

Legacy of Interconnection



Planned Giving Made Easy



uua.org



Why Promote Planned Giving?

- Don't leave money on the table
- Take advantage of “automatic touches”
- Bequests can be used at a time of need



Why Promote Planned Giving?

- Often the largest gift an individual is capable of making
- Strengthens the bond between congregation and an individual
- Can provide a time for meaningful dialogue about the gift beforehand



Planned Giving Basics

- Planned gifts require planning, negotiating, & counseling
- You do not need to be an expert
- Available options
 - Bequests
 - Deferred / Life Income Gifts
 - Outright gifts of appreciated assets



Planned Giving Basics

Bequest Intentions

- 80-90% of planned gifts
- Made through a will or trust
- Usually revocable
- Often represent an “ultimate gift”

Remember: You are family now.



Planned Giving Basics

Percent and Residuary Bequests

- Encourage donors to use percentages when making a bequest. (i.e. 5% of estate as opposed to a fixed dollar amount.)
- Most people assume their net worth is less than it really is.



Planned Giving Basics

Life Income Gifts

- Give and get income!
- Those 65 and older.
- From highly appreciated assets.
- Irrevocable
 - Charitable Gift Annuities (CGA)
 - Charitable Remainder Trusts (CRT)



Planned Giving Basics

Charitable Gift Annuities

- For one or two lives
- 65 and older
- Earn income from highly appreciated securities
- Payments guaranteed by UUA
- Administered by State Street Bank

Together we can do what we cannot do alone.



Who Gives Planned Gifts?

Everyone is a planned giving prospect:

- Attend every service?
- Serving on a board or committee?
- Active lay leader?
- Surviving spouse?
- Without children?
- Alumni?

Don't prejudge!



How to Promote Planned Giving

- Educate your congregation
- Newsletter Inserts
- Order of Service Inserts
- Testimonials
- Information sessions
- Brochure rack
- Make it easy



How to Promote Planned Giving

Create a Recognition Society

- Stay in touch with donors
- Create stronger bonds
- Hold member only events
- Ask members to host events
- Create a list of charter members



How to Promote Planned Giving

Create a Recognition Society

- Oral history project
- Buddy program
- Honorary members of stewardship team
- Guests in religious education classes



Evaluate Your Program

- Review every 3 years
- Determine patterns of gifts
- Get feedback
- Learn from and with other congregations
- Appreciative Inquiry approach



The link to endowment

“Many people support endowments because they want to make a difference in a lasting way, to leave a legacy for the future. They expect their contributions to be invested wisely, to grow in value, and to produce a reliable revenue stream in perpetuity. It is their brush with eternity and generations to come.”



Structuring and managing an endowment

- Legal framework
- Governance
- Spending policy
- Managing the investments
- Unitarian Universalist Common Endowment Fund (www.uucef.org)



Legal framework

- Endowment vs. quasi-endowment
- Donor restricted funds, board restricted funds, unrestricted
- Only a donor may place a permanent restriction on a fund
- Only a court or state agency may alter a restriction
- Governed by state trust law – Uniform Prudent Management of Institutional Funds Act (UPMIFA)



Governance

- Advantages and disadvantages of a separate legal entity
 - + “protect the endowment”
 - + entity that focuses primarily on endowment management
 - Dual governance structure – potential conflict
 - Lack of coordination around mission
- Alternative: investment committee appointed by the board
- Clear policy structure for the endowment
- Purpose and uses of endowment
- Motivates donors to make bequests
- Accountability and transparency to the congregation



Spending policy

- Accumulation period
- Income vs. total return
- Typical payout 4 – 5% of asset value
- Policies designed to smooth distributions
 - Fixed percentage
 - 3 year rolling average
 - Tie to inflation
 - Yale model: % of assets, inflation proportionally weighted
- Concept of intergenerational equity



Managing the investments

- Endowment model – David Swensen, *Unconventional Success*
- Diversification – asset class, managers, geography
- Strategic asset allocation targets
- Regular rebalancing
- Focus on strategic allocation, not manager selection, especially not security selection
- No market timing



UU Common Endowment Fund

- Open to congregations, districts, and other UU organizations
- Long-term investment horizon
- Highly diversified portfolio
- Managed by specialist professional investment managers
- Overseen by UU investment committee
- Advised by leading institutional investment consultant
- Managed to reflect UU values while achieving financial goals – “Risk, Return, Justice”



Socially responsible investing

- Awareness of broader societal and environmental impacts of investment decision
- Three elements:
 1. Security selection – negative screening, favor/avoid
 2. Shareholder advocacy – proxy voting, filing resolutions, direct engagement with management
 3. Impact investments – community investments, “double bottom line”
- Tools: mutual funds, SRI advisors, letter writing, AGMs



How the UUA Can Help

Resources

- Brochures & Flyers
- Online Gift Calculator
- Interactive Presentations
- UU Common Endowment Fund (www.uucef.org)
- www.uua.org/giftplanning



How the UUA Can Help

- How to approach a potential gift
- Talk with donors about the benefits and differences among various gift plans
- Review planned gift proposals
- Process, manage, and complete gifts: Umbrella Giving



How the UUA Can Help

Umbrella Giving

- Simplifies estate plans
- Allows for anonymous giving
- Access to gift annuities, trusts, stock
- No fees or costs
- Greater accountability and stewardship





Legacy Challenge

Exciting news will be announced tomorrow in General Session about a Legacy Challenge that will provide even more tools and inspiration for legacy giving in your congregation!

Stay Tuned!



Recommendations Summary

- Utilize planned giving committee
- Create a recognition society
 - Information 2-4 times a year
 - Annual tea
 - Testimonials
- Utilize the UUA
- Remember alumni
- Honor those who've passed away



Recommendations Summary

- Don't give tax or financial advice
- Represent your congregation
- Give examples
- Encourage seeking professional advice
- Questions? Contact the UUA or your own legal counsel

Questions and Comments



**“Every time I take a step
in the direction of generosity,
I know that I am moving from fear to love.”
~ Henri Nouwen**



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