

Never Decline a Gift Again: Planned Gift Outsource Directory from A to Z

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Have you ever heard the saying: **“10% of something is better than 100% of nothing” or perhaps “95% of something is better than 100% if you don’t have to do anything”?**

These statements certainly hold true with planned gift opportunities especially when charities are approached with out-of-the-ordinary donor objectives or gift situations. The point is that either establishing a partnering or outsourcing relationship on a specific giving opportunity may yield the maximum results for both the donor and the charity.

This presentation specifically focuses on 26 practical planned giving scenarios – from A to Z - and the various partnering/outsourcing options. Only if a charity is uncomfortable or unable to deliver on a donor request, might it look to this directory. The hope is that this “little black book” might help close some gifts that otherwise would be declined or allow a charity to offer a specific charitable vehicle or service it otherwise would not.

In terms of terminology, outsourcing or partnering will be defined as needing an external source or provider to help with a given situation – the presumption is that the transaction can not be handled “in-house.”

“If you deprive yourself of outsourcing and your competitors do not, you're putting yourself out of business.”

Lee Kuan Yew – Former Prime Minister of Singapore

Asset and Planned Gift Acceptance Continuum: From Easy to Difficult

Of course, most charities have formalized gift acceptance policies. These policies generally cover the range of assets the organization is comfortable receiving, but then usually fail to cover how gifts outside the range will be handled beyond a declination. A subjective asset/planned gift continuum designed for a specific charity might be:

One

Publicly-traded stock
Simple bequests

Two

Restricted stock and mutual funds
Testamentary retirement plan and life insurance beneficiary gifts
Charitable remainder and lead trusts (when not serving as trustee)

Three

Charitable gift annuities (funded with marketable assets)
Outright gift of life insurance
Closely-held C corporation stock (with corporate redemption)

Four

Limited partnership gifts (with short-holding period)
Closely-held C corporation stock (with merger/acquisition)
Residential real estate (no debt, sale in less than 6 months and in geographic vicinity)
Charitable remainder and lead trusts (when serving as trustee)

Five

Limited partnership or LLC gifts (with unknown holding period)
Residential real estate (no debt, unknown sales and in state)
Charitable gift annuities (funded with illiquid assets)
Partial, undivided interest in real estate

Six

Commercial real estate in state (no debt, sale in less than 12 months)
Tangible personal property (collectibles, antiques, precious metals)

Seven

Tangible personal property (artwork, timber)
Closely-held S corporation stock
Residential real estate (no debt, unknown sales and in another state)

Eight

Commercial real estate outside of the state (no debt, sale in less than 12 months)
Livestock
Operating partnership units from real estate exchange
Any asset that would trigger unrelated business income (UBTI)

Nine

General partnership gifts
Intellectual property
Mineral interests (oil/gas, minerals, etc.)
Real estate with debt or pre-arranged sale

Ten

Real estate with any environmental/legal problems
Foreign property

Internal Considerations

A charity might be very comfortable up to a "5" on this list, where another charity might be comfortable much higher or lower. Clearly, a charity might fluctuate at given points

in time - more conservative Board, overworked staff, new Finance staff, particularly helpful or unhelpful consultant, etc.

Planned Gift Outsourcing: An Overview

If the particular proposed gift is too risky, complex, time-intensive, or costly, then a charity might consider outsourcing the opportunity to another provider. Here are two common examples from handling everything internally to handling everything externally or outsourcing:

- A charity may receive real estate directly, or with the help of a consultant/legal counsel, or into a separate entity (LLC or supporting organization or may outsource the gift to another charity.
- A charity may issue a gift annuity directly, performing all administration and investments, or it could outsource administration and investment management, or it may simply refer the gift annuity to another charity which would then have to determine what functions to retain and which ones to outsource.

There are, of course, dozens of combinations and permutations of these examples as well as others (to trustee or not to trustee, to offer a scholarship fund or not, to serve as executor or not, etc.). Further, there are a number of ancillary planned giving services which are not as direct that will be covered such as: appraisers, free software calculations, international grants, etc. Most charities are not in a position to offer these services so knowing other providers may be helpful in completing a gift.

Internal and External Considerations: A Benefit-Cost Analysis

There are certainly important considerations a charity must weigh before outsourcing.

Some of the costs are the potential reputational risks if the vendor doesn't deliver or explaining why your charity can't/won't; the actual cost including the direct expenses of outsourcing; the indirect cost of the selection and monitoring of outsourced partners; and losing some control over the relationship.

Some of the benefits are the potential reputational enhancement derived from referring situations to the best place possible garnering donor and professional advisor trust; less internal training, expertise and staff required; potentially reduced actual cost; potentially lower opportunity cost since a planned giving officer can meet with donors rather than completing FASB 106 calculations; and more responsive time management since you can only outsource when needed.

Disclaimers/Conflicts of Interest

1. I have made my best attempt to collect information on the various vendors, charities and consultants. **Assume none have been vetted and absolutely none are being endorsed.**

2. I am fully aware that this is not a comprehensive list of all vendors or charities performing these specific services. **Let it be a starting point for your own due diligence.**

3. My business was created to be an “out-sourced” partner for multiple scenarios. And many of our clients do as well. **I will identify all conflicts of interest with an asterisk and will name at least one additional provider in every situation.**

Challenging Planned Gift Scenarios from A-Z

What follows are the 26 scenarios where outsourcing/partnering might be helpful.

To be very clear, **this directory is not intended to cover challenging situations that can be solved with very well-known or multiple outsourcing/partnering providers** – planned giving brochure firms, web sites, planned giving software, seminars, CGA registration, large pool investment management, institutional corporate trustees, etc. This would also extend to situations where specific legal or planned giving counsel is most appropriate – drafting fund agreements, realized bequest issues, etc. **Further, this directory is not intended as a way to capture clever planning solutions to challenging gifts.**

The intent of **this directory is to provide niche outsourced/partnering solutions for niche planned giving situations.** Generally, this would be defined as a scenario that comes up infrequently and there are usually less than two to three potential providers.

- A. Donor wants to make a completed public charity gift yet “control” the amount and timing of grants. Or, donor wants an advised fund to make anonymous grants and charity doesn’t offer one.
 - 1. ChesterCap, Eric Swerdlin, www.chestercap.com
 - 2. Crown Philanthropic Solutions, Ephy Torenburg, www.crownps.com
 - 3. Community Foundations, www.cof.org/locator
 - 4. Fidelity Charitable Gift Fund*, www.charitablegift.org
 - 5. Schwab Charitable*, www.schwabcharitable.org
 - 6. Vanguard Charitable Endowment Program*, www.vanguardcharitable.org
- B. Donor wants investment manager to manage assets of contribution.
 - 1. Community Foundations, www.cof.org/locator

2. Schwab Charitable*, www.schwabcharitable.org
 3. Fidelity Charitable Gift Fund*, www.chartiablégift.org
- C. Donor wants to make a grant to a specific pre-approved individual with a medical, financial hardship or for missionary trip.
1. Helping Hands Ministries, Bryan Green – www.hhmin.org
- D. Donor wants to contribute a non-cash asset that you won't accept because of the risk and/or short turn-around time (7 days or less), and/or wishes to immediately split the proceeds among six charities.
1. Community Foundations, www.cof.org/locator
 2. Dechomai Foundation*, Bryan Clontz, www.dechomai.org
 3. National Christian Foundation*, Matt Lawson, www.nationalchristian.org
 4. National Real Estate Foundation, Chase Magnuson, www.nationalrealestatefoundation.org
 5. Minnesota Real Estate Foundation, Mike Burton, www.minnesotarealestatefoundation.com
- E. Donor wants to sell charitable trust remainder or lead interest.
1. Sterling Financial Management, LLC, Roger Silk, www.sterlingfoundations.com
- F. Donor wants to create a charitable remainder trust without paying any drafting fees or set-up costs.
1. Community Foundations, www.cof.org/locator
- G. Donor wants to contribute a painting (or other tangible personal property) and needs help with the planning, appraisal and sale.
1. Visual Arts Advisory*, Larry Zale, www.visualartsadvisory.com
 2. The Briddge, Michael Mendelsohn, www.briddgartstrategies.com
- H. Donor wants to contribute a time-share.

1. Donate for a Cause, Crystal Dalke, www.donateforacause.org
- I. Donor wants to make an international grant.
1. CAF America, www.cafamerica.org
 2. Give2Asia, www.give2asia.org
 3. King Baudouin US, www.kbfus.org
- J. Donor wants to name a charitable trustee, but your charity won't serve (for cash or non-cash assets).
1. Community Foundations, www.cof.org/locator
 2. Jewish Federations, <http://www.ujc.org/section.aspx?id=5> (locator)
 3. Dechomai Foundation*, Bryan Clontz, www.dechomai.org
- K. Charity wants someone to manage a \$150,000 CRT or start-up CGA pool.
1. Nikitis Advisors*, Mack Johnston, CFA, www.nikitisadvisors.com
 2. Comerica Bank, Chris Kelly, (734) 930-2409
- L. Donor wants a CGA but your charity doesn't offer them and/or wants to use real estate however the charity isn't comfortable and/or the donor resides in a state where the charity doesn't want to register and/or the donor wants to benefit multiple charities with the CGA residuum. Or, your charity doesn't want to take on a large CGA or doesn't want any risk.
1. Community Foundations, www.cof.org/locator
 2. Renaissance Charitable Gift Trust, Greg Baker, www.rcgf.org
 3. Comerica Charitable Trust/Comerica Legacy Foundation, Chris Kelly, (734) 930-2409
 4. Dechomai Foundation*, Bryan Clontz, www.dechomai.org
- M. Donor and charity want to use CGA money now (reinsurance).
1. Charitable Solutions, LLC, Bryan Clontz*, www.charitablesolutionsllc.com
 2. Mutual of Omaha*, Julie Engel, (402) 351-5810

- N. Charity wants to outsource entire bequest processing function.
1. BIPS, LLC – “BIPS Done for You,” Susan DameGreene, 888-588-BIPS (2477)
- O. Donor wants a pooled income fund, but your charity doesn’t offer one.
1. Fidelity Charitable Gift Fund*, www.charitablegift.org
 2. US Charitable Gift Trust/Eaton Vance*, www.uscharitablegifttrust.org
- P. Charity wants to hire a CGA program administrator and invest the money with a different manager.
1. PG Calc, www.pgcalc.com
 2. Renaissance, www.charitabletrust.com
- Q. Charity wants to hire an executive search firm specializing in planned giving staff placement.
1. Gift Planning Development, LLC, Brian Sagrestano, www.giftplanningdevelopment.com
- R. Charity wants new staff to pursue educational opportunities leading to a designation.
1. Crescendo’s Gift College, www.giftcollege.com (Certified Gift Planning Associate or Certified Gift Planning Professional)
 2. American College’s Chartered Advisor in Philanthropy Program*, www.theamericancollege.edu
 3. American Institute for Philanthropic Studies/California State Long Beach Certified Specialist in Planning Giving, www.plannedgivingedu.com
- S. Charity wants a CGA risk audit completed on their pool.
1. PG Calc, www.pgcalc.com
 2. Charitable Solutions, LLC*, Bryan Clontz, www.charitablesolutionsllc.com

- T. Charity receives a life insurance policy and needs a qualified appraiser and management support.
1. Alan Breus, www.thebreusgroup.com (other appraisals as well)
 2. Charitable Solutions, LLC, Bryan Clontz* (took over JJ MacNab's practice in 2007) – www.charitablesolutionsllc.com
- U. Charity has an asset that they haven't been able to sell.
1. Charitable Solutions, LLC*, Bryan Clontz, www.charitablesolutionsllc.com
 2. Other vendors/brokers for specific assets, e.g., real estate, business interests, etc.
- V. Charity doesn't want to buy planned giving software since they only run 1-2 proposals a year.
1. PhilanthroCalc/Planned Giving Design Center*, www.pgdc.com
(also note AssetStream for outsourced stock gifts)
 2. Crescendo, www.crescendointeractive.com for personal illustrations – www.giftlaw.com for web-based illustrations using GiftLaw Calculator
 3. PG Calc, www.pgcalc.com for personal illustrations – or GiftCalcs for web-based illustrations
- W. Charity doesn't want to receive S-Corporation, or other UBIT asset, because of the tax implications.
1. NCF Trust*, Matt Lawson, www.nationalchristian.com
 2. Dechomai Asset Trust*, Bryan Clontz, www.dechomai.org
- X. Charity wants to launch a planned giving telephone campaign.
1. PG Call*, Sam Caldwell, www.plannedgivingcompany.com
 2. Ruffalo Cody, Tim Logan, www.ruffalocody.com
- Y. Charity wants to use a consultant-based planned giving department rather than having full-time staff.
1. Thompson & Associates, Cayce Powell, www.ceplan.com (National)

2. Greg Lassonde, (510) 482-1502 (San Francisco Bay Area)
 3. Gift Planning Associates, Richard Lamport, (415) 970-2380 (San Francisco Bay Area)
 4. Holman Consulting Services, Margaret Holman, www.holmanconsulting.com (New York)
 5. Retriever Development Counsel, Kevin Johnson, www.retrieverdevelopment.com (Pacific Northwest)
 6. Florida Philanthropic Advisors, LLC, John Elbare, www.pgcoach.com (Florida/Southeast)
 7. Gift Planning Development, LLC, Brian Sagrestano, www.giftplanningdevelopment.com
- Z. Charity/Donor wants an appraisal for a revoked income interest.
1. Crescendo, www.crescendointeractive.com
 2. PG Calc, www.pgcalc.com

Conclusion

Hopefully, this directory provides a starting point for these respective queries. Not only do I hope this will save time in identifying some of the niche providers, but most importantly, the objective is for you to be able to provide better donor service, create a broader menu of available vehicles/assets than you currently provide, and close more gifts!

Note: We welcome additional scenarios and especially other outsourced vendors/partners to add to this list. Our intent is to keep it as up-to-date as possible and post it on our web site – www.charitablesolutionsllc.com, as a free resource.

* Identifies conflicts of interest – my firm, an affiliated firm, a volunteer role or a client.