The 7 Characteristics of a Successful Planned Giving Program
The successful operation of a planned giving program requires a sound infrastructure, an ongoing commitment to the promotion of planned gifts, and dependable and repeatable processes that support the cultivation and stewardship of existing donors. While these fundamentals can be expanded to include dozens of “must haves” for charitable organizations, PG Calc has identified seven characteristics in particular. These characteristics can be applied to organizations across the spectrum of maturity, whether the launch of a program is underway and takes the form of a well thought-out proposal to an organization’s board, or the program is mature enough to have extensive documented processes to support the acquisition and administration of planned gifts.

1. The governing board understands what planned giving is and what having a planned giving program entails.

A successful program begins with sufficient support from the top. Members of the governing board need to be acquainted with the fundamentals of planned giving. These include:

- Motivational factors – why and how donors make gifts
- Appropriate roles played by the board, staff, volunteers, and donor advisors
- Real metrics to judge success – what results the charity might expect and over what time frame

The board must then be willing to devote the attention and resources necessary to establish the program and make it thrive.

Ideally, several members will be knowledgeable and enthusiastic enough to become “champions” for planned giving. That is to say, they will be able to make the case for planned giving to the rest of the board. Moreover, they will take active responsibility in assuring that when their terms expire, others will keep the planned giving torch burning brightly, not only at the board level but throughout the organization.

**Key Success Factors:**

- An educated, supportive board
- Particular board members with a personal desire to see planned giving flourish
- An enduring commitment to planned giving at the board level

2. The governing board has consciously settled upon an appropriate scope for the program.

This is absolutely crucial. With input from key staff members, the board should weigh the options available and then be realistic about what the charity can afford, not only to initiate, but also to sustain in the years to come. Planned giving programs that dazzle at first but fizzle shortly thereafter are a tragic waste of time and money.

Depending on what seems suitable, it can be far preferable for a program to start off slowly, perhaps with little more than a focus on bequests and other revocable deferred gifts, yet be poised for growth over time or at least able to mark time during difficult periods. Indeed, if a charity is starting from scratch, it is quite likely that no money attributable to a focused planned giving effort will be received for five years (or even longer) after the effort has been launched.
In short, much will depend on how long the charity has been in existence, what type of work it does, and the circumstances of its donors in terms of their age, level of wealth, and history of commitment to the organization. Even with no effort at all, most charities will receive occasional bequests. Still, the objective in carrying out a planned giving program is to reach out affirmatively to donors to increase their interest in making gifts within budgetary and other constraints.

**Key Success Factors:**

- A reasonable scope of activities that considers budget and staffing limitations
- Proper expectations about the timeline from promotion of planned gifts to fruition
- Goals that reflect the organization and its donors

3. **The governing board has adopted suitable program policies and guidelines.**

At least with respect to gift acceptance policies, which are at the heart of a planned giving program, three essential questions must be answered:

- What kinds of assets are acceptable?
- In what ways can gifts be structured?
- What purposes can be served by gifts?

Good policies will identify which gifts will always be acceptable, which will never be acceptable, and which may be acceptable under certain circumstances. With regard to this last category, to some extent the policies will also set forth the criteria to be employed in making a decision, although beyond a point they will instead simply define processes that are to be followed by the charity in coming to a decision.

Related matters of policy will be whether the charity is willing to be the trustee of charitable trusts, whether it will seek and accept gifts for endowment, and who has what authority in what situations. Indeed, the organization may well wish to state definitively how questions are to be answered in some instances yet delineate how discretion may be applied in others.

**Key Success Factors:**

- Comprehensive policies that address gift acceptance
- As appropriate, additional policies regarding matters such as endowment
- Awareness among fundraising staff regarding their roles and responsibilities

4. **Drawing upon the policies of the governing board, those responsible for operating the program have developed and implemented sound procedures for seeking, receiving, and administering planned gifts.**

To their detriment, some charities fail to distinguish between policies, which are the prerogative (and duty) of the board to declare, and procedures, which are properly the realm of staff activity. Boards that mire themselves in matters of procedure risk engaging in counterproductive micromanagement. Though procedures will draw upon the policies, they should be developed by those responsible for operating the program, in consultation with other relevant members of the charity's staff.
Moreover, neither policies nor procedures should recite what the law already requires. At the policy level, even a statement such as “The ABC Charity’s planned giving program shall be operated in compliance with all applicable federal, state, and local laws” is unnecessary, as such compliance should be assumed. Likewise, procedures should be concerned not so much with what the charity is legally obligated to do, as with how it will go about doing it.

Obviously, there are numerous details associated with operating a planned giving program. On the one hand, there are definitely best practices to be incorporated or, if nothing else, considered. Nevertheless, each charity needs to be realistic about what makes sense for the organization, its donors, and various third parties such as service providers and donor advisors. The point is that the charity needs to be systematic and thorough in addressing what has to be done – and then actually do it!

**Key Success Factors:**

- Recognition of the distinction between policies and procedures
- Procedures that are sound and practical
- Adherence to what has been adopted

5. A comprehensive marketing plan is created, followed, and refined.

A planned giving program can easily become stalled when marketing is sporadic or inconsistent. A charity needs a multi-year, multifaceted plan with one or more marketing activities in process at all times. Some techniques will produce the desired results, whereas others will not - market testing and focus groups can help identify and enhance the ones that work. To the extent possible, a charity should engage in open dialogue with its existing donors about their motivations for making a planned gift to that particular organization, and further, if any marketing from that organization was particularly compelling to them.

The best marketing plans are strategic in nature, meaning that individual marketing tactics are very specifically intended to work together and complement other tactics. For this reason, a year-end gift annuity direct mail appeal should be considered a tactic, whereas a larger plan that targets that same audience with a mailing in the spring and considers this audience when promoting gift annuities in the organization’s newsletter could be called strategic. Even though good marketing plans will tend to have some elements in common, numerous characteristics of a particular charity and its donors make it imperative that the charity tailor its plan to the nature and objectives of its planned giving program, as well as to the resources at its disposal.

In addition, the relationship between planned giving staff and other development staff is critical. So, too, is the integration of their messaging. The most successful marketing programs are those in which planned giving is woven into the charity’s overall development efforts, resulting in a cohesive fundraising messaging strategy.

**Key Success Factors:**

- A comprehensive marketing strategy from which tactical execution flows
- Consistent organizational messaging
- Consultation with existing donors as to which marketing messages and tactics they find most appealing
6. The principles of the program support the ability of donors to meet their objectives.

That a planned giving program must be donor friendly is an understatement. In everything the program does, whether donors are involved directly or not, their needs and wishes must be given emphasis. A donor friendly program focuses on the donor’s need to express philanthropic interests, not the charity’s need for support. Finding the intersection between each donor’s interests and the needs of the charity is the point of successful cultivation of prospects by development staff.

Naturally this means treating donors with appropriate courtesy and respect, especially when it comes to learning what they want to accomplish, and providing them and their advisors with the information and time they need to make choices with which they will be pleased. Moreover, it means adopting an ethic of stewardship in honoring them and their gifts once those gifts have been made. Stewardship is more than polite acknowledgement. It means showing donors the significance of their giving and how it strengthens the charity, and lets them visualize how the gift will benefit the charity for years to come.

**Key Success Factors:**
- Genuine respect for each donor’s unique situation
- A primary focus on the organization’s mission, rather than its financial needs
- Conscientious stewardship that reinforces the connection between donors and their gifts

7. All aspects of the program are reviewed and assessed on an ongoing basis, with adjustments made whenever necessary.

Regardless of whether a planned giving program is of recent vintage or has been in existence for decades, those in charge of the program need to be alert to opportunities for innovation. Similarly, there is wisdom in periodically taking a fresh look at the way things have been done to see if the time has come to abandon some practice, revise some form, or revisit some facet of the program that perhaps may have outlived its usefulness. A successful program is dynamic: not simply responsive but proactive. A charity’s board or executive staff should lead the effort in a review of policies, procedures, and marketing activity.

**Key Success Factors:**
- A willingness to embrace innovation
- The discipline to evaluate regularly the workings of the program
- An ability to discern what to retain and what to replace