch) at different times during the year (the number will depend on the number of possible attendees). This gives flexibility to you as well as to your donors, who may not otherwise be available if a single date is chosen.

A few years ago, a YMCA sought to replace its annual Heritage Club Dinner with a “series of more varied, intimate and cost-effective events.” They gave members the opportunity to choose from a myriad of “Heritage Club donor appreciation events” instead of the single dinner, some of which were unique to the Heritage Club members and some of which were existing events:

- May 18 - Black Achievers Scholarship Awards Banquet
- Day trip to a summer camp (lunch and tour included)
- October 2 - Northshore YMCA 30th Anniversary Gala
- November 6 – Camp Values Award Celebration
- Fall - A.K. Guy Award Luncheon
- YMCA Vision 2020 conversations with the CEO (lunch or happy hour options)
- Legacy Giving seminar or individual consultation
- YMCA branch or program visit

While an annual event just for legacy society members is not a necessity, for most non-profits it is a good goal to aim for. Make the event important and have board members and the executive director attend. These leaders should convey the strength, momentum, and future plans of your organization and recognize the impact deferred gifts of society members will have. Daytime events are usually preferable to nighttime; if the time is kept to 1½ hours, legacy society members who are working will be able to attend.

The best programs are those that are mission related versus estate or financial planning type themes. This is illustrated by a medical center that featured their head of Thoracic Oncology, who described to the audience what they were able to accomplish and gave them a feel for the patient interactions. Secondary were some low-key references to philanthropy and donors woven into these remarks.

Look to hold the event at the non-profit if space allows. If not, look for unusual venues that will help make the event more special and desirable. One non-profit in Hawaii was able to hold its inaugural event at the estate of model Kathy Ireland, not usually accessible to the public. The Seattle Symphony has partnered with cruise line Holland America (not Carnival!), with its annual luncheon held aboard one of the large cruise ships. In another instance, a local artist offered space in his glass studio for a gathering, including glass blowing demonstrations as part of the event.

You may want to consider having legacy society member(s) help plan the event and promote it. This can result in better ideas for the program and increased attendance. The event invitation could be from the donor volunteer, particularly helpful if it is a recognized name.

KCTS 9 features a different type of program each year as the theme of the legacy lunch. In 2011, Legacy Circle members were invited to a behind-the-scenes presentation from the director and producer of an upcoming documentary on the 50th anniversary of the Seattle World's Fair. The lunch was held in the Space Needle, an icon of World's Fair, and guests were invited to bring their World's Fair memorabilia and stories. At least 75% of the guests at the lunch had attended the Fair and had great stories to share along with a wide variety of souvenir items. A full-color replica of a placemat from the Fair was at each place (laminated in plastic as so many placemats were in 1962), dessert was a cupcake with a Space Needle golf tee as decoration, and the take-home gift was a KCTS 9 logo thumb drive. Attached to the thumb drive was a quarter that had been flattened and stamped with an image of the Space Needle (another very typical vacation souvenir from the Sixties.)

In 2012, KCTS focused the lunch on its live-broadcast cooking show, KCTS 9 Cooks, which has been airing for 15 years. The presenters included the producer, the executive producer, and frequent guest chefs Tom Douglas and Thierry Ratureau. All the attendees felt very special since Tom Douglas had just received the James Beard Award as 2012 Outstanding Restaurateur earlier in the week. He also shared that his staff was fixing lunch that same day for President Obama who was visiting Seattle while Tom chose to have lunch with them at KCTS 9. Shortly after the lunch, Thierry Ratureau was selected as a contestant for the upcoming season of Top Chef Masters. The lunch was held in the KCTS 9 studio.

Prior to the lunch, the staff had solicited contributions of aprons from friends, family, co-workers, etc. On the back of each chair was a different apron carefully tied in place which soon became a conversation piece as donors traded aprons or selected their seats based on which apron they wanted. To bring color to a basic “black box” television studio and to give the guests the opportunity to do a bit of “cooking,” the centerpieces were unfrosted cupcakes on Fiestaware plates in a wide variety of colors. Around the plates were varied small pieces of Fiestaware with icing and colorful sprinkles, for each guest to create his or her own cupcake for dessert. The take-home gifts were recipe cards for favorite recipes selected by the executive producer and wrapped in a KCTS 9 Cooks kitchen towel.

The Pride Foundation is a community foundation which provides grants and scholarships related to the LGBTQ (Lesbian, Gay, Bisexual, Transgender, & Questioning) and straight ally community. For some years, the Legacy Circle event was an evening wine and heavy hors d’oeuvres party at a private home. After the normal welcome and organizational update, the guests were divided into groups. Each group was given the same three grant applications, all of which had NOT been funded in the prior grant making cycle. The Foundation set aside \$1,000 to be awarded that night. Each group made a top choice and then all the groups came together, discussed their process, and finally voted collectively to determine the grant recipient. This activity provided legacy donors a chance to see how their gifts might be used in the future and gave them an understanding of how difficult grant making decisions are. (A side benefit was that it underscored how there is never enough funding available for all of the deserving projects!) Sharing the thank you letter from the organization which received the grant with the attendees was a great follow-up to the event.

Whatever type of event you do, whether large or small, the key is to focus on the quality of the event. Take time to pay attention to the details, have staffing sufficient to ensure things run smoothly, and choose presenters carefully. Try to think of the small things that can make such a difference. One example of a thoughtful approach is from Dyan Sublett, President of the Martin Luther King Community Health Foundation. At one of her prior organizations, new members were presented with legacy society pins at the annual luncheon, usually from the development officer. One year the organization went a step further and arranged for individuals who were important in a particular donor’s connection to the non-profit to do the pinning. For one donor it was a Board member they were particularly close to. For another it was the head of the program area they were supporting. For each new member it was a unique person placing their pin and thanking them. It was quite moving and a particularly meaningful experience for the donors. As a part of its legacy society annual gathering, Morris Hospital Foundation gives each member a chance to share why the hospital is special to them and/or why they made a planned gift.

5. Don’t Limit Stewardship to Once a Year

While an annual gathering can be a very important part of stewarding your legacy society members, don’t make it the only activity. Some of the very best stewardship, provided that time permits and the donor allows it, is regular ongoing personal contact through correspondence, visits, and phone calls. At a minimum, seek to have a personal visit or substantive phone call with each member of your legacy society once a year. If your legacy

society is too large to do this, enlist the aid of volunteers – perhaps Development Committee members or general Board members. Or look to have this duty shifted to the portfolios of major gift officers if that is an option at your organization. They might be able to do these visits as a part of other visits they are making in the area, places where you might not have an opportunity to go. Some donors are reluctant to meet. This is where having a reason to visit such as a delivery of the membership certificate, pin, or memento can be helpful.

Some non-profits like to send Thanksgiving cards; one prefers to send New Year greetings while another sends Valentine cards (sent by the Planned Giving Committee of the Board). Birthday cards are a special way to stay in touch, if you know the donor's birthday. (Actively collect this information.) A local radio station intends to start sending a holiday card along with a box of chocolates each year.

Consider personally thanking legacy society members when they make annual gifts, as most will do, with either a call or a hand written note. Once again, Board members or executive staff could be most helpful in this endeavor.

A wonderful stewardship activity is to ask a legacy society member to be interviewed about their relationship with the non-profit and what motivates their giving. This might be for a newsletter article, a testimonial on the website, or perhaps a printed marketing piece (or all of these!). This activity has a double benefit as it brings the donor closer to the non-profit while also providing one of the best means of inspiring others to give. An estate planning attorney recently shared that she was very touched when an organization she donates to asked her for such an interview. Even though she is unsure if she wants to agree to do this, the fact she was asked was meaningful to her and appreciated.

Some non-profits send “insider reports” of some nature to their members. These are intended to offer unique information or perspective about the non-profit that members wouldn't receive in another mode. The Manager of Gift Planning from KCTS 9 uses a quarterly letter to her legacy society members (with a modified version for her planned giving prospects) to feature recent news about the station, highlight upcoming offerings of particular interest to her audience, and give a sense of who she is as a person. In addition to building a sense of community, it has helped open the door to donor visits and resulted in some outright gifts – most recently one for \$500. (See [Appendix D](#) for a sample letter.)

Under the discussion about membership benefits, it was mentioned to extend invitations to other events in the organization where appropriate. This will leverage efforts already taking place internally, give your members greater choices, and reinforce the message that their gift is important to the organization. When seating the legacy society members, mix them in with other donors rather than seating them separately. Planned giving donors typically like to interact with other donors and the two groups can influence each other. Major gift donors are exposed to planned giving and planned giving donors may be inspired to increase their outright gifts.

Have a means of distinguishing the legacy society members from others at the event. Something as simple as stickers on nametags (either color coded or ones made with the legacy

society logo) will help donors feel special and will be a conversation starter – others will ask what the sticker means and how they can be members, too. Other non-profits have used ribbons on nametags; a non-profit in Hawaii uses flower leis (on the mainland, you might use lapel flowers such as carnations).

Recognize and acknowledge the legacy society members at the event, if appropriate. If a donor is being recognized for reaching a certain outright giving level, be sure to mention if they also have a planned gift.

The tendency is to think in terms of organization wide or ‘standard’ donor events. However, there may be opportunities to tie invitations more directly to a donor’s particular area of interest. Make sure planned giving donors are on the invitation list for any separate events or gatherings a particular program or unit might be having. An illustration of this idea comes from marketing consultant Phyllis Freedman in her blog earlier this year. She described how she was invited to attend a gala at the Lady Bird Johnson Wildflower Center, a research unit of the University of Texas School of Architecture. She had arranged a bequest gift to the school establishing a scholarship with a stated preference for students connected with the Wildflower Center. She states, “[The invitation] reminded me of the important connection between the two entities, it made me feel valued and appreciated, it made me feel like an insider and, in this particular case, it made me feel as if the School really knows me personally for having sent me such a relevant message.”

A corollary to inviting donors to events whenever possible is to include legacy society members in focus groups, surveys, regional gatherings, “coach’s tours,” task forces, and the like. All of these activities help expose them to your non-profit and its work, reinforce their gift decision, and possibly lead to larger gifts than anticipated, both deferred and outright, all at no (or little) additional cost.

C. Summary and Example

The above several pages have lots of details about everything you could be doing for your bequest donors, to give an idea of the range of possibilities. However, not all non-profits will do all of these activities. The goal should be to pick the number of activities that can be handled on a consistent basis and will be most meaningful to your donors. In order to achieve as much as possible, start with the small things and look for ways to integrate your bequest stewardship into activities already going on at your non-profit. With just a limited effort you will start to see results.

A very good example of putting this approach into practice is found with Jeanne Galloway, Institutional Development Officer of the Puget Sound Blood Center (“PSBC”). Jeanne is the single fundraiser at the non-profit dedicated to working with individual donors, with planned giving being just a part of her responsibilities. When she joined PSBC, some planned giving activity had been done and there was a Heritage Society of about 30 members. However, the bequest program had been pretty quiet and not much contact was made with Heritage Society members for a number of years prior to her arrival (not uncommon at non-profits).

Jeanne set out to change this. She started reaching out to donors, making contact via e-mail, phone, and visits. A Heritage Society membership certificate was created, formatted to be a stand-alone document which can be printed on, bright white paper or onto a multi-purpose certificate form that the PSBC Communications team designed for use by various departments (see [Appendix E](#)). The certificate is placed into an inexpensive black frame purchased at a Target type store.

The PSBC had been holding “Partners in Life” events on a quarterly basis for years in various places around the Puget Sound. The purpose was to celebrate blood donations and invitees included blood donors, blood drive coordinators, and the business sponsors of blood drives. Jeanne’s teammates were open to making some changes when she asked how a planned giving component could be incorporated into these events. They began inviting known Heritage Society members and good bequest prospects (long-time, consistent donors). They prepared a one-page bequest newsletter to distribute at the event, featuring a donor profile, brief information about beneficiary designation gifts, a description of the Heritage Society, and a reply device (see [Appendix E](#)). The program was expanded to include a mention of the Heritage Society, a bequest donor shared her story, and a soft ask was made: “We would like you to think about doing this type of gift.”

As a result of one event in particular, Jeanne was contacted by a family that let her know PSBC was in their will and to say that they were now increasing the gift from 5% to 25%. In addition, there is now discussion around other possible planned gifts.

Another case involved a member of the Heritage Society who had never been visited. Jeanne was in touch with her, establishing a rapport through e-mail communications that eventually led to a personal visit. During the visit, Jeanne presented the donor with a membership certificate. Later, the donor attended a Partners in Life event and met the Director of the Center. The donor recently told Jeanne that her bequest gift has been increased to include a percent of the estate in addition to her existing specific bequest.

III. ESTATE ADMINISTRATION

Bequest administration is what happens when you are notified that a person has passed away and left a gift for your non-profit in their estate plan. It involves reviewing documents, providing needed information, monitoring progress, and stewardship.

At its most basic, effective bequest administration is all about ensuring your non-profit receives the amount it is entitled to, as quickly as possible. In the case of a residuary bequest, it also helps to ensure that estate costs and fees are reasonable, and that the non-profit receives the maximum possible gift size.

It can offer some additional ‘side’ benefits, as well. Gift administration done properly will reinforce the message that this type of gift is important to, and appreciated and honored by, your organization and create goodwill among the donors’ heirs. This positive treatment can be a source of encouragement to other potential bequest donors to make their own gift. It is also a chance to build stronger relationships with estate planning attorneys and other professional advisors.

Picture a hypothetical gift coin. Side one is securing (and retaining) the gift commitment. Side two is the process of securing the actual gift dollars. While estate administration – the second side of the coin – is sometimes treated as a poor relation, it should be given as much weight and consideration within the organization as obtaining the gift commitment is given.

A. Mechanics

Remember that a bequest or “legacy gift” can be made in many ways and not all of them involve an attorney:

- **under a will provision**
A bequest under a will passes through “probate” – a court-supervised process by which the affairs of a deceased person are settled. A probate estate is administered by a personal representative (“PR”), who is usually named in the will, sometimes referred to as an “executor.” As a beneficiary – by law – you are entitled to see a copy of the whole will. The assets passing under a will are known as “probate” assets. A court-appointed personal representative (if there is no named representative) is known as an “administrator.”
- **under a provision in a living trust (a will substitute)**
In this case, a *trustee*, rather than a PR, will be responsible for distributing the estate assets. This will not be a court-supervised process and you will not necessarily be able to see a copy of the trust document. From a donor’s perspective, this may have been one of their reasons for setting up a living trust – the fact that the trust document does not become a part of the public record. Any property that passes outside a will (such as trust property) is considered a “non-probate” asset.
- **through a beneficiary designation** (IRA or other retirement plan, life insurance policy, brokerage account, etc.)
All that is required in this case is for the designated beneficiary to submit a claim and probably a death certificate to the financial institution or other custodian of the plan or account or to the insurance company. Again, these are non-probate assets. The PR will not be involved, nor will the court supervise. The distribution can be made soon after the donor’s death.

B. Documents and Timing

Whereas a bequest made through a living trust should take relatively little time to be distributed, a bequest made through a will is going to be subject to probate. Probate is an unpredictable process. Not only may assets be hard to track down, difficult to value, or hard to sell, but often there are unforeseen creditor issues and family disagreements. Moreover, the details associated with the process will differ considerably, depending on which state’s law governs.

On average, most estates will take nine months to a year to complete. If the estate is of sufficient size to be subject to estate tax, it usually takes 16-18 months to administer the estate due to the filing of an estate tax return.

The following is an overview of documents that you will typically see in an estate administration. The names of the documents will differ from state to state as well as the time periods within which action must be taken. You should take the time to acquaint yourself with the practices and rules of your state or the state where the probate is being handled, if different.

Notice of Appointment/ Letters of Administration/Letters Testamentary

The process usually begins with a notification from the attorney for the estate or from the PR that the donor has died and a gift has been left to the charity. Very often, a copy of the will accompanies this notice. If it does not, you should request it, as all beneficiaries and heirs under the will have a right to receive a copy. Sometimes, the attorney or personal representative is uncooperative; in that case the will is a matter of public record and you can obtain a copy at the appropriate courthouse (usually filed in the county of the decedent's last residence).

With a living trust there will not be a formal notification but rather a letter from the trustee or the attorney for the trustee.

Inventory and Appraisal/Valuation

In most states the PR is required to file a detailed Inventory and Appraisal (or Inventory and Valuation). This inventory should list all property owned by the decedent including real estate, bank and brokerage accounts, personal property, etc., and place a value on these assets. The time period within which this document must be prepared varies from state to state – some require it within 30 days of the PR's appointment. If a non-profit is a residual beneficiary, it is generally entitled to a copy of the inventory.

While this is most relevant for a residual beneficiary, an inventory can also be helpful in the case of a specific bequest. Because it provides a value for the total estate, it will indicate if there are sufficient assets to pay all of the specific bequests. If not, the specific bequests are usually reduced proportionately; check the appropriate state statute if this is a concern. It will also give an idea of the timing of distributions. While there may be sufficient value such that the actual distribution is not in question, if liquid assets are insufficient the PR will need to sell adequate illiquid assets and it will take longer for a distribution to occur.

Final Accounting and Petition for Discharge

To close an estate, the PR must file a final accounting and Petition for Discharge with the court. This must be filed within a certain period after the PR is appointed, often 12 months from the date letters are issued. This petition typically contains statements:

1. that the PR has fully administered the estate;
2. that all claims which were presented have been paid, settled, or otherwise disposed of;
3. that the PR has paid or made provision for taxes and expenses of administration;
4. showing the amount of compensation paid or to be paid to the personal representative, attorneys, accountants, appraisers, or other agents employed by the PR and the manner of determining that compensation;

5. showing a plan of distribution that includes:
 - a schedule of all prior distributions;
 - the property remaining in the hands of the personal representative for distribution;
 - a schedule describing the proposed distribution of the remaining assets; and
 - the amount of funds retained by the personal representative to pay expenses that are incurred in the distribution of the remaining assets and termination of the estate administration.

Any objection to the accounting and the plan for final distribution must be filed within a certain time period, often 30 days. The PR should distribute assets in accordance with this petition promptly after the objection time period has passed.

Notice to Creditors

Something you won't see, but which affects the timing of distributions is the Notice to Creditors provided by the PR. If the creditors are known, they are served with individual notice. However, the PR must also publish a general notice to creditors. Typically, creditors are allowed a three- to four-month time period in which to file a claim. No distributions will be made before this time period passes.

C. Internal Administration

Select one person or office to be in charge of the monitoring of bequest gifts. Send out periodic reminders to ensure that everyone in your organization knows to whom this responsibility has been assigned.

Initial Response

Just as it is important to respond promptly and professionally when notified of a gift intention, it is similarly important to do so when notified that a gift has matured. How you respond to a family member's or advisor's notice informing you about an estate gift indicates to them the importance your non-profit attaches to such gifts and their overall management. Respond promptly and provide any requested information. Take advantage of this opportunity to tell advisors of the services your non-profit can provide to future clients, such as providing sample bequest language and preparing illustrations for life income gifts.

Have at the ready a template letter to send to the attorney. In addition to expressing gratitude for the gift, it should include:

- Non-profit's legal name and taxpayer ID number
- Completed IRS Form W-9
- IRS Tax Exempt Letter (501(c)(3) letter)
- request for a copy of the will, if it was not provided initially by the attorney

- request that all future estate correspondence be directed to the bequest administrator (include complete contact information!)
- request for an inventory when prepared
- inquiry as to family members and/or friends so that you may be in touch and express condolences on behalf of your non-profit

Send a letter to the PR. Often the PR will be a family member or close friend, in which case the letter will include both thanks and condolences. If the PR is a professional fiduciary, the letter will be more of a thank you for the services they will be rendering in administering the estate. Also include in the letter contact information for the bequest administrator and encourage them to work directly with that person as the estate moves along.

Send a letter to surviving family members and/or close friends. Express your condolences and your appreciation for the decedent's gift. If you had interactions with the donor while he or she was living, mention these to underscore how important the decedent was to the non-profit. You can gently ask if they would like to share information about the decedent and his or her connection with your non-profit. Remember that this will be a difficult time for the family member or friend and words of kindness and interest about their loved one will be greatly appreciated. The letter should most definitely have a personal tone (versus a form letter); consider a handwritten note or card.

Practice Good Stewardship

In addition to these initial letters sent upon notification of the matured gift, send thank-you letters after every partial distribution and after the final distribution. Be sure to include information on how the gift will be used, especially important if the decedent specified a particular purpose. It is a good idea to indicate that it is standard practice to publish bequest donor names and that you would like to do so in this case. This will help flush out any objections that might be made *before* the deed is done.

If the gift was directed to endowment, determine the level of interest the person has in receiving future endowment reports. Even if the gift was unrestricted consider sending a thank-you letter a year or so after the donor's passing with some general report. One medical research institute sends "Research Highlights" that are produced each year, with a letter saying that such achievements are possible because of gifts like the one received from their loved one.

Consider inviting the PR, family/friends, and/or the attorney to the annual legacy society event that occurs during the year of the final distribution, as your budget will allow. Remember that serving as PR can be a difficult and often somewhat thankless job and that recognition and celebration of their efforts will be greatly appreciated.

If it is physically feasible, invite the PR to visit your non-profit, receive a tour and meet staff, and gain a first-hand look at how the decedent's gift will be used. As the first few months are particularly busy ones for a PR (and potentially quite emotional as well), it would be best to wait to extend the invitation until three months or so after they notify you of their appointment. If the PR is a family member or friend, chances are that they too have an interest in your non-profit or would

be open to developing one. If the PR is a professional fiduciary, this is an opportunity for your non-profit to shine and for you to establish (or strengthen) a relationship with a key advisor. Establishing a personal rapport can be particularly helpful when your non-profit is a residual beneficiary, named to receive a piece of property you would prefer be sold on your behalf, and/or there are difficult assets in the estate to be dealt with.

Set up a Tickler System

It is very important that you have a system for monitoring progress and reminding you of important dates. The idea is to follow-up sufficiently so that the gift is received as quickly as possible but not at inappropriate times or to the point of unwarranted annoyance. One professional fiduciary said she welcomes frequent contact from charities but cautions development officers to tickle contacts appropriately and check their notes before calling. In other words, don't call for an update a week after the last call, when the PR said nothing would happen in the estate for a least a month!

You also don't want to miss an important legal deadline such as the time period for objecting to a final accounting or disclaiming a gift. There are software packages, including *Bequest Manager* by PG Calc, that are designed specifically to help manage the process for each estate gift.

One important date to keep in mind if the bequest is of a specific piece of property is the "Disclaimer Date". Any beneficiary may decide that it does not want to receive particular property it has been left in the will, e.g., real estate located next to a Superfund clean-up site or a collection of black velvet paintings. It may give up its rights or "disclaim" this property and never be in the chain of title. This right must be exercised within a particular time period, often within nine months of the decedent's date of death.

Practice tip: Some PRs are very open to contact from charities and the other beneficiaries while others are more private and don't wish to be contacted. Check with the estate attorney first to see what the preference of the PR is. They can help you gauge the appropriate level of engagement and contact in a particular situation, and guide you as to the better party to communicate with.

While realizing each estate will be unique, and timing will depend heavily on the PR, the ease with which heirs can be located, the type of assets, etc., some general timing guidelines are:

- specific bequest – review 5-6 months after notification. For smaller specific bequests attorneys will generally advise their clients to distribute at four months or soon after expiration of the creditors claim period. If this is not the case, tickle for review at the 9-12 month mark.
- residual bequest – review 5-6 months after notification to receive a copy of the inventory. Review 5-7 months after that to make sure that the estate is closing.

If the estate must file a federal estate tax return, calendar the final review for about 18 months after notification. With residuary bequests, attorneys will generally advise their clients to wait to distribute until after the federal estate tax return has been filed and the

IRS has signed off on the return. A PR has nine months from the date of death to file the federal estate tax return but in almost all cases they will request the available extension of six months, for a total of 15 months. Then there is a three- to four-month wait for final IRS approval and sign-off.

In between the initial check and the final check you will want to be in fairly frequent contact. Exactly how often depends on the nature of what is in the estate and what stage it is in, e.g., you might be in contact on a weekly basis during the time real estate is being sold. One non-profit was the residual beneficiary of artwork which the PR decided to place for auction with Sotheby's. In that case they tickled the file to check-in a few days after the auction date to see what the outcome was.

See [Appendix F](#) for a more detailed Action Timeline.

Policy Considerations

One person will be designated within the organization to be the point person for matured bequest gifts. Will that same person be the one authorized to sign various probate documents on behalf of the non-profit? If not, who will be?

Decide what type of approach your non-profit will take with regard to the bequest administration process. Will it be aggressive in pursuing gifts or take a softer, more “understanding” approach? This choice will present itself time and again as you decide how much information to request, how often to be in touch, how strenuously to question actions by the PR or attorney, and how much to push for early or partial distributions. For many organizations a less aggressive stance is preferred, with the desire to maintain a positive image and goodwill outweighing a possible delay in receiving the gift. Remember, however, that you have a duty to advocate for the deceased person and to see that their final wishes are carried out properly. This may require some pushback if the PR is dragging her heels or a residual gift is being unjustly diminished.

Establish a process for getting answers to questions you have along the way. Who can you turn to if help is needed to understand the documents received – in-house legal counsel, a senior planned giving colleague, a knowledgeable board member, or an estate planning attorney willing to help on a pro-bono basis?

Decide ahead of time when it is appropriate (and perhaps required) that you seek outside legal counsel. You should seek legal counsel whenever there is a will contest; any ambiguity regarding the nature, size, or terms of the bequest; or the PR is not doing what she should be doing. They can help you decide when taking some type of legal action is warranted and advisable. Sometimes the matter can be resolved with a phone call or letter, but in some instances a filing with the court may be necessary. If you have a question that entails legal counsel, be sure to confirm the timeline for responding – often you have a limited number of days to respond before losing your right to object.

Files and Checklists

Open a new file for each estate gift. Combine it with lifetime files for the decedent if they exist. Use checklists for opening and closing files, and prepare an estate file information sheet (samples provided in Appendix G).

An estate file should contain the following information:

- a copy of the final will or living trust document, with any amendments (“codicils”) or restatements
- copies of all other legal documents and notices received
- the Inventory and Appraisal (if it is a trust, a listing of assets or some other information regarding the value of the trust)
- copies of all accountings
- copies of checks and associated paperwork
- copies of correspondence sent and received related to the gift

D. Miscellaneous Considerations

1. Level of Diligence

The amount of effort and vigilance required for a particular bequest gift depends on its nature. If it is a *pecuniary* bequest, e.g., “I give \$10,000 to XYZ Charity,” the amount of oversight needed will be small. For the most part, your involvement will be limited to ensuring that the gift is distributed in a timely manner.

This may also be the case where the donor has made a *specific* bequest identifying a particular piece of property, e.g., 50 shares of Microsoft stock. However, watch out for gifts of property you might not want to accept as discussed above. Beyond publicly traded securities, gifts of property should be carefully evaluated and probably approved by your gift acceptance committee.

With a residual gift, as one planned giving officer puts it, “your antennae should be up!”

2. Residual Gift

You need to pay particular attention to:

- the source of the funds that will be used to pay taxes.

In most wills where there is a named charitable beneficiary, a clear direction is included as to which portion of the estate should bear the taxes.

When taxes are allocated to the residue of the estate, and the residue includes both charitable and non-charitable bequests, the document should specify whether the taxes are to be allocated entirely against the share of the non-charitable beneficiary or if the charitable beneficiary is to share in the tax burden.

If there is no direction in a will as to how taxes should be paid, then the personal representative will have to look to state law to determine how taxes should be allocated. Many states have adopted the Uniform Estate Tax Apportionment Statute. Under this statute in general, each beneficiary bears the share of estate tax proportionate with the beneficiary's interest in the estate. Shares qualifying for charitable (or marital) deduction are not allocated any part of the estate tax liability.

- Fees

Some states have a statutory framework for probate fees. In states where there is no such framework, it is especially important for beneficiaries to know what is customary and, in particular, what is deemed by the court to be “just” and “reasonable”.

The representative of the non-profit should be prepared to discuss both with the personal representative and the attorney how payment of fees will be made and the level of detail that will be provided in statements. The PR may be asked to provide a detailed statement of the time spent and services performed. Certainly, it is best to alert the parties to the fact that you, as the non-profit's representative (acting also on behalf of the decedent), are paying attention to the subject of fees at the very beginning of the probate process. Hopefully, this will prevent surprises and awkwardness down the road.

In Washington state, fees charged by the PR must be “reasonable.” One professional fiduciary in Seattle relayed this about typical charges in that area:

Lay-PRs	\$40-\$70/hour
Professional fiduciaries	\$150-200 per hour
Banks	percentage of the estate

In one estate, the Declaration of Completion of Probate, with the final accounting, listed \$80,000 as the fee to the PR. A diligent development officer at the benefitting charity (residual) thought this figure was too high and requested the underlying detail. It turned out that the PR was claiming payment for services provided to the decedent prior to her death. At a minimum such a charge needed to be explicitly put before the court for approval. The court dismissed it as an impermissible charge and the gift to charity consequently increased significantly.

- An Uncommunicative PR

Be confident that as a beneficiary you are entitled to be kept informed of the progress of the estate administration. In particular, the PR should respond promptly to your request for a copy of an inventory. Check your statutes to find out if there is a specified amount of time given to the personal representative to gather this information and what obligations exist to provide it to the beneficiaries.

- Personal Representative is Also Attorney

The governing document may spell out how the PR is to be compensated and how legal fees are to be charged. If the document is silent on the subject, it would not be inappropriate to expect the PR/attorney to keep track of time separately depending on which hat is being worn – the personal representative hat or attorney hat. Some states prohibit the estate attorney from also serving as the PR.

- Non-cash Assets

When it is a residuary gift, the PR will most commonly sell the asset, unless the charity has requested an in-kind distribution. If it is a specific property gift, more often the default is for the PR to distribute the property to the charity. If you prefer it be sold and the proceeds distributed, discuss this with the PR. Often times the PR will be willing to do this, as long as any fees associated with the sale are charged solely against that asset and not the estate generally. Also, another beneficiary may be interested in receiving that piece of property and would be willing to pay its value to the non-profit.

3. Restricted Gifts

If the donor has restricted the gift in a way you cannot fulfill, think about the closest use you can make of the gift and talk with the estate attorney and the PR. Under the legal doctrine of *cy pres* (a French term meaning “as close as possible”), the court has the authority and flexibility to fulfill the donor’s wishes as nearly as possible in cases where their instructions cannot be followed to the letter. Your state may also have a non-judicial means of resolving the issue. The question there is whether the State Attorney General needs to be involved and approve any agreement the PR and the beneficiaries might reach. Bottom line: do not assume that you must automatically decline the gift. (This would be a good time to consult legal counsel.)

4. Review Documents

You should carefully review all documents you receive and give them serious consideration. One non-profit was told there would be insufficient assets to make a distribution. Soon thereafter they received a copy of a court filing that showed on page two

an estimated value of the estate that would have more than covered their bequest. However, this was missed on review and nothing further was pursued regarding the gift.

Many people working in planned giving have legal degrees. However, if you are not among these “reformed lawyers,” don’t let the legal nature of the documents intimidate you. Feel confident that upon careful reading you will understand them and that if you don’t, you can ask the estate attorney or PR for an explanation, or consult your back-up sources.

5. Signing Receipts, Releases and Waivers

Don’t waive your right to a detailed accounting; don’t sign a receipt or release or indemnification until you have actually received your bequest. Don’t sign a waiver for the Notice of Filing of Declaration of Completion of Probate, until you have seen the Declaration of Completion of Probate.

6. Ancillary Probate

If a decedent owns real estate in a state or county other than the one in which he or she reside, an ancillary probate will be necessary to arrange the transfer of ownership of the property to those entitled to it and pay taxes and debts due in the other state or country.

E. The side benefits of pro-active, effective bequest administration.

In addition to maximizing the gift and minimizing the distribution time, effective bequest administration can have other “side” benefits .

1. Encouragement for your potential bequest donors. This is done by recognizing the bequest gift and honoring the decedent:
 - make sure the gift arrives in a timely way
 - make sure the distribution is correct
 - make sure the decedent’s wishes are carried out and the gift is used appropriately (check for ambiguities and conflicting directions – make it your job to represent the decedent’s interests within your institution)
 - include biographical information in your files; make sure it is available to the recipients of the gift
 - name the fund or account after the decedent where appropriate
 - keep relatives/Personal Representative informed about the fund and the recipients
 - publicize the gift as an inspiration/example to others
 - show supporters and others that the gift is well used and appreciated
 - talk enthusiastically about the gift to your board
 - reach out to friends and relatives upon the decedent’s passing

2. Valuable exposure to the advisor community

How you respond to a notice informing you about an estate gift is a good indication of the responsiveness and effectiveness of your non-profit. This is an opportunity for important exposure to the advisor community. Respond quickly and enthusiastically. Remember that comparisons may be made. Provide tax identification numbers, and assist in any way that you can. Use this opportunity to tell advisors of the services that your non-profit can provide such as drafting bequest language and preparing illustrations for life income gifts.

3. Closer relationships with other charities that are named in the will/living trust

- share resources, knowledge, and costs
- consider joint representation if you need legal counsel
- consider having one charity act as agent for others

IV. MEASUREMENT AND ANALYSIS

Determining the success of a bequest program takes time. The sooner you start thinking about what information you would like to have and how to arrive at it, the better. Good data collection and tracking mechanisms are essential as are proactive analysis and reporting.

Analysis and measurement enables an organization to learn from the past and make better decisions in the present, plus it informs future actions. Various measures of a bequest program can be organized in four groups:

1. determine if the program is growing over time (the most common analysis done),
2. determine a profile of those donors most likely to make a bequest gift to your non-profit,
3. build support for your bequest program and activities, and
4. help forecast future results.

How extensively you analyze your data will depend in part upon the size of your program and the robustness of the data collected, as well as your internal staff resources. Also, some measurements would be done annually while others would be done on a periodic basis, say every five to ten years.

Here are some measures to think about doing - choose the ones that are most meaningful and doable at your non-profit, and start to collect data now that will be necessary to your future desired analysis.

1. Is your program growing? Track these numbers from year to year

- Number of realized bequests. Helpful to differentiate between the types of bequest gifts - wills, living trusts, beneficiary designation (further differentiated by IRA, other retirement plan, insurance, bank or brokerage account).
- Dollar amount of realized bequests. Differentiated as above.
- Average bequest amount. This can be done in several ways, with the most appropriate way depending on how the figure will be used
 - an all-gift average
 - an adjusted average. Disregard outliers – both large and small – prior to computation. Leaving in unusually high numbers will skew your average unrealistically high and many small gifts will cause the average to be understated.
 - calculate on a year-to-year basis for comparison over time.
 - calculate for a period of five to seven years. This helps minimize the volatility in gift size from year to year.
- Median bequest amount. The median figure is the halfway point – half of received bequests are larger than this amount and half are smaller. It gives a reality check to your average bequest figure and helps correct for outlier gift amounts. The calculation options are the same as for average bequest size.
- Type of bequest (pecuniary, specific, residual).

2. Who Is Most Likely to Make a Bequest Gift to Your Non-Profit?

By looking at who has made bequest gifts in the past you can develop a profile of who is most likely to arrange new bequest gifts. This will help prioritize and focus cultivation efforts, help direct your marketing and make it more effective, and assist others in their efforts to refer good prospects to you. Some characteristics to look at for your “typical” bequest donor:

- Age (at time gift arrangement made)
- Gender: male or female
- Marital status: single, married, or widowed
- Family: children, siblings
- Location of residence
- Past giving history (very important characteristic to measure)
- Personal involvement with the non-profit (i.e., volunteer, employee, or recipient)
- Attendance at donor recognition event(s)
- Number of charities named in the will/living trust

3. Build Support for Your Bequest Program and Activities

- Compare the size of each realized bequest gift to the donor's total lifetime gifts to your non-profit.

In a recent blog posting, consultant Michael Rosen noted a research study blog that touches on this measure. He relays that researcher Russell N. James, III, J.D., Ph.D., CFP, Director of Graduate Studies in Charitable Planning at Texas Tech University, looked at how bequest giving compares with annual giving. His study quantified estate giving as a multiple of annual giving, based on the value of the donor's total estate, the donor's total annual giving, and the total estate gift value. His findings for Americans over the age of 50:

Total Estate Value	Annual Giving Multiple
< \$100,000	0.15
\$100,000 – < \$500,000	1.89
\$500,000 – < \$1,000,000	3.73
\$1,000,000 – < \$5,000,000	8.12
\$5,000,000+	11.65
TOTAL	5.07

So donors that had estates valued at less than \$100,000 made estate gifts that were less than their total annual giving. However, as estates grew so did the size of their total estate gifts and their proportion to total annual giving. For example, donors with estates between \$1,000,000 - \$4,999,999 made estate gifts equal to over 8 times the size of their total annual giving.

It would be revealing to do a similar analysis with your donors. The research study looked at figures in the aggregate. As Mr. Rosen points out, because donors tend to make bequest gifts to fewer organizations compared to their annual giving donations, as to any particular charity the multiplier could be much greater than suggested by Mr. James' research.

Because a non-profit usually does not know the total value of a donor's estate, that would be taken out of the equation and the analysis would just be a straight comparison of estate giving to annual giving for each bequest donor.

- Compare the size of the realized bequest gift to the donor's *average* annual gift to your non-profit. This is the same analysis as above but entails looking at the estate gift compared to one year's giving.
- Try to measure the impact of bequest stewardship.
 - Average size of annual gifts from donors before and after notification (when a donor joined the legacy society could be used as a proxy date)
 - Additional planned gifts made after notification
We know anecdotally that some of the value provided by a bequest program is that it opens the door with the donor to stewardship, cultivation, and additional gift discussions. Given what it means for a donor to put your non-profit in their estate plans, along with their loved ones, it seems only common sense that those donors with the means will be open to making additional planned gifts. How much stronger this position would be if there were numbers behind it.
 - Increase in size of planned gifts before and after notification.

One non-profit received an e-mail from a donor couple that belonged to their legacy society. The charity had increased their level of contact and the couple had attended one legacy society lunch and planned to attend the next one. They wrote:

"[We] had our estate plan updated in the last month and, of course, we continue to include [Charity] for our part in the future of the [Charity]. I will say that we deleted half of the previous recipients of bequests in our will to simplify and to have the chance to make more impact on the organizations that we truly love and support."

Once again, how great it would be to be able to quantify such increases!

- Average size of realized bequests from those who notified the non-profit versus those received from unknown bequest donors.

4. Project Future Cash Flow

Often, a non-profit would like to know what is "in the pipeline." In other words, what dollars are coming down the road and when might they be expected to arrive. With good data collection and reporting capacity, you can easily produce these reports around anticipated cash flow:

- Amount expected to be received per year, based either on estates in progress or bequest expectancies or both

- Amount expected to be received per year on a present value basis using different assumed rates of return
- Amount expected to be received per year using different mortality assumptions
- Amount expected to be received per year adjusted for by a probability of receipt percentage

A good software program can perform these calculations, virtually instantaneously, and allow alternative scenarios to be easily run and compared. See Appendix H for a sample report of projected bequest distributions.

V. SUMMARY

By including the non-profit in her will or living trust, a donor has elevated the organization to the same status as family, friends, and other loved ones. Through proper stewardship you can ensure that this decision is a life-affirming one for the donor and remains in place, perhaps even growing in the process. With diligent gift administration, you can ensure that the donor's desire to make a difference is realized as fully as possible. And with careful analysis and reporting you can help ensure that these stewardship and administrative activities are done as well as possible and will continue to be supported by your non-profit. Each of these components is necessary for a successful bequest program.

APPENDIX A

Legacy Society Welcome Letters and Gift Intention Forms



401 Mercer Street • Seattle, WA 98109 • 206.728.6463 TEL • 206.443.6691 FAX • KCTS9.org

KCTS 9 LEGACY CIRCLE INFORMATION FORM

_____ I am pleased to accept membership in the Legacy Circle on the following basis:

- _____ I have included KCTS 9 in my will or living trust.
- _____ I have named KCTS 9 as beneficiary of a life insurance policy.
- _____ I have named KCTS 9 as beneficiary of a retirement account.
- _____ I have arranged a trust, annuity or other planned gift for the benefit of KCTS 9.
- _____ I have made other arrangements to include KCTS 9 in my estate (please describe) _____

My name should appear in the Circle's records as follows *(please include your spouse if you wish)*:

Name(s) _____

_____ I wish to remain anonymous.

_____ I do not wish to be a member of the Legacy Circle.

Please verify we have your correct address and add your phone number and email address if you'd like to receive limited special invitations and announcements by email. We will never sell your name or address.

Address _____

Phone _____

E-mail _____

Signature _____

Date _____

***If you would like any additional information or if you have any questions,
contact Sara Elward, Manager of Gift Planning at (206) 443-6730 or
selward@KCTS9.org.***

INFORM | INVOLVE | INSPIRE

KCTS Legacy Circle Welcome Letter



401 Mercer Street • Seattle, WA 98109 • 206.728.6463 TEL • 206.443.6691 FAX • KCTS9.org

January 1, 2012

Sara Elward
401 Mercer St
Seattle, WA 98109

Dear Sara:

It is with great pleasure that I welcome you to the *KCTS 9 Legacy Circle*, which recognizes those individuals who have decided to include KCTS 9 in their estate plans. You join many others who have made a financial commitment to support our efforts by giving in this way and we are truly grateful. Your generosity will help KCTS 9 deliver quality programming that enriches and educates viewers for years to come.

Our Legacy Circle honors those who have chosen to support KCTS 9 through a bequest, a life insurance policy, an annuity, a trust or other gift, such as a retirement plan beneficiary designation. This allows us to thank you as one of our benefactors during your lifetime. There are no dues or other obligations, but as a member, you will be our guest at various events and receive special informational mailings. Also, if you are willing, your name will be listed with other Legacy Circle members in our Annual Report. And you will receive the monthly *Start at KCTS 9* viewer guide as well as a 20% discount at The Channel 9 Store.

Enclosed you will find a copy of our Legacy Circle Information form. Please complete the form and return it in the enclosed envelope. If you are willing, we would also appreciate it if you would include a copy of that portion of your will or other gift documentation that pertains to KCTS 9. That would enable us to review the wording to make sure your gift can be used in accordance with your intentions. The information you provide will be held in strictest confidence.

Again, we thank you for your generous support of KCTS 9 and for your thoughtfulness in advising us of your intention. We look forward to showing our appreciation in more tangible ways through the Legacy Circle.

Sincerely yours,

Sara Elward
Manager of Gift Planning

INFORM | INVOLVE | INSPIRE

[LOGO]

LEGACY SOCIETY
GIFT NOTIFICATION FORM

Type of Gift. I am pleased to become a member of the ABC Charity Legacy Society by making the following type of legacy gift to ABC Charity:

- ☐ I have included ABC Charity in my will or living trust.
- ☐ I have named ABC Charity as beneficiary of a life insurance policy.
- ☐ I have named ABC Charity as beneficiary of a retirement or other financial account.
- ☐ I have arranged a trust, annuity or other planned gift for the benefit of ABC Charity. *[If you offer charitable gift annuities, list gift annuity as a separate item to choose.]*

Purpose of Gift. My gift is to be used for the following purpose:

- ☐ Unrestricted (use where needed most) ☐ *[Program Area]* ☐ *[Program Area]*
- ☐ I have attached a photo copy of the relevant portion of my will, trust or other planned giving document.

Amount of Gift. The approximate amount of my legacy gift will be \$_____.

Recognition of Gift.

- ☐ I am happy to have my name listed as a member of the ABC Charity Legacy Society. My name should appear in ABC Charity publications as follows (please include your spouse if you would like):

Name(s) _____

- ☐ Thank you, but I/we wish to remain anonymous

Name _____

Address _____

_____ Phone _____

So we can send wishes of the day, will you let us know your birthday? ____/____/____

E-mail address _____

Signature _____ Date _____

Please return to: [Contact Information]

University of Washington Legacy Society Welcome Letter



April 12, 2012

Ms. Sara Elward
527 – 26th Avenue
Seattle, WA 98122

Dear Sara:

Thank you for your future gift to KUOW. We truly appreciate your thoughtfulness and generosity. I am grateful for all that you are doing on behalf of public broadcasting!

As a result of your commitment, we are pleased to welcome you as a new member of the **Henry Suzzallo Society**, a university-wide recognition society established to honor and thank individuals like you who have made a future gift. The names of Henry Suzzallo Society members are published in our annual Report to Contributors, so unless I hear otherwise from you, we will include your name among our thoughtful supporters.

You may know that we have an annual appreciation event for Suzzallo Society donors. These events allow members to learn about an area of the University they may not be familiar with and to enjoy a lecture or performance by a faculty member. Our events usually are held in the summer, so please watch for your invitation later this year.

I have really enjoyed getting to know you through Friends of UW Libraries and WPGC. If you have any questions about the Suzzallo Society, please feel free to contact me at 206-685.3289 or at amyscott@uw.edu. Thank you again for your gift to KUOW.

With warm regards,

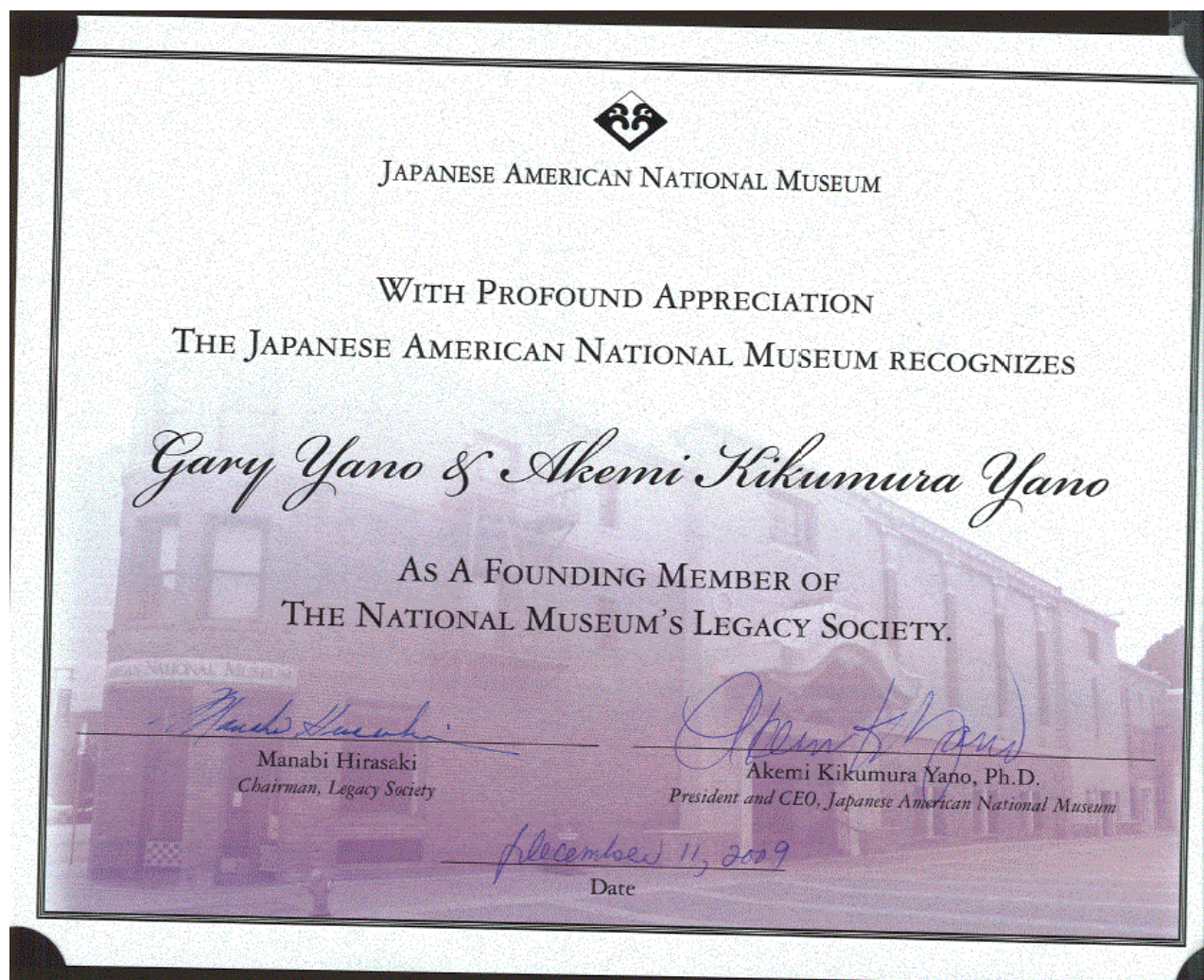
A handwritten signature in blue ink that reads 'Amy Scott'.

Amy Scott
Associate Director, Planned Giving

Enclosures

APPENDIX B

Legacy Society Membership Certificates



thank you...

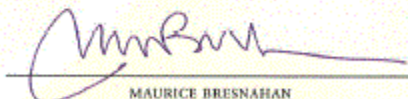
**In gratitude for your role
in preserving the legacy
of public television
for future generations.**

KCTS TELEVISION WELCOMES

Sara Elward

INTO THE
KCTS 9 LEGACY CIRCLE

MAY 5, 2009


MAURICE BRESNAHAN
PRESIDENT & CHIEF EXECUTIVE OFFICER



INFORM | INVOLVE | INSPIRE



The Make-A-Wish
Alaska and Washington
welcomes

JOHN SMITH

to the Legacy of WishesSM Society.
Thank you for making a special gift
and becoming part of the
Make-A-Wish[®] family.

LEGACY of WISHESSM

Barry McConnell
President and Chief Executive Officer
Make-A-Wish Alaska and Washington

Riley, 3
Leukemia
I wish to be a fairy



Photo:
Andria
Pearce

On behalf of McMaster University,
and in celebration of your generous support,
we welcome

as a member of

The William McMaster and Susan Moulton
McMaster Society

Peter George
President and Vice-Chancellor

Date

APPENDIX C**Legacy Society Membership Benefits**

Many organizations offer some variety of the following benefits:

- Name listed in annual report and other publications, on donor walls and website
- Invitation to an annual legacy event, usually lunch or dinner, with CEO/President/other leadership of the organization
- Invitations to other events-annual gala, major donor stewardship events, receptions, briefings from leadership or key staff, etc.
- Legacy society certificate
- Legacy society lapel pin
- Legacy society membership card
- Featured story in a newsletter, on website or other planned giving materials
- Discounted parking
- Cards for birthdays or various holidays
- Behind the scenes tours
- Boxed greeting cards with designs pertinent to the organization

Benefits specific to various organizations:

Organization	Benefits
Children's Hospital Seattle	Share your life story through our Lives of Meaning, Legacies of Healing computerized touch screen display. This display preserves the images and biographies of past and current legacy donors for posterity.
KPLU	A CD we produce every year and seats at one live studio session.
Make-A-Wish Foundation	A copy of our founding wish story. Limited edition Wish Kid's book with wish quotes and photos (Snapfish books. We have a special discounted deal with them. These are great.)Wish impact statement from families and volunteers
Oregon Public Broadcasting (OPB)	OPB's Lending Library of CDs and DVDs
PATH	Lectures featuring global health experts from around the world. Global health seminars that provide an insider's view from our staff.
Seattle Humane Society	Seattle Humane Society Pet Guardian Program The Seattle Humane Society (SHS) Pet Guardian Program (PGP) is a service for SHS supporters who specify in their will or trust document that their companion animal(s) is/are to be entrusted to the Seattle Humane Society at the time of their death. For a one-time fee of \$1,000.00 (fee may be paid in installments), an individual or family can enroll as members in the Pet Guardian Program. This membership covers up to five cats, dogs and small critters. This membership remains in effect during the lifetime of the enrollee and includes any animals they own at the time of their death.
South Seattle Community College	Invitation to judge student project presentations at our alternative high school/college at the end of the school year. Invitations to special wine-release parties from the College's Wine Academy or special gourmet lunch and high tea days from our culinary program.
University of Washington	Access to the Library and to the Waterfront Activity Center.

APPENDIX D

Sample Quarterly Letter to Legacy Society Members

(a slightly modified version mailed to qualified legacy society prospects as well)

Date

Name

Address

City, State Zip

Dear _____,

This past weekend in San Francisco, the **Online News Association announced its annual awards**, and I am very proud to tell you that **EarthFix**, a public media project of KCTS 9, Oregon Public Broadcasting and Boise State Public Radio, Idaho Public Television, KUOW, Northwest Public Radio and Television, Southern Oregon Public Television and the Corporation for Public Broadcasting, received two awards. The first was in the category of explanatory for the **Elwha Dam coverage** produced by Ashley Ahearn at KUOW and Katie Campbell at KCTS 9, and the second was in the category of topical coverage and went to the entire EarthFix team for their **environmental coverage**. We are all very proud of this project and our participation in it. If you are not familiar with EarthFix, please check it out at <http://earthfix.kcts9.org/>.

However, KCTS 9 is not resting on its laurels. KCTS 9 has begun developing **Jazzed**, a documentary that follows promising students and dedicated teachers who hope to participate in *Essentially Ellington*, the most innovative jazz education program in the country. If we secure the funding for this project, the film will find out why Seattle area high schools have dominated the national competition since 1999. Students, teachers and family members speak candidly about the passions, challenges and sacrifices involved in their journeys of personal achievement.

Jazzed will extend beyond the documentary by drawing on the resources of Nine Media Lab, KCTS 9's digital storytelling program. Students, educators and parents will learn to shoot and edit their own digital stories as part of the *Jazzed* project. There will also be an online tool for music lovers, exploring the elements of a jazz ensemble and a jazz toolkit for teachers.

But wait, there is more!! I also want to be sure that you know about **Women and Girls Lead**, a multiyear public media initiative to focus, educate, and connect citizens worldwide in support of the issues facing women and girls. Two upcoming programs which you don't want to miss are part of this initiative. The first is **Half the Sky** premiering on October 1st and 2nd. It follows authors Nicholas Kristof and Sheryl WuDunn and celebrity activists America Ferrera, Diane Lane, Eva Mendes, Meg Ryan, Gabrielle Union, and Olivia Wilde on a journey to tell the stories of inspiring, courageous individuals in 10 countries throughout the world.

The second program is ***MAKERS: Women Who Make America*** a comprehensive and innovative three-hour documentary for PBS, to air in early 2013. The film will feature the stories of those who led the fight, those who opposed it, and the unintentional trailblazers -- famous and unknown -- who carried change to every corner of society. ***MAKERS*** will recount the seminal events of the organized women's movement from the publication of *The Feminine Mystique* in 1963 to the Anita Hill vs. Clarence Thomas hearings in 1991. But it will also go much further, telling the surprising and unknown stories of women who broke down barriers in their own chosen fields, from the coal mines of West Virginia to the boardrooms of Madison Avenue. And it will take the story to today, when a new generation is both defending and confronting the reality of their mother's legacy. You don't have to wait until 2013 to see and hear some of these amazing stories. The website MAKERS.com contains dozens of video portraits of women who have led the way. I might suggest that you start with the story of Kathrine Switzer at <http://www.makers.com/kathrine-switzer>.

Are you at least slightly dazzled? I know that I am. And I am also so pleased to know that my annual gifts and my eventual estate gift to KCTS 9 are making these exciting, inspiring, important programs possible. Thank you for joining me in preserving this caliber of public television for future generations.

All my best,

Sara Elward
Manager of Gift Planning

Date

Name

Address

City, State Zip

Dear _____,

In case you aren't aware of it, **you** are the best part of my work at KCTS 9. Lately, I've been visiting supporters like you who have included KCTS 9 in their estate plans, and the conversations have been so rich and delightful that I'm just brimming over with excitement about KCTS 9, the role that public television plays in the lives of so many people, and the commitment that all of you have to the future of public broadcasting.

My recent visits have taken me to Ellensburg, the Tri-Cities, Sequim, and Vashon, but everywhere I hear some of the same comments:

"KCTS is the **only** station I watch."

"I can't travel, but KCTS 9 brings the world to me."

"My kids all grew up on *Sesame Street* and *Mr. Rogers' Neighborhood*."

"This is the only place I can go for in-depth coverage of the issues."

"We **love** *Doc Martin*!"

"I want to be sure that KCTS 9 is there for the future."

As a KCTS 9 supporter, I wish you could hear all the wonderful stories and impassioned statements about KCTS 9 that others share with me and the thoughtful criticisms and requests from people who care deeply about public television.

Fortunately, our supporters also send us notes, and I've collected quite a few of these. Some of these notes are enclosed on a separate page and include a picture of one of our feline viewers. I share these with you in the hope that they will give you a real feel for what I hear on my visits.

If you have any KCTS 9 stories or memories to share, if you would like a tour of the station or if you have questions or suggestions, please feel free to contact me at selward@KCTS9.org or 206.443.6730. I'm always happy to hear from another public television enthusiast. As I said, **you** are the best part of my work at KCTS 9.

All my best,

Sara Elward

Manager of Gift Planning

P.S. I've seen some previews of a new PBS series, **CIRCUS**, which will begin November 3rd and I suggest you mark your calendar. The filmmakers follow The Big Apple Circus for an entire season and capture the training and rehearsals, the behind-the-scenes and the under-the-big-top, the bravery and intensity of life and work in the circus. I can't wait to see the whole series.

APPENDIX E

Vision for the Future

Heritage Society Member

George Jetson

The Board of Trustees and staff of Puget Sound Blood Center thank you for your foresight and commitment to our mission – *saving lives, through research, innovation, education and excellence in blood, medical and laboratory services, in partnership with our community.*

Thank you for remembering the Blood Center through your planned giving.

Nancy Sclater, Chair
Board of Trustees

James P. AuBuchon, MD, FCAP, FRCP (Edin)
President and CEO

Michael Cheever
Director of Development

Jeanne Galloway, ND
Planned Giving Officer

research | medicine | blood & tissue services



Puget Sound Blood Center



Heritage Update

The Future of Health and Well-being Throughout the Community

Special Edition

Inside This Issue

- Remembering Mom
- What is the Heritage Society?



La Conner resident, Rae Allen
with her mother, Lorena.

Daughter Donates to Platelet Research

Heritage Society member Arleta "Rae" Allen of La Conner recently made a generous gift to a program at PSBC that is close to her heart: platelet research. Rae's mother, Lorena Honeycutt, passed away only six months after a diagnosis of Myelodysplastic Syndrome, a blood disorder known as "pre-leukemia" for which platelet transfusions are important treatments. Unfortunately, Lorena's body began rejecting the platelet therapy.

In Rae's words: *"My mother was a vital woman she hunted, fished, crabbed, and clammed along the ocean shore...I wish you could have seen her face when she caught a fish. She would grin like a five-year-old. She went from this energized, active woman to a person whose spirit wasn't crushed, but whose body was just a shell. It was hard to see over such a short period of time."*

Rae was inspired to give when she discovered that the PSBC Research Institute is currently investigating the very condition that caused her mother's premature death - platelet rejection. Rae has pledged to match dollar for dollar all gifts to platelet research made through the end of the year.

"I am glad to be a part of the Heritage Society and to give gifts now, too."

To see Rae talk about her mother and why she supports PSBC, or to join her in funding platelet research, visit psbc.geocko.com/campaigns.

Did you know?

Your IRAs, 401(k)s, annuities, and life insurance policies are distributed according to the beneficiary you select, not based on your will. If you have an account like these, call your account manager and verify that you have accurate beneficiaries listed. Otherwise, IRA funds roll into your probated estate and heirs can be hit with a larger tax burden.

At your service!

End of life concerns about finances are difficult to talk about. Puget Sound Blood Center has a network of professionals to evaluate your estate needs and give you unbiased advice. Contact Jeanne Galloway, ND At (206) 398-5967 to discuss some options.



What is the *Heritage Society*?

A number of years ago, several longtime blood donors and financial supporters of Puget Sound Blood Center came together with a shared desire to build a bridge to the future. They were grateful to live in a community with such wonderful health and wellness services.

They wanted to lay a foundation so that their children, grandchildren and great-grandchildren would have the same access to a safe and effective blood supply as they have had for nearly 70 years through the mission of Puget Sound Blood Center.

This group formed the *Heritage Society* — a recognition society for those who have placed the Blood Center in their will, created a charitable trust, or a charitable gift annuity.

You can save a life...not just today, but also in the future through your estate planning.

Send in the bottom of this sheet via mail, or call Jeanne Galloway, ND at 206-398-5967 to talk about saving lives in the future.



Joining the Heritage Society means saving lives far into the future!

CONTACT US:

Jeanne Galloway
Heritage Society Manager
Phone: 1-206-398-5967
Email: JeanneG@PSBC.org
Web: psbc.org/gifts/special.htm



Puget Sound Blood Center
blood services | medicine | research



Join the *Heritage Society*
Blood Saves Lives!

Mail this to:
PSBC Development
921 Terry Avenue
Seattle, WA 98029

Yes! I support Puget Sound Blood Center's work to save lives.

- ☐ Please note I have named Puget Sound Blood Center in my will.
- ☐ Please send me information on how to include Puget Sound Blood Center in my will.
- ☐ Please send me information on how to make a gift to Puget Sound Blood Center that pays income for life to me and/or other persons.
- ☐ Please contact me, I'd like to discuss estate planning questions.

Please send acknowledgement or information to:

☐ Home ☐ Business

Name (s): _____

Address: _____

City/State/Zip: _____

Phone: _____ Email: _____

Appendix F

ACTION TIMELINE FOR BEQUEST GIFTS

	When?	Done?	Taxable Estate	Non-Taxable Estate	Notes
Initial Actions					
Send letter to attorney with charity's info and contact person	immediately		X	X	
Ask for a copy of the will or living trust	immediately		X	X	Include request in initial response letter
Ask for biographical info about decedent	immediately		X	X	Include request in initial response letter
Contact Personal Representative and thank friends and relatives	immediately		X	X	
Confirm you can carry out decedent's wishes	immediately		X	X	If "no," contact attorney and PR and discuss possible options
If gift of real estate or personal property, start the evaluation process	immediately			X	Request that PR sell the property and disburse the cash proceeds (if non-profit does not want to retain the property for use in its mission or does not want to liquidate the property itself)
Change any prior donor listings, as appropriate	timely manner		X	X	If previously a member of the Legacy Society, mark as deceased. Name need to be shifted on a donor wall?
If residual bequest, ask for copy of inventory	3 months from PR appointment		X	X	Make your request in writing. The deadline for preparation of the inventory varies between states.
Ask attorney when anticipated distribution might occur. In theory, a specific or residual distribution can be made now, provided the estate is solvent	6 months from PR appointment			X	This is shortly after creditor claim and will contest period have ended. (There may still be many unresolved matters.)
Ask attorney when anticipated distribution might occur. PR can choose to make a full distribution of a specific bequest or partial distribution of residual bequest, provided the estate is solvent.	9 months from date of passing		X		This is after the estate tax return has been filed. If a residual bequest, there will be a holdback.

Bequests – Stewardship and Administration

	When?	Done?	Taxable Estate	Non-Taxable Estate	Notes
Closing the Estate					
If residual gift, request a final accounting	Towards the end of the estate process		X	X	Pay particular attention to fees and costs. If PR fee seems high, has PR tracked time? What is a usual hourly rate for PRs in the area?
If residual gift, make sure withheld assets are distributed in timely manner	After estate receives tax “clearance” letter		X		
Has the receipt for the final distribution been signed by proper person at the charity?			X	X	
Stewardship post-gift					
Send a final thank-you letter to family member or friend	After distribution is received		X	X	Share intended use of gift with them
If restricted gift, ensure funds are allocated to the proper fund	After distribution is received		X	X	
If gift is for an endowed fund or ongoing project, determine who should receive ongoing stewardship reports	Usual stewardship schedule		X	X	

Appendix G
Estate File Information Sheet (v.1)

Estate Name: _____

☐ Will

Date of Death: _____ **County of Probate:** _____

☐ Living Trust

Personal Representative or Trustee:

Name:

Address:

Phone:

E-mail:

Attorney:

Name:

Address:

Phone:

E-mail:

Bequest: _____ **Specific:** \$ _____ **or property:** _____

_____ **Residual** (_____ % of residue)

Bequest Language/Purpose: _____

Is Charity able to carry out purpose of the bequest? _____ **Yes** _____ **No**

Was donor known to the Charity? ____ **Yes** ____ **No**. **If yes, donor record #** _____.

Important Dates

Date Filed (initial court filing to open probate): _____ (n/a for living trusts)

Date Notice of Gift Received by Charity: _____

Date Personal Representative/Executor Appointed: _____

End of Creditor Claims Period: _____

Tax Return(s) to be Filed?: _____

Estate Complexities?

Ask the attorney/PR if there are any complexities that might slow the process down (particularly important if you are a residual bequest donor). Specific questions might concern:

- | | |
|---|-----------------------------------|
| • Real estate a part of the estate? | Missing heirs? |
| • Conflict or contested issues in estate? | Businesses/partnership interests? |
| • Property in another state/country? | |

Estate File Information Sheet (v.2)

ESTATE OF _____ DATE OF DEATH _____
COUNTY OF PROBATE _____ CAUSE NO. _____
Lifetime # _____

SURV. SPOUSE _____ Phone _____
Address _____ email _____

PERS. REP. _____ Relationship _____
Address _____

Phone _____ Fax _____ email _____

ATTORNEY _____
Address _____

Phone _____ Fax _____ email _____

OTHER _____ Position _____
Address _____

Phone _____ Fax _____ email _____

INTEREST OF CHARITY

Location of Will/Codicil Provision _____
Specific or Residual _____ Estimated Amount \$ _____
IRS Form 706 to be filed? _____ Contingencies? _____
Beneficiary Department(s) _____
Purpose _____
Estimated distribution dates _____ Beneficiary Dept. Notified _____
Request Inv/Appr. _____ Account to be Credited _____
Consider disclaimer re: real estate? _____

Distributions received: Date Amt. Date Amt. Date Amt.

Family/friend info.:

CHECKLIST: NEW ESTATE

Estate of :

Estate No.:

Date of opening file:

_____ **DATABASE**

- _____ Check Bequest Expectancy Database & note date of death
- _____ Add to Estates table
- _____ If life income beneficiary, enter termination date
- _____ Obtain any (database) information
- _____ Notify (database) of death--send copy supporting info.

_____ **FILES**

- _____ Locate lifetime file
- _____ Change existing file to or create a pending estate file
- _____ Complete "Estate File Information Sheet" to extent able

_____ **SEND ACKNOWLEDGMENT LETTER TO ATTY/PR**

Request:

- _____ Copy of Will/trust provision
- _____ Information on reason for gift
- _____ Names and addresses family & friends to send thank-you

_____ **NOTIFY DIRECTOR OF DEVELOPMENT OF GIFT**

Send:

- _____ Bequest provision
- _____ Letter from/to attorney/Personal Representative

CHECKLIST: ESTATE FILE CLOSING

Estate of :

Estate No.:

Date of closing file:

* * * * *

_____ **THANK-YOU LETTER**

_____ Sent to family/friends

_____ Copy to Development Director

_____ **RECEIPT OF CLOSING DOCUMENTS**

_____ Notice of Filing Declaration of Completion

_____ Notice of Hearing on Final Report

_____ **ESTATES DATABASE**

_____ Change status to “settled”

_____ **FILE**

_____ Incorporate lifetime file into estate file; add divider

_____ Print (database) gift record and place in file

_____ Complete Estate File Closing Checklist and place on top of file

_____ Put new “Settled Estate” label on file

_____ File to basement “Settled Estate” file cabinet

APPENDIX H

Bequest Program Reports from PG Calc's *Bequest Manager*

Estate Profile

Estate Profile Richard Starkey (Deceased) and spouse Barbara Starkey (Deceased) Charity: Auburn Historical Society (AUBURN)

Donor : Mr. Richard Starkey (DOB 07/07/1940, DOD 10/01/2012)
 100 Mulholland Drive
 Los Angeles, CA 987622

Spouse: Mrs. Barbara Starkey (DOB 04/29/1942, DOD 10/01/2012)
 100 Mulholland Drive
 Los Angeles, CA 987622

Phone: 919-773-1288
 SS Num: 748-30-9843

Phone: 919-773-1288
 SS Num: 664-47-7336

The donors are members of
the legacy society

Legacy Society Memberships: The Auburn Legacy Society,

There is 1 bequest gifts with a total estimated distribution of \$250,000.00

Gift Key 3 – Bequest Status: Partial Distribution

Gift Date: 07/08/2009	Gift Amount: \$250,000.00	Account 1:
Transfer Type: Ben Desig	Gift Probability %: 100%	Account 2:
Restriction Type: Pecuniary	Amount times %: [\$250,000.00]	Account 3:
Percentage of Estate: 0%	Notification Date: 10/16/2012	Account 4:
Bequest Asset: Retirement Asset	Confidence Level: Very Likely	Account 5:
Asset Description: 2 separate retirement accounts		Anonymous: No
Date of Notice of Estate Filing: 10/25/2012	Bequest Known in Advance: No	
Estimated Close Date: 12/31/2012	Bequest Rejected: No	
Account Closed Date:		

Gift Name : Starkey Bequest - to benefit Historical Preservation

Distribution Date	Amount	Description
10/29/2012	\$148,000.00	Account ending in 4567
Total Distributions:	\$148,000.00	

Purpose: Preservation of historical buildings and furniture

Distributions so far
total \$148,000

Estate Profile (continued)

Contacts

<u>Contact Date</u>	<u>Contact Description</u>
10/31/2012	Received partial distribution. Expecting final distribution before end of year.
10/30/2012	Bequest Status changed from In Process to Partial Distribution For Gift Key 3
10/30/2012	Sent letter "Attorney_Confirmation" to Beverly Sternberg
10/30/2012	Bequest Status changed from Notification to In Process For Gift Key 3
10/17/2012	Bequest Status changed from Intention to Notification For Gift Key 3
06/14/2012	Saw Barbara and Richard at Spring fundraiser.

Estate Advisors

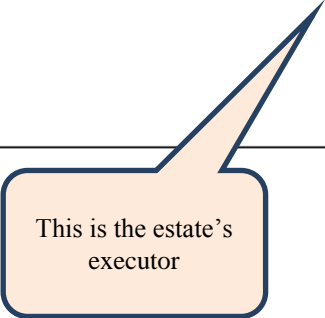
(EXECUTOR -Executor)

Mrs. Beverly Sternberg
Sternberg, Sternberg and Dobbs
2452 Michigan Avenue
Suite 4500
Chicago, IL 92713

Phone: 657-869-3900

Fax:

Email: Sternbergb@SSD.com



This is the estate's
executor

Bequest Summary

Bequest Summary by Transfer Type

Gift Date	Gift Key	Asset/Type	Account #1	Bequest Status	Notification Date	Gift Amount	Probability %	Amt * Probability
Auburn Society (AUB)								
Transfer Type: Beneficiary Designation								
12/1/2012	19	Retirement Asset Pecuniary	abc	Notification	12/10/2012	\$7,500.00	100.00	7,500.00
	<u>Association</u> Donor	<u>Name</u> David Hughes	<u>SS Number</u> 111-44-5555	<u>D.O.B.</u> 7/12/1941	<u>Status</u> Current	<u>D.O.D.</u>	<u>Person Key</u> 24	
Transfer Type: Beneficiary Designation						Number of Bequest Gifts:		1
						Total Gift Amount:		\$7,500.00
						Total Amt * Probability:		\$7,500.00
Transfer Type: Will								
5/20/1999	2	Specific		Intention		\$110,000.00	100.00	110,000.00
	<u>Association</u> Donor	<u>Name</u> Joseph Verdi	<u>SS Number</u> 123-23-4345	<u>D.O.B.</u> 10/10/1929	<u>Status</u> Current	<u>D.O.D.</u>	<u>Person Key</u> 3	
6/25/2002	18	Cash Pecuniary		Notification	8/12/2002	\$78,000.00	100.00	78,000.00
	<u>Association</u> Donor	<u>Name</u> Kurt Stevens	<u>SS Number</u> 330-99-8877	<u>D.O.B.</u> 4/23/1924	<u>Status</u> Current	<u>D.O.D.</u>	<u>Person Key</u> 23	
5/4/2009	6	Tangible Property Specific		Intention		\$30,000.00	75.00	22,500.00
	<u>Association</u> Donor	<u>Name</u> Thomasina Edison	<u>SS Number</u> 738-93-7573	<u>D.O.B.</u> 8/18/1932	<u>Status</u> Current	<u>D.O.D.</u>	<u>Person Key</u> 10	
8/9/2009	8	Cash		Intention	9/6/2012	\$10,000.00	50.00	5,000.00
	<u>Association</u> Donor	<u>Name</u> Elizabeth Paternore	<u>SS Number</u> 484-84-8484	<u>D.O.B.</u> 4/15/1924	<u>Status</u> Current	<u>D.O.D.</u>	<u>Person Key</u> 13	
4/25/2011	16	Cash Pecuniary		Intention		\$50,000.00	100.00	50,000.00
	<u>Association</u> Donor	<u>Name</u> Elizabeth Paternore	<u>SS Number</u> 484-84-8484	<u>D.O.B.</u> 4/15/1924	<u>Status</u> Current	<u>D.O.D.</u>	<u>Person Key</u> 13	
	<u>Association</u> Donor	<u>Name</u> Andrew Paternore	<u>SS Number</u> 008-99-3445	<u>D.O.B.</u> 10/7/1943	<u>Status</u> Current	<u>D.O.D.</u>	<u>Person Key</u> 22	
Transfer Type: Will						Number of Bequest Gifts:		5
						Total Gift Amount:		\$278,000.00
						Total Amt * Probability:		\$265,500.00
Auburn Society (AUB)						Number of Bequest Gifts:		6
						Total Gift Amount:		\$285,500.00
						Total Amt * Probability:		\$273,000.00

A percentage probability may be assigned to each bequest intention

Program Overview and Statistics

Gift Type: BEQ

Number of Gifts By Transfer Type:

(All Transfer Types)	15
Transfer By Will:	10
Transfer By RLT:	3
Transfer By Ben Desig:	2

Overview information about
your bequest program

Number of Gifts by Bequest Status:

(All Bequest Statuses)	16
Beq Status Blank:	1
Beq Status Intention:	4
Beq Status Notification:	0
Beq Status In Process:	1
Beq Status In Probate:	2
Beq Status In Litigation:	1
Beq Status Partial Distribution:	2
Beq Status Full Distribution:	5

Total Gift Amount for Gifts without Distributions:

(All Gifts without Distributions)	\$1,885,002.00
Beq Status Blank:	\$1.00
Beq Status Intention:	\$560,001.00
Beq Status Notification:	\$0.00
Beq Status In Process:	\$250,000.00
Beq Status In Probate:	\$750,000.00
Beq Status In Litigation:	\$325,000.00

Total [Gift Amount * Probability %] for Gifts Without Distributions:

(All Gifts without Distributions)	\$1,154,750.25
Beq Status Blank:	\$0.00
Beq Status Intention:	\$133,500.25
Beq Status Notification:	\$0.00
Beq Status In Process:	\$225,000.00
Beq Status In Probate:	\$487,500.00
Beq Status In Litigation:	\$308,750.00

Bequests – Stewardship and Administration

Bequest Expectancies

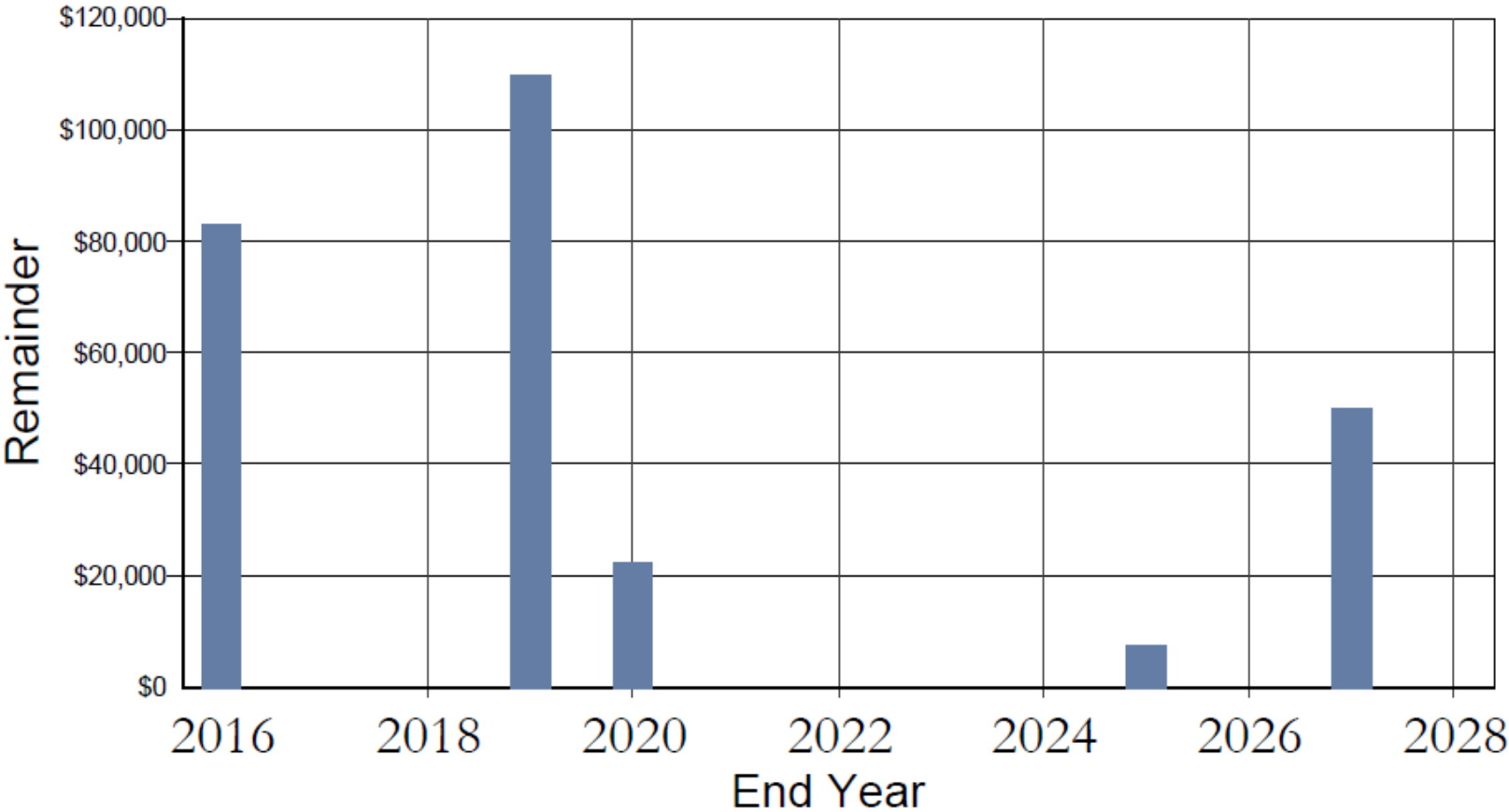
Number of years
(statistically) until bequest
will be received

Gift Expectancies/Term End as of 11/30/2012 based on the Ann 2000 Table

Gift Date	Gift Type	Gift Key	Tot Gift Amount	Payout %	Account #1	Account #2	Gift Status	Market Value	Gift Exp/Term E		
Auburn Society (AUB)											
05/20/1999	BEQ	2	\$500,000.00	0.00000000			Current	\$0.00	8.7		
	<u>Association</u> Donor		<u>Name</u> Joseph Verdi		<u>D.O.B.</u> 10/10/1929	<u>Status</u> Current	<u>D.O.D.</u>	<u>Age</u> 83	<u>Gender</u> M	<u>Life Exp</u> 8.70	<u>Person Key</u> 3
05/04/2009	BEQ	6	\$1.00	0.00000000			Current	\$0.00	11.3		
	<u>Association</u> Donor		<u>Name</u> Thomasina Edison		<u>D.O.B.</u> 08/18/1932	<u>Status</u> Current	<u>D.O.D.</u>	<u>Age</u> 80	<u>Gender</u> F	<u>Life Exp</u> 11.30	<u>Person Key</u> 10
08/09/2009	BEQ	8	\$10,000.00	0.00000000			Current	\$0.00	9.5		
	<u>Association</u> Donor		<u>Name</u> Elizabeth Paternore		<u>D.O.B.</u> 04/15/1930	<u>Status</u> Current	<u>D.O.D.</u>	<u>Age</u> 83	<u>Gender</u> F	<u>Life Exp</u> 9.50	<u>Person Key</u> 13
04/25/2011	BEQ	16	\$50,000.00	0.00000000			Current	\$0.00	9.5		
	<u>Association</u> Donor		<u>Name</u> Elizabeth Paternore		<u>D.O.B.</u> 04/15/1930	<u>Status</u> Current	<u>D.O.D.</u>	<u>Age</u> 83	<u>Gender</u> F	<u>Life Exp</u> 9.50	<u>Person Key</u> 13
09/12/2012	BEQ	17	\$1.00	0.00000000			Current	\$0.00	9.5		
	<u>Association</u> Donor		<u>Name</u> Elizabeth Paternore		<u>D.O.B.</u> 04/15/1930	<u>Status</u> Current	<u>D.O.D.</u>	<u>Age</u> 83	<u>Gender</u> F	<u>Life Exp</u> 9.50	<u>Person Key</u> 13
Auburn Society (AUB)						Number of Gifts:		5			
						Average Gift Exp/Term End		9.70			
						Average Age:		82			
						Average Life Expectancy:		9.7			
Grand Total						Number of Gifts:		5			
						Average Gift Exp/Term End		9.70			
						Average Age:		82			
						Average Life Expectancy:		9.7			

Projected Remainder Amounts by Year (Graph)

Projected Remainder Amounts by Year as of 12/03/2012 based on the 2000CM Table



Projected Remainder Amounts by Year

Projected Remainder Amounts by Year as of 12/03/2012 based on the 2000CM Table

Year	Gift Type	Gift Key	Account #1	Tot Gift Amount	Market Value	Projected Value	PV @ 2%	PV @ 4%
Auburn Society (AUB)								
12/4/2016 - 12/3/2017								
	BEQ	8		\$10,000.00	N/A	\$5,000.00	\$4,573.72	\$4,191.02
	BEQ	17		\$1.00	N/A	\$0.00	\$0.00	\$0.00
	BEQ	18		\$78,000.00	N/A	\$78,000.00	\$71,349.98	\$65,379.95
			BEQ Totals	\$88,001.00	N/A	\$83,000.00	\$75,923.69	\$69,570.97
12/4/2016 - 12/3/2017			Totals	\$88,001.00	N/A	\$83,000.00	\$75,923.69	\$69,570.97
12/4/2019 - 12/3/2020								
	BEQ	2		\$110,000.00	N/A	\$110,000.00	\$94,818.13	\$81,967.68
			BEQ Totals	\$110,000.00	N/A	\$110,000.00	\$94,818.13	\$81,967.68
12/4/2019 - 12/3/2020			Totals	\$110,000.00	N/A	\$110,000.00	\$94,818.13	\$81,967.68
12/4/2020 - 12/3/2021								
	BEQ	6		\$30,000.00	N/A	\$22,500.00	\$19,014.33	\$16,121.27
			BEQ Totals	\$30,000.00	N/A	\$22,500.00	\$19,014.33	\$16,121.27
12/4/2020 - 12/3/2021			Totals	\$30,000.00	N/A	\$22,500.00	\$19,014.33	\$16,121.27
12/4/2025 - 12/3/2026								
	BEQ	19 abc		\$7,500.00	N/A	\$7,500.00	\$5,740.62	\$4,416.84
			BEQ Totals	\$7,500.00	N/A	\$7,500.00	\$5,740.62	\$4,416.84
12/4/2025 - 12/3/2026			Totals	\$7,500.00	N/A	\$7,500.00	\$5,740.62	\$4,416.84
12/4/2027 - 12/3/2028								
	BEQ	16		\$50,000.00	N/A	\$50,000.00	\$36,784.71	\$27,224.08
			BEQ Totals	\$50,000.00	N/A	\$50,000.00	\$36,784.71	\$27,224.08
12/4/2027 - 12/3/2028			Totals	\$50,000.00	N/A	\$50,000.00	\$36,784.71	\$27,224.08
Auburn Society (AUB)					Total Gift Amount:	\$285,501.00		
					Total Market Value:	N/A		
					Total Projected Value:	\$273,000.00		
					Total Present Value @ 2%	\$232,281.49		
					Total Present Value @ 4%	\$199,300.83		
Grand Total					Total Gift Amount:	\$285,501.00		
					Total Market Value:	N/A		
					Total Projected Value:	\$273,000.00		
					Total Present Value @ 2%	\$232,281.49		
					Total Present Value @ 4%	\$199,300.83		

The projected value column appears in the graph on the previous page.

Projected Remainder Amounts by Gift

Same data as on previous page, represented by gift rather than by year

Projected Remainder Amounts as of 12/03/2012 based on the 2000CM Table

Gift Type	Gift Key	Gift Date	First Pmt	Tot Gift Amount	Market Value	Gift Exp	Yrs to Exhaust	End Year	Remainder
Auburn Society (AUB)									
BEQ		8 08/09/2009		\$10,000.00	N/A	4.80	N/A	2016	\$5,000.00
	<u>Name</u>		<u>Association</u>	<u>D.O.B.</u>	<u>Age at Gift</u>	<u>Age at Val</u>	<u>Gender</u>	<u>Status</u>	
	Elizabeth Paternore		Donor	04/15/1924	85	89	F	Current	
BEQ		17 09/12/2012		\$1.00	N/A	4.80	N/A	2016	\$0.00
	<u>Name</u>		<u>Association</u>	<u>D.O.B.</u>	<u>Age at Gift</u>	<u>Age at Val</u>	<u>Gender</u>	<u>Status</u>	
	Elizabeth Paternore		Donor	04/15/1924	88	89	F	Current	
BEQ		18 06/25/2002		\$78,000.00	N/A	4.80	N/A	2016	\$78,000.00
	<u>Name</u>		<u>Association</u>	<u>D.O.B.</u>	<u>Age at Gift</u>	<u>Age at Val</u>	<u>Gender</u>	<u>Status</u>	
	Kurt Stevens		Donor	04/23/1924	78	89	M	Current	
BEQ		2 05/20/1999		\$110,000.00	N/A	7.00	N/A	2019	\$110,000.00
	<u>Name</u>		<u>Association</u>	<u>D.O.B.</u>	<u>Age at Gift</u>	<u>Age at Val</u>	<u>Gender</u>	<u>Status</u>	
	Joseph Verdi		Donor	10/10/1929	70	83	M	Current	
BEQ		6 05/04/2009		\$30,000.00	N/A	8.40	N/A	2020	\$22,500.00
	<u>Name</u>		<u>Association</u>	<u>D.O.B.</u>	<u>Age at Gift</u>	<u>Age at Val</u>	<u>Gender</u>	<u>Status</u>	
	Thomasina Edison		Donor	08/18/1932	77	80	F	Current	
BEQ		19 12/01/2012		\$7,500.00	N/A	13.60	N/A	2025	\$7,500.00
	<u>Name</u>		<u>Association</u>	<u>D.O.B.</u>	<u>Age at Gift</u>	<u>Age at Val</u>	<u>Gender</u>	<u>Status</u>	
	David Hughes		Donor	07/12/1941	71	71	M	Current	
BEQ		16 04/25/2011		\$50,000.00	N/A	15.40	N/A	2027	\$50,000.00
	<u>Name</u>		<u>Association</u>	<u>D.O.B.</u>	<u>Age at Gift</u>	<u>Age at Val</u>	<u>Gender</u>	<u>Status</u>	
	Elizabeth Paternore		Donor	04/15/1924	87	89	F	Current	
	Andrew Paternore		Donor	10/07/1943	68	69	M	Current	
Auburn Society (AUB)						Total Gift Amount:		\$285,501.00	
						Total Market Value:		N/A	
						Total Remainder:		\$273,000.00	
Grand Total						Total Gift Amount:		\$285,501.00	
						Total Market Value:		N/A	
						Total Remainder:		\$273,000.00	