

**The Planned Giving Advisory Council:
Building Your Team of Helpful and
Influential Donor Advisors**

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I. The Ideal Planned Giving Advisory Council:

The Planned Giving Advisory Council (PGAC) helps form the foundation for a successful planned giving program. It can be a source of valuable advice and credibility for your program, and it can help you market and close planned gifts. This presentation is designed to help the planned giving professional understand the benefits that a PGAC brings to your nonprofit and to the donor advisors, gain strategies to build enthusiasm for your program among influential donor advisors, and learn how to select and recruit exceptional PGAC members.

Whether your PGAC has been organized for a dozen years or you're just thinking about forming one, it's helpful to take a look at your "Ideal PGAC." Ask yourself, ***"If this were a perfect world, what would my PGAC look like, who would serve, and what would they bring to our organization?"***

This presentation considers how to:

- Start by evaluating the maturity of your current program and your development as a planned giving professional.
- Examine the functions of various types of planned giving committees and the most pressing needs of your program.
- Then describe the type of professionals who will join, their attitudes, client lists and experiences. Make a list of your top prospects.
- Implement strategies for building your ideal team of helpful and influential donor advisors.

We all know that this isn't a perfect world, but it's important to define the ideal before we try to change (or build) reality. Your description of your Ideal PGAC should guide you in selecting new members and making other changes.

Other questions to ask include:

- "How often would our PGAC meet?"
- "What would we accomplish in the meetings?"
- "What other services would our nonprofit gain from these relationships?"
- "What resources will we need to devote to the PGAC?"

You don't just need another meeting to organize. You can think of more appealing things to do than putting together agendas, setting up meetings and displaying your programs for

public scrutiny. What benefits, then, does an Ideal PGAC offer to make it worth expending the extra energy to achieve?

II. Stages of Development:

Does your PGAC meet your current needs? Your answer to this question will be shaped by the strengths and goals of your organization, as well as your personal strengths and desires as a planned giving officer (PGO). A careful look at your level of experience and the maturity of your program will help you decide.

One way to look at determining the makeup of your ideal PGAC is to start out small and intimate, then add to the number as you and your planned giving program mature. As one colleague wrote, “I advise people who are new to the field and in newer programs to gather an intimate group of advisors to augment their limited experience and use as a resource and sounding board. For those with more experience or who work in an established program, it may be better to have a larger advisory council that often is more visible that publishes articles and offers seminars and free consultations to prospective donors. The most seasoned PGOs often nurture a broad network of experts for referrals (both directions), credible advocacy among board and senior management, and current information about planning, law and finance.”¹

Table 1

1	2	3
←————→	←————→	
New Planned Giving Officer and Planned Giving Program	Some Planned Giving Experience and an Established Program	Mature Planned Giving Officer and Planned Giving Program
Small number of intimate professionals for advice and direction	Eighteen to twenty-four members and two to three meetings per year	Large professional network for referrals, advocacy and information

When you look at Table 1, you should ask yourself where your experience and your program’s maturity fall along the continuum, and whether your current PGAC, or the one you’re planning to start, fits the current state of your experience and your program. You may be working with a PGAC that fit five years ago, but not today. Or you may have inherited a PGAC from a former PGO that is not the right size or structure for you.

The Morton Plant Mease Foundation is an example of one organization which moved its PGAC from a 12-member council in 1979 to a Column 3 organization with a formal structure that facilitates its 170 member Financial Counseling Services (FCS).² This professional network is supervised by a 13-member executive committee that meets four times per year, with each member of the executive committee acting as a team captain for a group within the FCS. The Foundation has allocated significant resources in support of this council, including a fulltime director of FCS. It publishes and distributes an annual membership directory, and sponsors

various receptions, networking opportunities and social events throughout the year. Members receive a monthly newsletter and a weekly e-newsletter. Although this is a significant investment of time and resources, it has shown significant results. Since tracking of their participation was started in 1996, this group has raised over \$75 million in revocable and irrevocable gifts, including the Foundation’s largest gift of \$5 million received to fund its new Heart Hospital.

III. A Functional Model:

A different way to envision your Ideal PGAC is to look at the goals for your planned giving program. Table 2 gives a functional description of various committees that are useful to the PGO. They are arranged along a continuum from a planned giving committee of the board, through a professional advisory council, to a fundraising team that asks for life-income gifts and/or bequest designations. I use the terms “committee,” “council” and “team” throughout the remainder of this paper to refer to these three each different types of groups.

Table 2

1	2	3
Planned Giving Committee of the Board Or “Committee”	Professional Advisory Council or “Council”	Team to Solicit Planned Gifts or “Team”
Main Functions: Governance and Internal Advocacy Membership: Mostly Board Members	Main Functions: Advice, Publicity and Referrals Membership: Financial Professionals from the Community	Main Functions: Direct Solicitation of Planned Gifts Membership: People who ask for Planned Gifts

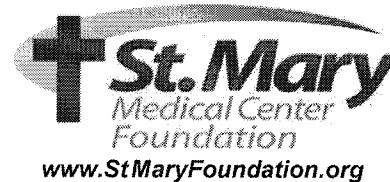
Good communication with your board is essential. In organizations where fundraising is the main mission of the board of trustees, such as hospital foundations and social service organizations, the board will probably have a planned giving committee. In organizations that do not see fundraising as a primary board function, or in very large organizations, there will not be such a short and direct line of communication between the planned giving program and the board.

A planned giving committee is shown in the first column of Table 2. It is important to have a clear channel of communication and supervision. The size of your organization and the amount of board involvement in development activities will influence whether or not you have an actual board committee to supervise planned giving issues. Regardless of your organization’s structure, you need both supervision and advice. Since these two functions are very different, I suggest that they should be the responsibility of two distinct groups.

In both Table 1 and Table 2, the middle column describes the most common form of a PGAC. Although this presentation focuses most specifically on this type of council, I encourage PGOs to consider the functions in the other columns when they establish a PGAC or make changes to their existing structure. The sample planned giving advisory council job description provided in this presentation was prepared for this type of council.

SAMPLE PLANNED GIVING ADVISORY COUNCIL JOB DESCRIPTION

PLANNED GIVING ADVISORY COUNCIL JOB DESCRIPTION



ORGANIZATION

The Planned Giving Advisory Council is made up of a select group of professionals who have demonstrated a supportive commitment to St. Mary Medical Center and whose expertise and experience are suited to assist in an advisory capacity.

Volunteers recruited to serve on the Council will come from the fields of law, financial planning, banking, insurance, and real estate who have particular expertise and interest in charitable tax law and planned giving. At least one physician who has an interest in planned gifts and can bring a physician perspective will also serve on the Council. Each Council member will serve a three-year term and may be invited to serve one additional three-year term. The Vice President of the Foundation and the Director of Planned Giving will serve on the Council.

PURPOSE

The Planned Giving Advisory Council will assist and advise St. Mary on all aspects of its planned giving program. The Council will:

- Offer insight and expertise on the impact of trends in economics, taxation, and estate planning on charitable giving.
- Provide advice on marketing plans and pieces.
- Serve as a resource for various opportunities to educate donors, physicians, employees, and fellow legal and financial professionals on relevant topics.

DUTIES OF ALL MEMBERS

- Make Annual and/or Legacy gifts to St. Mary Medical Center Foundation.
- Three meetings per year, preferably including two PGAC meetings and one personal meeting with the Director of Planned Giving.
- Promote planned giving opportunities to St. Mary with individual clients when appropriate.
- Advocate for planned gifts to St. Mary through professional affiliations and community outreach.

OPTIONAL MEMBER DUTIES

- Serve on a working committee that may be organized for specific educational event, program or giving instrument.
- Author articles for various publications on relevant planned giving topics.
- Serve as an expert presenter or panelist for educational presentations sponsored by St. Mary.

The third column of Table 2 describes a type of group that many PGOs have never considered. I have had very positive experiences with this type of team, both as a volunteer and as a professional.

Before I became a professional PGO, I volunteered for the local Boy Scout conference, calling prospects to solicit membership in its legacy society. A small group of volunteers met monthly in an office and made calls together. We were united by belief in a mission, but were not all financial or planning professionals. Whenever we came upon a question that was beyond our expertise, we made a referral to the director of development.

When I started at St. Mary Medical Center Foundation, I formed a small group of trustees who solicited their peers to become charter members of the St. Mary Legacy Society. This team was made up of the chair of the board, chair of the planned giving committee, vice president for medical affairs, and me. Each of us made a personal bequest commitment. Then we divided the list of board members among us and called, wrote and visited all board members. This effort resulted in a 52% board subscription to the legacy society on the date of the vote to establish it.

A team to solicit planned gifts can meet for the duration of a special project, on an ongoing basis, or this team may be made up of some or all of your PGAC members. The members of this type of team do not need to be financial or planning professionals.³

If you decide to steer the activities of your current PGAC toward the most pressing needs of your planned giving program, remember what your current members signed on for. If you have an established committee or council, you may want to form a working group of members with specific abilities, connections and interests to work in the areas of your greatest current needs.

Table 3

1	2	3
Committee	Council	Team
Most Pressing Needs: Policies and Standards Accountability Internal Focus	Most Pressing Needs: Advice Access and Leads Publicity	Most Pressing Needs: Solicitation Movement Gifts

This can be a helpful window for looking at the type(s) of committee(s) that will be the most helpful to the PGO. A planned giving committee of the board is interested in the growth of your planned giving program and is responsible for monitoring financial success or failure. However this committee may have a limited involvement in actually growing the number of participants in your program or directly raising funds. On the other hand, a team to solicit planned gifts may not be qualified to offer professional advice or supervision.

As implied by Table 3, your areas of most pressing need will evolve. You will never be at a point in your career where policies and procedures are no longer important. In fact, as you explore more gifts with your donors and the complication of those gifts increases, you will face a continual need to revisit the issues in column 1. It is also extremely dangerous to focus exclusively on internal issues at any time in your career, even when you are launching a new planned giving program. So you need to be cognizant of moving through column 2 and begin soliciting and closing gifts.


IV. Building or Reinventing Your PGAC:

Now that we have discussed several types of committees, councils and teams that are referred to as Planned Giving Advisory Councils, let's turn our attention to the middle column, while remaining conscious of other important needs of your planned giving program.

What benefits, then does an Ideal PGAC offer to make it something worth expending the extra energy to achieve?


- **Credibility** – This is a two-way street. Your organization, and your planned giving program, gain or lose credibility through your associations with donor advisors. Your ethics, reputation and expertise will be considered by potential PGAC members. You must be very careful not to bring people with questionable reputations onto your PGAC. Make sure that you have several responsible long-term members of your staff and board review potential candidates.
- **Access** – Not direct access to their clients, but any time their name is associated with you, people who know them may take a closer look at your organization. This refers not only to their clients, but to other professionals with whom they associate.
- **Publicity and Reputation** – Donor advisors can help build your reputation and provide important exposure to your programs and instruments in the communities where you are interested in building relationships with planned giving donors. Publicize their involvement on your PGAC. I have noted that the names of PGAC members often appear as the most frequent search strings used to find www.StMaryFoundation.org.
- **Free “Advice”** – Advice is not only needed by the novice PGO. I face a number of new gift scenarios every year. Whether dealing with closely held businesses, mortgaged real estate or hedge funds, there are professionals who specialize in each area. In order to give my potential donors the best service possible, I need to know when I’m getting in over my head. Although the donor advisors who guide me in the right direction, especially attorneys, will usually tell you “this is not advice,” they always provide very helpful information. When I start a discussion of a complicated gift through a request I send to members via e-mail, I am also putting ideas into the heads of other members of the PGAC.

- Increase Your Bottom Line – Building more points of contact between potential donors and your planned giving program will create more opportunities for planned gifts. If you build a team to solicit planned gifts in addition to your PGAC, be sure to invite appropriate members of your PGAC onto that team. Even if they are two distinct groups, make sure that they have open lines of communication, since team members may not possess the expertise of council members, and people who decide to make a planned giving commitment to your organization will need to seek professional advice. You should always encourage prospective planned giving donors to seek professional advice. You should urge them to discuss planned gifts with their current advisors and if they have no professional advisors, you will want to provide them with a list of professionals in whom you have confidence.



Planned Giving Advisory Council

Benefits of the PGAC:

 *A Two-Way Street*

	<i>St. Mary</i>	<i>Advisor</i>
Credibility	☺	☺
Access	☺	☺
Publicity	☺	☺
Advice	☺	☺
Bottom Line	☺	☺
Philanthropy	☺	☺

- Philanthropy – Professionals may be interested in forming an association with your organization in order to advance their careers. However, unless there is a philanthropic interest on their part, the organization will not benefit from the relationship. It is also helpful to understand that many professionals donate their time to your council for the same reasons that individuals donate their money. We know that planned giving donors are often motivated by a mix of motives that include tax consequences, family considerations and recognition. However, we know from experience that without a strong donative intent, the gift will not materialize or the benefits to the charity will be greatly diminished. This same principle plays out among the professionals who join your PGAC. If they do not demonstrate a clear charitable intent, they should not be asked to join your PGAC.

V. Who Joins Your PGAC and Why?

To get the full benefit from your PGAC, you need a variety of professionals from a number of donor advising capacities, broadly defined. Types of professionals include wealth

managers, financial planners, attorneys, bankers, real estate agents and insurance professionals. It is also helpful to have at least one internal representative, such as a dean, physician or program director. (St. Mary's Vice President for Medical Affairs serves on my PGAC.) This person can help keep donor advisors and PGOs focused on your organization's mission. He or she can also be an important channel for communication with the professional staff of your organization, which often includes some of your best planned giving prospects. You should also consider having a planned giving donor who is not a donor advisor on your council. (Nine of my twenty PGAC members are also members of the St. Mary Legacy Society, including two annuitants.)

**St. Mary Medical Center Foundation
Planned Giving Advisory Council, August 2005**

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It is important to ask the right people to join. Look for professionals who are part of your organization's existing network. Which attorneys have written wills for clients who have named your organization as a charitable beneficiary? Which brokers have your donors used when they transferred stocks to fund annuities or trusts? Which financial advisors do your board members turn to for advice, and which advisors are in their circle of friends? Be sure to ask members of your planned giving committee, and the committee's chair, to identify the most important players in your community, and identify relationships these professionals have with existing board members and significant donors.

Existing relationships and friendships should not be overlooked, but they cannot form the sole criterion for selection. Who do the people you want to attract as planned giving donors go to for advice? Are there specific “old money” and “new money” firms or advisors in your donor community? Is there an important constituency that is not represented on your board? Members of that constituency will probably also be missing from your list of major and planned giving donors.

Partners and employees of large organizations see the world through different lenses than business owners or independent agents. People who work for a large corporation often need to demonstrate community service to move up in their organization. The corporation is interested in promoting its reputation and may include measurements of “corporate citizenship” in reviews. Larger firms may also have policies that encourage their professionals to help nonprofit organizations, and the firm may make corporate donations based on this participation. On the other hand, more independent or entrepreneurial advisors need to be involved in the community to build their credibility, publicity and bottom line. It is important for the planned giving professional to be aware of the motivations of different professionals. It is also important to realize that donor advisors have profession-specific career paths, much the same as your career path, which can be seen along a continuum that relates to their needs and strengths at any given time.

I have built my career in Philadelphia, and although I worked for a university with an international reach, my PGACs have been primarily locally based. Several colleagues have asked me how to create a PGAC for a national organization, and I have not yet found a model to suggest. However, I advise that you think of the functions of your PGAC rather than the structure of the committee meetings. A PGO who wishes to build a national PGAC needs to determine whether or not formal meetings are advisable, and whether teleconferences or web-conferences can substitute for site-specific meetings.

As you are building a circle of helpful and influential donor advisors through your PGAC, be aware that each member of your council has potential business and consulting relationships within your council. Bankers need to have positive relationships with attorneys, and financial planners just like you need those relationships.

This idea was impressed on me when I had lunch with a banker and an attorney who were both PGAC members. The purpose of the lunch was to review items we had discussed at our most recent PGAC meeting, which they had both missed. Although this topic drove most of the agenda, part of the conversation turned around an aspect of hedge fund management that had nothing to do with my charity. These two prominent professionals had potential business opportunities in common, along with a dedication to St. Mary Medical Center. After lunch, one of them said that if I could set up meetings of related professionals like that on a regular basis, I would have professionals “knocking down your doors” to join my council.

There is also a public relations benefit to the donor advisors who participate, especially when you publicize the names of your PGAC members. Members of your organization’s board of trustees will want to know that you have screened the donor advisors on your PGAC because

they understand that your organization's reputation is tied to that of the people on your council.

Donors will appreciate knowing that you are receiving good advice from people they know. They also have a right to know that their names are not sold or given away as part of your marketing strategies. Confidentiality cannot be compromised in any way through your PGAC.

Don't forget philanthropy. Many professionals want to help your organization for the same philanthropic reasons that your donors make gifts.

VI. Strategies to Build Enthusiasm Among Your Influential Donor Advisors:

A helpful set of practices that I find particularly important in working with donor advisors are the Five Practices of Exemplary Planned Giving Officers.⁴ Finding ways to exercise these Five Practices will help make your PGAC more beneficial for your donor advisors and more profitable for your organization.

- **Model the Way** – Since you will be asking these advisors to help your organization by donating their expertise, you need to model a self-giving posture by helping them make charitable giving fit into their professional services. Lead by your actions. Make any educational presentations relevant to them, and help them answer the question, “How can I use this to help my clients and my business?” You need to “walk the walk” as a professional who exhibits clear standards of professionalism and ethical practice. Be the first to offer a helping hand, and don't ask others to do things that you're not willing to do yourself. I have been pleased to find professionals in law and financial planning who truly appreciate opportunities to join me at a planned giving educational event or read pertinent articles about issues in their field that were written from a PGO's perspective.
- **Inspire a Shared Vision** – A vision is more than a financial goal. Our medical center is an important community resource and many area professionals want to see it maintained and strengthened. In order to inspire a shared vision among PGAC members, I need to listen to volunteer leaders to find the points where their vision and ours intersect. I believe that “our program,” the program that has volunteer ownership, will always outperform the best new idea that the planned giving professional decides to push. One example of this is the physician group whose senior partner told me that a member of my PGAC was his practice's attorney and had spoken with him about the importance of estate and charitable planning. That physician group is also one of our medical center's most important prospects. With the physician's permission, the attorney and I are discussing strategies to approach and educate this group of physicians about specific estate planning and charitable giving strategies. Proper planning, with a charitable element included, is in the best interest of the medical center, the attorney and the client.
- **Challenge the Process** – If you are working with a committee when your professional and organizational needs call for a team, something is going to need to change.

Make the process work to serve your organization's purpose. Challenging the process does not consist of change for its own sake, but of making the process work to serve your organization's purposes. You do not need to move to the perfect organizational structure in one quick step. Change is often accomplished with incremental steps and small victories. Choose which changes to make first, and build on a record of successful transitions before challenging the major structures or becoming embroiled in turf wars.

- **Enable Others to Act** – Ask yourself what you can do to make it easier for the professional advisors in your community to facilitate planned gifts to your organization and which barriers you can minimize. Also find appropriate ways for your donors to learn about the expertise and services of your PGAC members. Articles and seminars can promote planned gifts to your organization and increase the visibility of your PGAC members. Create a climate of trust in order to help donor advisors work better through interdependence.
- **Encourage the Heart** – Recognition is a very important part of building coalitions with the professionals on your PGAC. Start by listing the names and professional affiliations of your members in your newsletter. A word of encouragement at our meetings is also very important. I publicly thank specific members for their advice about particular questions I had raised and for their service on specific projects. This not only makes the members I mention feel appreciated, it also gives their colleagues on the council ideas for how they can help our cause. Be sure to include PGAC members in other donor events, especially if these events involve members of your board or legacy society. These two groups are especially important to your PGAC members, and it is also important to impress your board and legacy society members with the caliber of your PGAC members. Look for imaginative and authentic ways to say “thank you,” both publicly and privately.

VII. Practical Points to Consider:

- If you have regular meetings, keep the donor advisors' question “What's in it for me?” in mind as you set your agenda. Make sure that you plan meetings that are helpful to the professionals and respectful of their time commitments. Make sure that you clearly communicate the “take-away value” of the meetings.
- Refreshments are an important part of the meeting; plan to have much more than just enough. Don't settle for the usual fare. Make it special.
- Make the meetings interesting. Don't bore your PGAC with reports that they don't need to hear. Mix in humor; include visual reinforcement such as PowerPoint presentations, bulletin boards and short video clips. Keep the meetings to one hour.
- Offer tours of your facility and presentations by important leaders.
- Give them a binder and provide copies of additional materials to use or give to interested clients.

- Every time you send out a planned giving publication, send them additional copies with a personal note.
- Meet with them personally on a regular basis.
- Be prepared to suggest your best members to serve in governing capacities at your organization.

VIII. Conclusion:

PGACs come in very different forms and sizes. In order to offer the best planned giving services to your organization's donors, you need to review your PGAC's goals, structure and membership on a regular basis. Organizing your PGAC, publicizing its activities and meeting with its members regularly can improve the reputation and success of your planned giving program.

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End Notes:

¹ This quote is taken from an e-mail from Tom Cullinan, Tom Cullinan Charitable Giving Counsel, Inc., PO Box 345, Elkhorn, NE 68022.

² Jeannine A. Hodges, Director of Financial Counseling Services, Morton Plant Mease Foundation, 1200 Druid Road South, Clearwater, FL 33756.

³ Philip J. Murphy, 30 Sais Avenue, San Anselmo, CA 94960 has a more thorough discussion of committees to solicit planned gifts on his web site www.plannedgivingcoach.com.

⁴ These Practices are based on the writings of James M. Kouzes and Barry Z. Posner, but I have adapted them with the authors' permission to speak specifically to planned giving professionals. For more information see *The Leadership Challenge, 3rd Edition*, by James M. Kouzes and Barry Z. Posner (Jossey-Bass, 2003).