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Launching a

# **Planned Giving Program**

in Your Congregation



The United Church of Canada



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## Introduction

This resource is designed to help you establish a planned giving program in your congregation. It is a resource about God, about our faith, and about our intrinsic need to give back. A planned giving program can excite your congregation by revealing how individuals may support God's work in new and different ways.

### What Is a Planned Giving Program?

Christian stewardship involves the faithful management of all God's gifts—time, abilities, creation, and money. The stewardship of money specifically means both the use of our current income and our accumulated assets. Gifts from our accumulated assets are known as planned gifts because donors usually make them with considerable forethought and planning.

Immediate planned gifts include:

- cash
- stocks, bonds, and other listed securities
- personal property and real property (real estate)
- stripped bonds

Deferred planned gifts include:

- bequests in wills
- charitable gift annuities
- life insurance
- charitable remainder trusts
- gifts of residual interest
- gifts of RRSPs and RRIFs

### Our Need to Give

Jesus spoke directly about money and ownership. In fact, fully 27 out of 43 parables address the issue. He teaches us to address our attitudes toward money and its awesome power in our lives. He points the way to financial freedom. Jesus also wants us to enjoy money and to use it for good.

God instills the desire to give in each and every one of us. A successful planned giving program can become a significant source of revenue for your congregation and an important component that enables God's ministry in our world.

### The Benefit of Planned Gifts

Sometimes known as enduring or legacy gifts, planned gifts are a real blessing to your congregation. They may enable opportunities for new ministry. They may also help sustain your congregation through times of transition.

A responsible planned giving program does not “stand alone.” Rather, it should be viewed as one part of your church’s overall fundraising and stewardship program. Used properly, planned gifts may actually enhance other forms of financial support for your congregation.

People give to the church because they believe their gifts—especially immediate major or future estate gifts—will make a real, long-term difference. People are even more motivated to give if they know the church will manage their gifts well.

This resource will help you develop and implement a program for your congregation that you can follow both to encourage planned gifts and to manage such gifts wisely.

## **The Potential of Planned Gifts**

The potential for your congregation through establishing a planned giving program is great. Statistics Canada has shown that those who support churches are among the most generous Canadians. One survey indicated that 32% of United Church members would consider the possibility of including the church in their estate plans.

Many supporters of your church have accumulated significant assets that they need during their lifetime. After they die, they want to leave those assets to people and organizations that have been important to them in life. Coupled with their traditional generosity and propensity to consider a gift to the church, there is considerable potential for your congregation to receive planned gifts.

All you need to do is to provide the opportunity and to ask.

## **The Nature of This Resource**

This resource is divided into three sections:

- Before You Launch Your Program
- Launching Your Program
- Maintaining Your Program

Each section contains a step-by-step process for you to follow. A list of free resources is also available to you through your United Church Regional Gift Planner.

Please remember, these guidelines are written in order to cover the wide variety of types and sizes of United Church congregations. While all steps are useful, not all may be appropriate or feasible for your local situation.

## **Help Is Waiting for You**

You need not feel alone in the process of developing your planned giving program. There are trained people on whom you may call for help at any time and at no financial cost to your congregation. Please contact your United Church Regional Gift Planner for your area who would be pleased to help you and to work with you. See Appendix 1—Your United Church Gift Planning Team. See Appendix 2— Questions and Answers About Planned Giving.

## **Before You Launch Your Program**

Before you launch your planned giving program, certain administrative systems and tools should be in place. Please remember that not every approach fits every circumstance.

The following are offered as suggestions.

### **Lay Leadership**

Look for and invite one or two persons to spearhead your congregation's planned giving program. It helps if they are well known and credible, and have a good history within the congregation. Ideally, they should have already made a planned gift to the church themselves or be willing to consider doing so. It would be helpful if these persons would commit to leading the program over a longer period. This is not an unreasonable expectation because, once established, and with ongoing promotion, most planned giving programs tend to run themselves.

A larger planned giving committee may be useful but may not be feasible. Many effective planned giving programs have been implemented under the faithful leadership of one.

### **Ministerial Leadership**

Seek the commitment of your ministerial leadership. Their visible support is helpful to the success of your planned giving program. They can instill confidence, facilitate trust, and provide encouragement—three key factors in the success of any planned giving program.

### **Your Stewards or Finance Committee**

Seek the support of the committee within your congregation that handles the finances. Planned giving is a part of your church's fund development program, and this group needs to be on board so that you may work collaboratively.

### **Your Congregation's Governing Board**

Seek the support of your congregation's governing board. It may be wise to have a specific motion presented to and endorsed by the board to formally establish your planned giving program. Your Regional Gift Planner can provide you with a template motion.

### **Your Congregation as a Whole**

Seek the endorsement of your congregation as a whole at a congregational meeting. Having such approval is important because the congregation then "owns" the program, and this is a good way to begin its promotion.

## **Guidelines for Handling Planned Gifts**

Donors may direct that their gifts be used for a specific purpose, such as to be invested permanently with the annual income to support the work of the congregation. In this case, the congregation is legally bound to honour the donor's wishes. Other gifts may be undesignated. It is for these gifts that your church needs a policy.

What should your congregation do with undesignated planned gifts? Put them in an endowment fund and use the interest income only? Use them for a special project or for operational expenses? Divide the gift between local operational expenses and an endowment fund? Use the interest income and the capital only in special cases as determined by the board and congregation? Reinvest a portion of the income each year back into the capital of your fund as a hedge against inflation?

Work with your church's governing board and finance committee to develop a policy on how any planned gifts that you receive will be used. Having such a policy will save disagreement and argument over the use of undesignated gifts. Your Regional Gift Planner can provide you with sample guidelines.

Having a policy, publicizing it, and sticking to your decisions will give your program credibility and ensure people who are considering such gifts that they will be used wisely and thoughtfully. In doing so, you will also ensure that these gifts will be a blessing to you, not a problem.

## **Launching Your Program**

Once you have some background systems and support in place, you are ready to formally launch your program. Before you do so, you will need print and/or electronic resources to help you promote your program.

It is important that your congregation knows the benefits of such a program. Additionally, the more you share information, the sooner planned giving will become part of your congregation's culture. You will also need to be ready to respond with appropriate information when someone asks. Samples of all types of resource materials that will support a planned giving program are listed in Appendix 4 and may be obtained through your United Church Regional Gift Planner.

The following are offered as suggestions.

### **Information Brochure**

Develop an information brochure or sheet outlining your planned giving program and including a response form. With deferred giving, remember to emphasize bequests, because 90% or more of all planned gifts come as bequests. See Appendix 4 for a list of information sheets available regarding planned giving.

### **Congregational Mailing**

Consider a mailing to all church families with a covering letter announcing the start of your planned giving program. The purpose of the mailing is to raise awareness of the program, provide information about how planned gifts may be made (bequests, annuities, gifts of securities, etc.), and extend an invitation to make a planned gift. Include your brochure, the name of a contact person, a confidential responder form for people who seek information, and a return envelope.

### **Encourage the Support of Your Church's Governing Board**

Many of your board members may have already remembered the church in their estate planning. Encourage more to do so. Obtaining their permission to share word of their planned gift will help give your program credibility.

### **During Worship**

Consider launching your program with a worship service that has a planned giving focus. Make an announcement about the program during subsequent worship services. Consider having someone who has made a planned gift to the church offer a testimonial. Include samples of your brochures and responder form in your order of service, especially on your launch Sunday.

### **Print Communications**

Include notices about planned giving in your Sunday order of service (bulletin) and in your congregation's newsletter. Your Gift Planner has sample notices and articles you may use along with inserts that outline how the various types of planned gifts work.

## **Telephone Follow-Up to Mailing**

About three weeks after your congregational mailing, consider undertaking a telephone follow-up to ensure that the letter has arrived and ask if there are any questions or if the household would like additional information. There should be no pressure or expectation, just an offer of ongoing service.

Without overkill, try to give your program as much presence in the congregation as possible, using any appropriate means to get the word out. Repetition of the message in a variety of ways and through various media is important for effective communication.

## **Maintaining Your Program**

Once launched, it is important to keep your planned giving program before your congregation until it becomes a normal part of your culture. You will also want to introduce your program to any who may be new to your congregation. The following are offered as suggestions.

### **Annual Stewardship Program**

Include planned giving as a part of your congregation's annual stewardship endeavours. For example, on your estimate of giving form, ask two questions, each with a check-off box: "I have remembered the church with a gift in my estate plans" and "I would like information on remembering the church in my estate plans." Support your minister and your stewardship committee in their efforts to talk openly about money and possessions.

### **Print Communications**

Continue to include notices and stories about planned giving in your Sunday order of service (bulletin) and newsletter. Stories of ministry made possible by received planned gifts are particularly effective. Include information on planned giving with any material you give to new families in your congregation. Consider sending an annual mailing about planned giving to emphasize the need for a will and information on how to make a gift.

### **Offering Envelopes and Statement of Givings**

On the flap of your offering envelopes, include the line: "Please remember (*your congregation*) United Church in your estate plans." When you send out a statement of givings to your contributors, include something about planned giving in the mailing or on the statement itself.

### **Electronic Advertising**

Along with other information on ways people may give, include planned giving information on your congregation's website. Consider adding a tagline to your e-mails and faxes: "Please remember (*your congregation*) with a gift in your estate plans." Some congregations have e-mail distribution lists. Use this list to share information of interest about your program.

### **Reporting**

Make brief, periodic reports to your church's governing board. Have planned giving included in your congregation's printed annual report and briefly present the program at your annual meeting.

### **Recognition**

Celebrate and recognize planned gifts received at a special legacy dedication Sunday. With permission, list the names of known planned giving donors in your newsletter or annual report. Remember those generous givers who have died during the past year. Read their names aloud at a congregational event or meeting.

### **Estate or Planned Giving Workshops**

Conduct workshops on financial or estate planning, using professionals from your congregation and the services of your Regional Gift Planner. If feasible, invite the wider community.

## Help Is Yours For the Asking

Your United Church Regional Gift Planner is here to help. Your Gift Planner can

- provide advice on planned giving programs generally and serve as an ongoing resource person to develop a program that meets your needs
- provide helpful documents, resources, and templates that you may use outright or adapt for use in your congregation
- provide an information session or presentation to the governing board, finance committee, trustees, or other group within your congregation
- respond to any questions raised from persons in your congregation
- work privately with anyone who is interested in making a planned gift to the church

There is no cost to your congregation for these services. They are enabled through your gifts to the United Church's Mission and Service Fund. See Appendix I for a list of the church's Regional Gift Planners.

Please know that all United Church Gift Planners are members of the Canadian Association of Gift Planners and abide by its Standard of Conduct and Code of Ethics. All inquiries and gifts arranged through your Gift Planner remain confidential unless the donor directs otherwise.

## In Summary

Be patient. To be effective, a planned giving program requires an upfront investment of time that could reward your congregation with significant support in the future. It can take up to five years to get a planned giving program launched and to begin to see results. Please do not be reluctant to speak about money in general and planned gifts specifically. Remember, Jesus spoke about money frequently and God instills in each of us the desire to give.

Tapping into the potential of planned gifts will come to those congregations that develop a program and have established a clear and compelling vision for what they are to do at God's request in this world.

It's worth the effort!

## Your United Church Gift Planning Team

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## Questions and Answers About Planned Giving

### ***Why should we ask for planned gifts when we need money for current giving?***

Planned gifts come from a different pocket than that which supports your congregation's local funds. Planned gifts are from a person's estate of accumulated financial assets, not annual income. Studies have shown that good planned giving programs can positively influence all giving streams within a church. When someone includes a gift to the church in their estate plans, givings to local expenses are not affected.

### ***Why leave a bequest to my congregation when my congregation may not be around in 20 years?***

Nothing is a given and no one can predict the future. All organizations go through change; hopefully, your congregation has a plan to deal with such change. However, a bequest gift can facilitate your congregation through its transition (regardless of outcome) and enable visioning that would not be possible without financial support. You may also stipulate in your estate plans that the interest only or part of the capital and interest only from your gift be used, with the proviso that should your congregation close, the residual of your gift be directed to some other United Church congregation or ministry of your choice.

### ***My congregation has been using undesignated bequests to offset operating fund deficits and to help pay for repairs to the church building. Establishing a guideline for undesignated bequests will tie them up so that we will no longer be able to do that. Where will the money come from to pay off deficits in the coming years?***

Guidelines are meant to facilitate, not inhibit. With a guideline, your congregation still has complete control over how you use undesignated bequests. Some church bequest guidelines direct that undesignated bequests be used entirely for local expenses. Some guidelines direct that undesignated gifts be split between operational expenses and endowment. The choice is yours. Having a guideline does not mean that you have to change how you currently use bequest gifts.

### ***Our congregation has more pressing issues that we need to deal with, such as the operating fund deficit and declining attendance.***

Your issues are real and problematic. However, remember that the life of any congregation ebbs and flows. Establishing a planned giving program is an investment in the current and future life of your church. Legacy gifts that you receive may help you address the issues your congregation now faces. Many churches have endowment funds established by bequests, the income from which is applied to the local operating fund—money that can help stabilize and reinvigorate your congregation's life. Please be aware as well that legacy gifts usually come out of a person's assets and would not even be available, let alone given, for annual operations. In many cases, estate gifts would not come to the church in any other way, so a planned giving program expands the potential revenue your congregation could receive.

## ***Will planned gifts go to the local congregation or to the Mission and Service Fund of the wider United Church?***

The decision is up to the donor. Each donor decides where their planned gift is to be directed and sometimes how it is to be used. In recent years, approximately 80% of the planned gifts received by the United Church have gone to local congregations and 20% to the wider church, including the Mission and Service Fund. Many gifts also go to other United Church ministries as the donors may direct.

## ***Why should we establish guidelines for handling bequests and other planned gifts?***

Guidelines give your program credibility. Guidelines also give your donors confidence that you will handle their gifts responsibly. Some planned gifts have specific designations that, if accepted, must be honoured. Other estate gifts are undesignated. It is for these gifts that guidelines are important. Guidelines prepared in advance in a thoughtful environment without pressure can spare your congregation disagreements about how undesignated gifts should be used.

## ***How difficult is it to develop guidelines?***

Not that difficult, but it will take some time and thought on the part of the group assigned to undertake this task. The guidelines will also have to be approved by your congregation's governing body. How you use bequests and other planned gifts depends on your congregation's mission and vision. Your Regional Gift Planner can help you with the process and has sample guidelines from other congregations that you may use for reference.

## ***Will this program upset people?***

It shouldn't. A planned giving program provides donors with ways of supporting the church that may not be possible otherwise. You are simply sharing information and providing opportunities. It can be reassuring to have a specific person in the congregation who is knowledgeable and credible to act as contact person. Remember, too, that a United Church survey indicated 63% of respondents felt there should be more publicity about planned giving. Another survey indicated that people do not mind being asked for money as long as they feel free to respond "yes" or "no" without guilt or pressure.

## ***Why should we bother contacting every household about this program?***

It's important that your program be proactive, all-inclusive, and reach as many people as possible. Even though a householder may not attend or support the church, there are many examples of large estate gifts coming to a congregation from people who had been only loosely affiliated.

## ***What results might we expect?***

Results vary from congregation to congregation. It will take time for gifts to be realized; you usually will not see results overnight. Typically, about 7% of United Church people remember their local congregation in their estate plans. Another 32% of donors would consider doing so. Even if your congregation receives one gift as a result of your program, it has succeeded.

***Should we list in our annual report the names of those who have remembered the church in their will and who have let us know?***

The listing of names is an effective means of publicizing your program. However, you must seek the express permission of those who have left you estate gifts before you publish their names. Some have no problem having their names listed. Others want absolute privacy. Either way, a donor's wish must be respected.

***Should we consult with the United Church's Regional Gift Planner?***

An emphatic yes! Your United Church Gift Planner is experienced in helping congregations develop their own gift planning programs. Your Gift Planner has many print and other resource templates that you may use. Each Gift Planner is a devoted member of the United Church and active in their own congregation. They know the church and can help you reach your goals efficiently and effectively.

***How much will the services of the Gift Planner cost us?***

United Church Gift Planners are provided as a resource to local congregations through your gifts to the Mission and Service Fund. There is no direct cost to have a Gift Planner come and work with you.

***Gift Planners only come into a congregation to seek bequests from our members for the Mission and Service Fund and the General Council Office.***

Not so! Gift Planners are resource persons who help individuals in their decision-making process about their bequests or other types of estate gifts. Gift Planners do not in any way direct or influence donors. That would be unethical, and it's simply not done. What the Gift Planner can do if the donor is uncertain about where to direct their gift is provide options both within and beyond the local congregation. In the end, the donor decides where their estate gift should go, and statistics show that the vast majority of such gifts come directly to the local congregation.

***What happens after our program has launched and been up and running for a while?***

Keep at it. The steady, consistent sharing of information about your planned giving program, the opportunities the program has provided, and the successes it has achieved are essential for long-term success. One United Church congregation began its endowment fund with a gift of \$100. Because of the ongoing encouragement of immediate and legacy gifts over the years, this endowment fund now has assets of over \$3.2 million. The income from this fund has helped to keep the congregation a vital force in the community. Planned giving has become an intrinsic part of this congregation's culture. The same could be true for you.

## **Checklist: Implementing Your Congregation's Planned Giving Program**

- Contact your United Church Regional Gift Planner for help at no cost to you
- Determine person(s) to spearhead your congregation's planned giving program
- Confirm support of your ministerial leadership for the program
- Confirm support of your stewards or finance committee for the program
- Confirm support of your congregation's governing board for the program
- Confirm support of your congregation as a whole for the program
- Set guidelines for how your congregation will use future planned gifts
- Determine planned giving information resources that suit your congregation
- Determine a communication process for the program that suits your congregation
- Determine ways of keeping information about planned giving before your congregation
- Contact your United Church Regional Gift Planner for ongoing advice and support

## **Resources Available from Your Regional Gift Planner**

### **Policies and Procedures Related to Planned Giving**

- An Enabling Resolution to Launch a Planned Giving Program
- Sample Guidelines for the Use of Planned Gifts in a Congregation
- Recognition Policy
- Endowment Funds in Local Congregations
- Gift Acceptance Policy
- Treatment of Planned Gifts in Local Congregation Chart
- Treatment of Planned Gifts in Local Congregation Summary

### **Information Sheets Regarding Planned Giving**

- Thank You for Considering a Planned Gift
- Your Gift Can Help
- A Message to Our Allied Professionals
- Wills and Bequests
- Gift Annuities
- Life Insurance
- Cash
- Interest-Free Loans
- Publicly Traded Securities
- Stripped Bonds
- Charitable Remainder Trusts and Residual Interest
- Endowment Gifts
- Proceeds from RRSPs and RRIFs

### **Other Promotional Tools**

- Sample letter for a congregational mailing on the launch of a planned giving program
- Sample responder form
- Sample brochure
- Sermons related to planned giving
- Communication ideas for church bulletins and newsletters
- Order of service (bulletin) inserts
- Thoughts and reflections related to planned gifts
- Will Workbook
- Workshops on planned giving led by your Regional Gift Planner