

## Gift Planning on a Cocktail Napkin

One of the most informative training exercises I ever experienced happened purely by accident by using a cocktail napkin. It taught me the simplicity of explaining gifts to prospects.

### 1. Planned giving over drinks

After a Foundation Board meeting, the Board Chairman and I went out for dinner and refreshments. As we were talking, he asked if our organization offered those "gift annuity things."

### 2. Adapting to the situation

I'd put my briefcase in the car, so there I sat without a piece of paper. I didn't want to lose him in a long explanation of how we do annuities, so I improvised. Using a cocktail napkin, I used little boxes and arrows to show how a gift annuity works.

### 3. The basics of all planned gifts

With a gift annuity, like so many other planned gifts, this is how it works (with variations on the theme depending on type of gift):

- a. The donor makes a gift commitment of assets or cash;
- b. The donor gets a tax deduction for that year; (In some circumstances, the deduction can be spread over up to five additional years.)
- c. The donor may avoid capital gains taxes if giving appreciated assets;
- d. The donor gets a guaranteed income for life at a fixed rate;
- e. The donor gets recognition right away;
- f. The donor gets the satisfaction of giving right away;
- g. The institution receives the assets or cash;
- h. When the donor dies, the institution is free to use the capital.

It worked! The Board Chairman eventually signed a gift annuity contract. I started experimenting and found that every planned gift concept can fit on a cocktail napkin.

### 4. Planned giving at the kitchen table

It's one thing to know your stuff when it comes time to close a gift. It's another thing to be able to communicate it to prospects. Many of the planned gifts I've closed happened at the kitchen table, not the attorney's office. There's a real art to engaging a prospect with enough information to help them without overwhelming and intimidating them. Whether you use a cocktail napkin or a gift illustration,

keep in mind your main objective: engaging the prospect.

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