

Planned Giving 101: Strategies for All Land Trusts

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Let's Learn About You



Outline – Learning Objectives

What is planned giving and why is it important?

Types of Planned Gifts

Donor Perspective on Planned Giving

Steps to Start or Grow a Program

Additional Resources



What is planned giving?

Planned giving is any major gift, made in lifetime or at death as part of a donor's overall financial and/or estate planning.

Why should land trusts care?

Who Makes Planned Gifts?

- Those who are deeply committed to your mission: board members, volunteers, mentors
- Longtime, regular givers to annual fund (regardless of amount given)
- Often single/never married, no children
- Age:
 - People often first add charity to their Will in their early 40's; people continue updating their Wills into their 80's
 - Planned gifts are typically realized (i.e., received by charity) when a donor is older
- A planned gift is very personal gift: charity is elevated to the level of a family member

Types of Planned Gifts



Bequests

- AKA “Gift in a will or trust.”
- Benefits: Simple and flexible – Potential tax benefits
- Create a Legacy
- Easy to include designations
- Typically revocable



Beneficiary Designations

IRAS


IRA OWNER
(DONOR)



Beneficiary
Designation



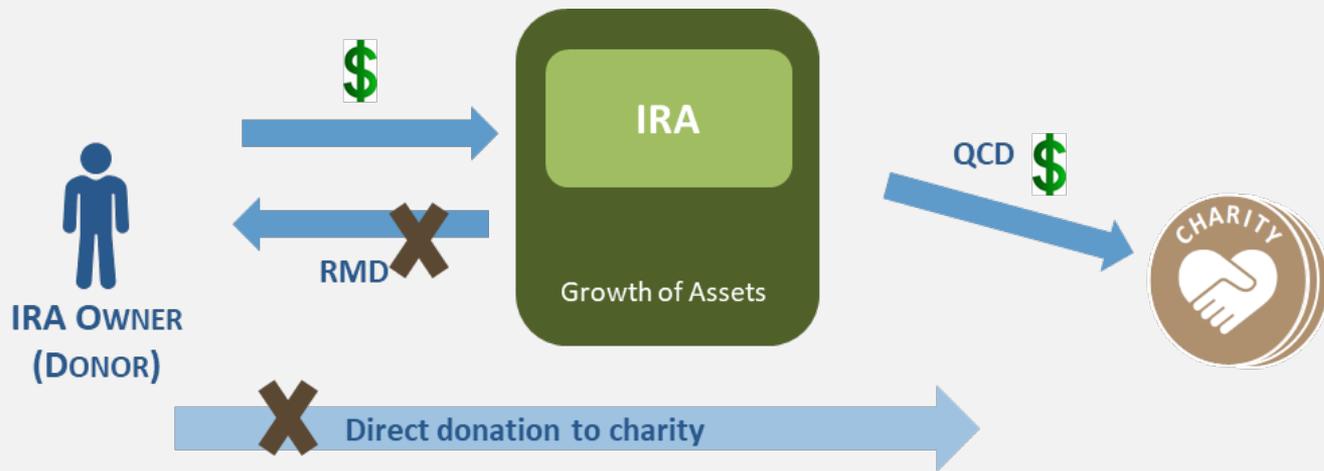
Beneficiary Designations

IRAS

- IRAs pass by beneficiary designation, not under the terms of a will or trust
- Beneficiaries do not have to be family members or other individuals - charities can be named
- 100% to charity; or divide between family members and charity – in any % desired
- Income tax efficient – because charities generally are exempt from income tax
- Estate tax efficient - donor's estate includes the value of the IRA, but will receive a tax deduction for the charitable contribution

Qualified Charitable Distributions

IRAS



Qualified Charitable Distributions

IRAS

- Donors over age 70½ make distribution directly from an IRA to an eligible charity
- Distribute up to \$100,000 per year (indexed for inflation)
- No charitable deduction, but also not included in income
- The QCD counts as required minimum distribution (RMD)
- New planning area in SECURE 2.0 – QCD to “life income” charitable vehicles – charitable gift annuities and charitable remainder trusts

Life Income Gifts

CHARITABLE GIFT ANNUITIES



Life Income Gifts

CHARITABLE GIFT ANNUITIES

- Benefits:
 - Easy to establish
 - Immediate tax deduction
 - Fund with various assets
 - Guaranteed, fixed income for life
- Backed by all assets of the charity (general obligation)
- Lots of variations to meet individual needs
- Age and gift amount minimums

Life Income Gifts

CHARITABLE REMAINDER TRUSTS



Life Income Gifts

CHARITABLE REMAINDER TRUSTS

- CRT (Charitable Remainder Trust)
 - Similar in operation to CGA, with added flexibility
 - Payments can be fixed OR vary with value of trust
 - Payout rate and term of trust can vary
 - Good funding opportunities for more complex assets

- CLT (Charitable Lead Trust)
 - Essentially the opposite of a remainder trust
 - Charity gets stream of income; remainder goes back to donor or another beneficiary
 - Effective wealth transfer vehicle under the right conditions

Gifts of Real Estate

- Conservation Property Bequest (aka Devise)
- Non-conservation Property Bequest (aka Tradeland)
- Retained Life Estate
- Other: CR now (combined with above) or post-mortem Conservation Restrictions, fund CGA or CRT with sale of real estate etc.

Gifts of Real Estate - Bequest

PROCESS

- Landowner weighs conservation options
- Add language to will – LT can provide and/or ask to see final language
- Document donor intent – can you sell the property?
- Land Trust Board votes to accept bequest now
- Track and maintain donor communications

Example:

“I devise all of my right, title, and interest in and to real estate located at (give address and describe property) to Land Trust, a Massachusetts nonprofit corporation having a principal place of business X, to be used or disposed of as Land Trust, in its sole discretion, deems appropriate.”

Gifts of Real Estate - Bequest

CONSIDERATIONS

- If tradeland, capacity to sell. Include a CR or deed restriction?
- If conservation land, how will it be managed
- Consider asking for monetary bequest in will
- Due diligence happens at point of deed transfer
- Land Trust can reject acceptance of bequest at time of death

Gifts of Real Estate

RETAINED LIFE ESTATE

- Gift of land to Land Trust made now – income tax benefits, removes value of real estate from estate
- Donor retains right to inhabit property during lifetime, pays taxes, insurance, maintenance, upkeep, etc.
- Roles/responsibilities laid out in agreement
- Full ownership vests with Land Trust at expiration of life estate (usually death)

Donor Perspective and Considerations



Reasons for Charitable Giving

Legacy

- Preserving the donor's name and values

Involving family members

- Engaging family and children in giving or administration
- Encouraging philanthropy in future generations

Tax advantages

- Estate planning
- Income tax charitable deduction for lifetime gifts
- Estate tax charitable deduction for transfers at death

Planned Giving Considerations

A Comparison of Charitable Giving Vehicles

Features	Direct	Conduit		Split-Interest		
	Direct Gift	Donor-Advised Fund	Private Foundation	Charitable Gift Annuity	Charitable Remainder Trust	Charitable Lead Trust
Charitable Deduction	Dark Blue	Dark Blue	Dark Blue	Light Blue	Light Blue	Light Blue
Ongoing Control	Light Blue	Dark Blue	Dark Blue	Light Blue	Dark Blue	Dark Blue
Flexibility	Dark Blue	Dark Blue	Dark Blue	Light Blue	Dark Blue	Dark Blue
Cost Efficiency	Dark Blue	Dark Blue	Light Blue	Dark Blue	Dark Blue	Dark Blue
Income Stream	No	No	No	Yes	Yes	Payments to charity
Other Highlights	Simple	Anonymity available	Broader uses of funds permitted	Simple, significant gift plus income stream	Flexible terms	Remainder to non-charity beneficiaries

Less     More



Tax Cuts and Jobs Act of 2017 (TCJA) – Sunset on December 31, 2025

- TCJA doubled the federal estate and gift tax exemption – from \$5.6M to \$11.2M in 2018.
- 2024 exemption – \$13.61M per individual
- Sunset – exemption will be cut roughly in half (will revert to pre-TCJA levels, indexed for inflation)

SECURE Act - SECURE 2.0

- Changes for IRAs – eliminate stretch; now generally 10-yr rule
- QCDs to “life income charitable vehicle” - CGAs and CRTs

Recent Legislation - State

MA estate tax change

- Doubled MA estate tax exemption from \$1M to \$2M

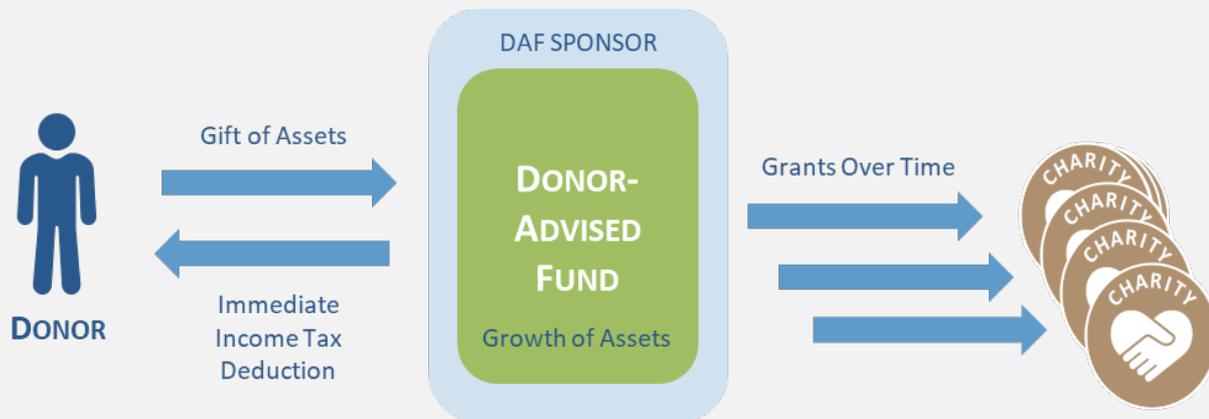
MA Millionaires Tax

- Additional 4% tax on taxable income exceeding \$1M

MA state income tax charitable deduction

- Equal to the amount of the federal charitable contribution deduction

Rise of Donor-Advised Funds



Steps to Start or Grow a Planned Giving Program



Buy in from Leadership

GET YOUR "BOARD ON BOARD"

- Educate about the value of a planned giving program and why now is the right time
 - The largest wealth transfer in history is happening *now*
 - The average planned gift is between \$35,000 and \$70,000
 - Strategic plans need to focus on both present and future
 - Opportunity to bring in important funding for property stewardship
- Explain that simple steps can lead to impactful gifts
- Find Board planned giving "ambassador"
- Share success stories and progress
- Board members are some of best planned giving prospects



Start Simple!

SAMPLE BEQUEST LANGUAGE

- Have sample language available for interested donors
- Include on website with tax identification number – make it easy!
- Opportunity for conversations around designations

Get the Word Out

CHECKBOXES, MARKETING MATERIALS, AND CONSISTENT MESSAGING

- Digital checkboxes
 - *Are you interested in a legacy gift?*
 - *Have already included a gift for _____ in your estate plans?*
- Incorporate planned giving messaging into your regular communications:

– Social media	– Website
– Newsletter	– Brochure
– Email tagline	– Gift acknowledgement letters
- Share testimonials of existing planned gift donors: powerful, personal stories that inspire others to create a legacy
- Consistent messaging is key!

Get the Word Out

PLANNED GIVING WEBSITE

SHARE



Legacy Giving

[Welcome to Planned Giving](#)[How to Give](#)[What to Give](#)[Semper Virens Society](#)[Donor Stories](#)[Frequently Asked Questions](#)["IRA Rollover" Gifts](#)[Life Stage Gift Planner™](#)[Compare Gift Options](#)[Blog](#)[Request a Calculation](#)[Bequest Language](#)[Contact Us](#)[Glossary](#)[Gift Annuity Rates Increased, New Funding Opportunity. Read more...](#)[How the Omnibus Bill Is Affecting Charitable Giving. Read more...](#)

Help Us Keep Our Special Places Forever Green

Making a planned gift is a wonderful way to show your support and appreciation for The Trustees of Reservations. Dedicated individuals have helped build and strengthen our mission since 1902 through these types of meaningful gifts, and now you can make your mark too. A planned gift for The Trustees will help secure our future while accomplishing your own personal, financial, and philanthropic goals.

Please [contact us](#) for assistance or to discuss your personal situation and objectives.



trustees

Stewardship

TRACKING AND ACKNOWLEDGING

- Document Donor Intention (letter or form)
- Thank donor in the moment
- Maintain a list of donors
- Engage with donor annually (or more)!
 - hand written notes on existing communications
 - individual outreach: visits, calls, cards/notes
 - special events/opportunities
- Acknowledge PG donors on website, annual report, etc.
- Create a Legacy Society to raise visibility

Lessons Learned from a Small Land Trust

- Treat everyone as a planned giving prospect
- Get to know your planned giving donors
- Focus on your mission



= \$500,000 ?!



Estate Planning Seminars and Professional Advisors

The Carlisle Conservation Foundation
cordially invites you to
Estate Planning 101



Do
I need
a will?

a Straightforward Discussion
of the Basics
of Estate Planning

with
David C. Guarino, Esq.
McLaughlinQuinn LLC
Kelly J. Guarino, Esq.
Fiduciary Trust Company

- Three planning documents all adults should have
- Reasons to include a trust in your estate plan
- Answers to your questions about estate planning
- Best strategies for effective charitable giving

Gleason Public Library - Hollis Room

Light refreshments will be served • All are welcome

THURSDAY, NOVEMBER 14, 2019, 7 to 8pm



Carlisle Conservation Foundation, P.O. Box 300, Carlisle, MA 01741
For information call any board member: Alan Ankers, Marty Bliss, Rebecca Bromark, Alex Chen, Laurie Eckler, David Freedman, Peg Gladstone, Kelly Guarino, Heidi Harring, Amanda Hickman, Steve Hinton, John Keating, Drew Kissinger, John Lee, Meredith Fairca, Dale Ryder, Steve Spang, Steve Tobin



ESTATE PLANNING SEMINAR trustees 
at deCordova Wednesday, April 3 | 6-8PM

Please join us for an evening of art, refreshments, and estate planning at the beautiful deCordova Sculpture Park & Museum in Lincoln.

Enjoy a private viewing of the exhibition *What is the Nature of the Museum?* followed by an estate planning seminar focused on retirement accounts with Cameron Casey, Trusts & Estates Attorney at Choate.

New legislation over the last few years has resulted in additional opportunities for planning around retirement accounts. Join us for an overview of these recent changes and strategies on how your own retirement account might be used to help achieve both your estate planning and charitable giving goals.

Event is complimentary.
Advance registration is required.



RESERVE YOUR SPOT

Questions? jlazarus@thetrustees.org



Additional Planned Giving Resources



Additional Planned Giving Resources

- Planned giving professional orgs
 - Planned Giving Group of New England ([PGGNE](#))
 - National Association of Charitable Gift Planners ([NACGP](#))
- Specialized Planned Giving marketing firms
 - [Pentera](#)
 - [Steltar](#)
 - [PG Calc](#)
 - [Crescendo](#)
 - [FreeWill](#)
- Planned Giving websites of other charities



Conclusion/Q&A

Thank you!

