



Legacy Consulting

Planned Giving Strategies for Nonprofits

WACOSA

2021 Planned Giving Analysis and Assessment ©

Report Overview

Information gathered in the following report was derived from donor data and conversations with staff to assess the level of organizational readiness for a Planned Giving (PG) program. This baseline report includes recommendations for determining a reasonable starting point to effectively manage estate gift planning and related fund raising services.

Background Information:

Income from bequests represents a growing percentage of overall charitable giving in the US. Some of the intergenerational wealth transfer (estimated to be in the trillions over the coming decades) WILL be given to Nonprofit Organizations (NPO). The ultimate goal of a PG program is to put an NPO in the best position to benefit from this wealth transfer.

Most successful NPO's solicit gifts for three different areas:

1. Operations (usually through annual appeals and special events)
2. Capital (usually through project-specific campaigns)
3. Endowment (primarily through PG efforts)

As with many NPO's, PG is often the last element of a mature development department, but it's becoming a more essential strategy of an overall fund raising plan. Why? PG efforts provide a much larger "return on investment" because estate gifts can be 100-1,000 times larger than a donor's annual gift.

Some people think PG is about convincing wealthy people to make a large estate gift, but it has very little to do with a person's wealth and everything to do with matching a person's passion with their philanthropic interests.

Planned gifts are generally the result of an ongoing relationship between the NPO and a donor. Other important elements include a positive perception by donors about the future of an organization. Donors that "invest" in the future of an NPO through a planned gift must have confidence that:

1. The mission is important
2. The NPO will continue to meet that mission in the future
3. The donor's gift is critical to the NPO's ability to discharge its mission.

Governance Documents:

- IRS 501(c)(3) Determination Letter
- Organizational Bylaws – Comments Below
- Board of Directors, Job Description, Terms, Affiliation – Comments Below
- List of Development/Fund Raising Committee, Charter and Affiliation
- Board & Executive Committee Meeting Minutes for past 12 months
- Organizational Chart

Organizational Bylaws

Officers:

Article IV – DUTIES OF OFFICERS, Section 4.1: Officers and Duties.

It states that there are four offices, however, five officer positions and duties are listed in Article IV, including the Executive Director/President.

Officer Term Limits:

While there are term limits for directors (Article III, Section 3.4), there are no term limits for officers. Not having officer term limits, reduces opportunities for new leaders to emerge and/or share their expertise.

Recommendation: Amend bylaws to accurately reflect five officers AND create Officer Term limits. See **Attachment A - “Bylaws-Officer Recommendations”**

Board of Directors:

There are 6 board openings in 2021 and 3-8 more openings in 2022 for a combined total of 9-14 new board members. Having this large of a turnover will require immediate attention and an intensive recruitment effort. Finding good board members is an ongoing process rather than a once-a-year conversation. It begins with a well-designed strategic plan to recruit qualified board members and engage them in meaningful activities that maximize the skills they bring to the board.

Recommendation: Immediately implement an intensive board recruitment process that will also serve as a guide for board recruitment beyond 2021. See **Attachment B - “Board Recruitment Process”**

Financial Documents:

- IRS 990 for past 2 years
- Operating Budget for past 2 years

WACOSA is a financially stable organization with approximately \$5.7 million in reserves and temporarily restricted funds. Additionally, there has been steady growth in producing operating surpluses due to reduced dependency on traditional entitlements.

Marketing & Communication Documents:

- Mission and Vision Statement
- Annual Report for past 2 years – Comments Below
- Newsletters (hard copy and e-news) for past 2 years – Comments Below
- Website – Comments Below – Comments Below

Annual Report, Newsletters and Website:

Materials are well designed, visually attractive, and informative with a broad range of interrelated topics.

Recommendation:

- Provide fewer facts and statistics and more mission stories on how donations impact services
- Continue to feature donor and volunteer spotlights
- Create more stand-alone mission stories to share with donors
- Create more specific planned giving content that can be effectively woven into existing marketing materials on a more frequent basis
- Update website content about PG and endowment fund

General Fund Raising Information:

Fund Raising Software program used:

- Blackbaud/Raisers Edge
- Salsa CRM (formerly DonorPro)
- DonorPerfect
- Boomerang

The software is more than adequate and contains all the essential features needed to track donor demographic data, generate donation statistics, and produce reports needed to evaluate progress. A recently added feature called **Salsa Engage**, provides an online format for “peer-to-peer” fund raising events. Salsa’s software support is responsive and timely.

Recommendation: Areas that need improvement include:

- Data integrity (consistency of adding information)
- Written “How to” procedures (e.g. “How to enter a new constituent”, “How to record a donation”, etc.)
- Full utilization of the software features to systematically track data that will reduce or eliminate manual manipulation in donor reports and mailing lists

Do you have a Gift Acceptance policies:

- YES. Please provide a copy of the document
- NO

Recently approved Gift Acceptance Policies was an important milestone in becoming a more mature development department.

Do you have a Fund Raising Marketing plan:

- YES. Please provide a copy of the document
 NO

Recommendation: Draft a written “Annual Fund Raising Plan” that will provide guidance on tactics and tasks, along with a detailed schedule to make sure activities are completed in a timely fashion and coordinated to coincide with specific calendar events (e.g., year-end events, beginning-year events, tax-time, holidays).

Total amount of annual revenue from all fund-raising activities (not including government grants):

- \$0-250,000
 \$250,000-500,000
 \$500,000-1,000,000 (**\$717K**)
 More than \$1,000,000

With a one-person development department, the total amount of money raised is quite respectable. Reliance on a major donor family for more than a third of the annual donations puts pressure on maintaining this strong relationship. Of the total dollars raised in 2020, 18% (\$125K) was given for general operations.

Recommendation: Set a goal and establish a written plan to incrementally grow total donations for general operations by a minimum of 10% each year.

Percentage of overall budget provided through fund raising efforts (not including government grants):

- 0-10%
 10-25%
 25-50%
 More than 50%

Typically, less than 10% of WACOSA’s operation budget is derived from fund raising activities (with 2020 COVID year being the exception). With more than 90% of the revenue derived from earned income and traditional entitlements, WACOSA has a lower financial risk compared to organizations that depend heavily on annual donations for a higher percentage of the operating budget. While this scenario provides greater flexibility in how donations are used, increased support could enhance programs and grow the organization more quickly.

Please rank the following fund raising strategies that produce the most net revenue (with “1” as the most and “5” as the least):

- 2 - Special Events
- 1 - General Grants (not government)
- 3 - Direct and Indirect Appeals
- N/A Telemarketing
- N/A Major Gift Campaigns

Special events are primarily used to create public exposure and community awareness for WACOSA, however, special events are typically the least productive for “time in and money out” unless operated primarily by volunteers (e.g., Lobster Fest).

Recommendation: Consider eliminating events that take staff time and produce little income OR find a volunteer to head up the smaller events.

Please rank the following group of donors that produce the most net revenue: (with “1” as the most and “4” as the least):

- 1 - Individuals
- 3 - Businesses/Corporations
- 4 - Service Organizations (Lions, Optimist, Rotary, Kiwanis, etc.)
- 2 - General Grants (not government)

Of the total dollars raised in 2020, 48% (\$342K) was given by individuals or individual-connected donors through a privately owned company. Grant revenue of \$314K represents 44% of total dollars raised, with all but \$3K given for restricted projects. Grants have been an important source of project-specific revenue for WACOSA. A positive fact is that there has been a low reliance of grant funds for general operations.

Recommendation: Increasing the number of individuals donors is most important, so the majority of time should be allocated to finding new individual donors, as well as cultivating relationships and stewarding existing donors that could increase annual support and produce major/ultimate estate gifts.

Do you have an endowment fund and/or support foundation:

- YES. Total amount in the endowment/foundation \$30K
- NO

Recently established WACOSA Endowment Fund with Central Minnesota Community Foundation (CMCF) was an important milestone in becoming a more mature development department and a wise decision because of the professional PG resources available through CMCF. The approved Gift Acceptance Policy that places unrestricted estate gifts in the endowment fund provides a solid strategy for funding the endowment.

Do you have a written thank you acknowledgement procedure:

- YES. Please provide a copy of the document
 NO

Recommendation: Provide written instructions including the entry of gifts into the Salsa database which would make it easier to transition this task to another person or better yet, to a person who has been cross-trained.

Do you send substantiation (thank you) letter for ALL gifts:

- YES. Please provide a sample letter.
 NO

Nice to see the personalization of handwritten thank you notes and letters signed by the Development Director (DD) and Executive Director (ED). The receipt contains the basic statement of deductibility and acknowledges that no goods and services were provided for the gift.

Recommendation: Send a cover letter and an “Annual Statement of Giving” to donors in January following the end of the fiscal year. The letter accomplishes two primary objectives:

- Another “key action” touchpoint in communicating with donors about the previous year’s accomplishments reinforcing the belief that their gifts had a significant impact on WACOSA
- A service to donors that will make it convenient for them when they organize their documents for tax preparation (this might be an especially important reminder for donors in 2021 to claim their “universal deduction” of \$300 per individual or \$600 per couple)

Are your most loyal donors and/or major donors assigned to a specific development staff member:

- YES
 NO

YES and NO because all donors technically were assigned to the DD.

Recommendation: Review and rank all donors and then assign up to ten top donors to the ED. The process of developing cultivation strategies and tracking actions should be guided by the DD.

What action metrics are used to track stewardship/cultivation of major donors (check all that apply):

- Phone calls
- Personal Visits
- Stewardship correspondence (personalized letters, emails, texts)
- Special Occasion cards (birthday, anniversary, condolences)

Successful PG programs need to have clear strategies of cultivation, solicitation and stewardship to move top prospects closer to WACOSA. While all these actions have occurred, the execution has been sporadic without a prioritization of donors and a formal written plan on the objectives to be achieved with each action. There is no system for tracking and reporting on key actions.

Recommendation: Documentation of details from each action should be more clearly defined and implemented. For example: Donors who gave a minimum gift of \$100 receive a thank you call; sometimes, a client joins the call. The calls could be more effective if a few extra questions were asked about connection to WACOSA (if unknown), level of passion for the mission, family history, etc. With personal visits, there should be a specific objective for each meeting other than to say 'thanks'. Create donor profiles and a cultivation/stewardship plan for top donors.

Has your organization conducted a donor survey in the last 3 years:

- YES. Please provide a copy of the survey results/summary
- NO

Recommendation: Conduct a PG donor survey to top donors and a second PG survey to unranked donors and families connected to the mission but not current donors. Schedule first survey to top donors in Q2 of 2021 and the second survey early in Q4 of 2021 or Q2 of 2022.

Has your organization conducted a capital campaign in the last 3 years:

- YES. How much was raised \$ _____
- NO

While there has not been a specific capital campaign, there was at least one project in the last five years that received project-specific support primarily through the Bartlett Fund. Having restricted capital funds is a valuable resource not enjoyed by most nonprofit organizations.

Has your organization conducted an endowment campaign in the last 3 years:

- YES. How much was raised \$ _____
- NO

Recommendation: Consider launching a campaign to jump start the PG program in 2022 or 2023 and/or explore the possibility of an endowment campaign combined with a matching gift plan.

Level of involvement by Executive Director/CEO in organization's fund raising:

- Actively Involved
- Moderately Involved
- Minimally Involved
- Not Involved

Under the direction of the DD, the ED currently signs acknowledgement letters and adds personal notes to seasonal correspondence. With less than 10% of the budget coming from donations and no formal PG program, there has been minimal expectations for more involvement with donors.

Recommendation: Include fund raising as part of the ED's job description AND assign the ED as the "relationship manager" for at least ten of the top donors.

Donor Statistics

Total number of annual donors:

- 0-500 (**332 Total Donors**)
- 500-1,000
- 1,000-2,000
- More than 2,000

While having more donors helps increase opportunities for PG, quality of donors is equally important to quantity, especially when using a donor-centric, relationship-based approach that treats donors as "partners in the mission" rather than a "source of revenue".

Recommendation: Consider **ANY** individual donor to WACOSA a PG prospect until circumstances or definitive conversations indicates otherwise.

Total number of annual gifts:

- 0-500
- 500-1,000
- 1,000-2,000
- More than 2,000

In 2020, there were 556 gifts from 332 donors. This statistic indicates that there is a subset of donors who contribute more than once a year.

Total number of individual donors that make multiple or recurring gifts (2 or more) each year:

- 0-100
- 101-200
- 201-300
- More than 300

In 2020, 89 people out of 332 total donors gave 288 gifts out of a total 556 gifts... approximately 25% of this loyal group of donors gave 50% of the gifts.

Recommendation: Special attention should be given to this group of donors because of their loyalty. Formulate a strategy to encourage recurring gifts (monthly or quarterly) and implement a process to honor and recognize multiple-gift donors.

Total number of individual donors who have given 10 years or more:

- 0-200
- 201-400
- 401-600
- More than 600

While there are approximately 40 donors who meet this key PG criterion (based on data extracted from the SALSA data base), it appears that data transfers from different fund raising software programs over the years, eliminated some past giving history. There are probably more donors who meet this criterion.

Percentage of fund raising revenue given by individuals:

- 0-20%
- 20-40%
- 40-60% (**48%**)
- More than 60%

Recommendation: Since approximately 80% of money given in the USA is from individuals, allocate more time to finding new individual donors and soliciting increased donations from current donors until total contributions from individuals exceed 70%.

Total number of current employees that donate annually:

- 0-5
- 6-10
- 10-20 (**18**)
- More than 20

Employees (especially key administrative/management staff), sent a positive message to the community about their commitment and passion to WACOSA through their 63 gifts totaling \$3,840 in 2020. 88% of administrative staff gave \$2,200 in 2020.

Recommendation: Encourage use of payroll deduction for ease and convenience.

Percentage of Board Members that give annually:

- 0-50%
- 50-75% (64%)
- 75-99%
- 100%

In the “**WACOSA Board Member Position Description**” it describes a “**Give OR Get**” policy stating, “*Give or raise a donation to WACOSA that is meaningful to the board member*”. A “**Give AND Get**” approach, sends a much stronger message that obligates a board member to lead with a personal investment/gift, and then inspire others by linking their networks to WACOSA through personal introductions and solicitations.

In the “**Board of Directors Charter**”, there are no KPI’s listed for board giving.

Recommendation: Establish a goal to have 100% of the board members make an annual financial donation to WACOSA. Passion for the mission should be a top criterion for service on the board, which includes annual giving.

Total dollar amount annually given by Board Members:

- \$0-10,000
- \$10,001-20,000
- \$20,001-50,000
- More than \$50,000

While board members should lead by example in their giving, 100% participation is more important than total dollars given.

Recommendation: Since the board members are the voice within the community, ask board members to consider making WACOSA one of the top three charities they support.

Total number of annual gifts from Donor Advised Funds:

- 0-10
- 11-20
- 21-30
- More than 31

Nationwide, Donor Advised Fund (DAF) accounts have quadrupled in the last five years. More donors have established DAF’s to facilitate their giving because of the changes in the tax law that significantly reduced the number of people who itemize deductions on their taxes. Bunching of gifts in a DAF provides a tax strategy that allows a donor to make a large gift to a DAF every 2-4 years and then take full advantage of the standard deduction during the other years. Giving from a DAF also allows donors to spread out their annual giving.

Recommendation: Ask donors if they have a DAF or if their financial advisor recommended using a DAF to take full advantage of tax deductibility of charitable gifts.

Total number of annual gifts from IRA-Qualified Charitable Distributions (QCD):

- 0-5
- 6-10
- 11-20
- More than 21

QCD's are a fast-growing source of revenue from donors over the age of 70½ who have tax-deferred retirement assets. The growth is primarily due to three factors: 1) the reduced number of donors who itemize taxes don't really benefit from deductibility of smaller charitable gifts, 2) a person's taxable income can be reduced because QCD's can be counted toward the "Required Minimum Distributions" for people over the age of 72, and 3) a change in the tax law about shorter time period (10 years) to withdraw funds from inherited IRA's makes retirement assets an excellent option for an annual gift and/or a charitable estate gift.

Recommendation: Gather demographic age data on donors and begin sending notices to the donors over the age of 69 to encourage them to consider a QCD gift to WACOSA.

Planned Giving Data

Do you have a case statement to promote endowment/estate gifts:

- YES. Please provide a copy of the document
- NO

Recommendation: PG can be as much of an investment decision as it is a philanthropic decision. In its simplest form, the **case statement** is a philanthropic investment prospectus that tells prospective donors what WACOSA hopes to accomplish with their gifts. Write a case statement that clearly explains what needs WACOSA seeks to meet with estate gifts. The case statement will also help keep WACOSA focused on key messages about the mission.

Do you have development employees dedicated/assigned to do Planned Giving fulltime or part time:

- YES. What percentage of FTE is dedicated to PG: _____%
- NO

WACOSA did not have a formal PG program and did not have someone specifically employed to cultivate relationships with PG donor prospects. PG efforts normally don't happen if no one has specific accountability for PG and it is not part of a coordinated fund raising plan. Successful PG programs revolve less around money and more around strategic use of financial resources for development efforts.

Recommendation: Allocate 25-50% of the current DD's time to PG and hire a Development Associate to assist with some of the duties currently performed by the DD.

Are development staff cross-trained in the basics of PG and key criteria in identifying prospects:

- YES
 NO

Recommendation: Knowing and understanding what makes a good PG prospect is important when identifying and ranking donors. Provide in-service training to key employees to help identify PG prospects. With limited staff resources, time should be prioritized to personally cultivate meaningful relationships with the best prospects, rather than a less focused approach of generically reaching out to a larger number of prospects.

Level of support/leadership for PG by the board of directors:

- Excellent
 Moderate
 Minimal
 None

This topic has been discussed since 2009, but not until 2020 did the board take action to implement/establish a PG program. In a recent seminar about “**Planning for the Future in the Middle of a Pandemic**”, leveraging PG opportunities was one of the main strategies recommended because PG conversations are increasing, not decreasing.

Recommendation: Provide ongoing education to the board of directors about PG and initiate individual conversations about personal estate planning and charitable gift intentions.

Level of support/leadership for PG by top management:

- Excellent
 Moderate
 Minimal
 None

Taking steps to start a PG program is an indication that PG is now recognized as an important fund raising strategy, even though it may take several years to see a return on the investment.

Recommendation: Top management must:

- Provide consistent and passionate support for the PG Program
- Actively participate in conversations with donors
- Ensure that financial resources are annually budgeted for PG services

Total number of estate gifts over the past 10 years:

- 0-10
 11-20
 21-30
 More than 30

WACOSA has established itself as a mature, credible, well-run organization that has earned the respect of the community. Having been in existence for 58 years, the total number of estate gifts is very small compared to other similar NPO's. Continuing to delay or put off conversations with donors about PG will result in missed opportunities for very large gifts.

Recommendation: Tap into the “**Power of PG**” by implementing a formal, yet sustainable, PG program that could produce estate gifts 100-1,000 times larger than a donor's annual gift.

Do you record estate gift intentions:

- YES. Total number of estate gift intentions _____
 NO

Recommendation: Develop a procedure using the SALSA donor software to record estate gift intentions and track key actions with this elite group of donors who have included WACOSA in their estate plans. Since most estate gifts intentions can be changed, it is essential to stay connected.

Do you have a formal “Legacy Society” that honors and recognizes estate donors:

- YES. Name of your Legacy Society: WACOSA Legacy Society
 NO

The WACOSA Legacy Society (WLS) is a step in the right direction to honor and recognize donors who have included WACOSA as a charitable beneficiary.

Recommendation: Clearly define and promote the criteria to become a WLS member. Establish protocols for honoring and recognizing this elite group of donors. See **Attachment C – “WACOSA Legacy Society”**

Do you have a defined set of criteria used to identify and rank PG prospects:

- YES. Please provide the criteria used
 NO

Recommendation: Successful PG programs need to have a clear understanding of its best prospects. Review and rank top donors using a specific set of criteria. Annually review the list of donor prospects and adjust rankings based on conversations and correspondence with the donors. See **Attachment D – “Planned Giving Donor Prospect Ranking Levels”**

Do you send personalized correspondence to your most loyal donors asking them to consider a bequest/estate gift:

- YES. Please provide a sample letter
 NO

While personal correspondence has been shared with top donors, the communication has not been focused on planned gifts.

Recommendation: Personally communicate with top donors about the impact of their current gifts and the impact a planned gift could have on WACOSA. This type of activity will lay the groundwork for more personal conversations about an estate gift.

Do you have any Named Endowment Funds (NEF) that produce annual income distributions:

- YES. Total number of NEF's _____
 NO

Recommendation: Establish a process, guidelines, criteria and templates for NEF's. NEF's are an excellent way to encourage donors to honor and recognize loved ones and provide perpetual support for WACOSA. NEF's can be funded with a current gift (preferably with appreciated assets), with a pledge/gifts over a set period of time or through an estate gift.

Do you offer "life income gift" options such Charitable Gift Annuity (CGA), Charitable Remainder Trust (CRT) and Pooled Income Funds OR have a professional resource for managing "life income gifts":

- YES. Please list "life income" gift options: _____
 NO

"Life Income Gift" is a gift arrangement in which the donor makes an irrevocable transfer of property to a nonprofit, and at the same time retains an **income** interest to his/her benefit.

Recommendation: The recently established relationship with the CMCF will allow WACOSA to explore "life income gift" options with donors. Work with CMCF to understand the profile for donors who typically benefit from "life income gifts", review the WACOSA prospects and promote the options to these prospects.

Do you regularly promote Planned Giving in your newsletters (digital or hardcopy):

- YES. Please provide a sample newsletter article
 NO

Newsletters and email blasts have shared some limited, generic information about PG.

Recommendation: Use a "drip-feed marketing" method to consistently weave specific messages about PG opportunities into all existing outreach materials.

Do you have a separate website or integrated website related to PG:

- YES. Please provide the link to the website: _____
 NO

A separate website is not essential, however there are components in an agency's website that could provide basic information to donors interested in PG opportunities. Many community foundations also provide a service to member charities to produce charitable calculations for specific gifts, such as CGA and CRT.

Recommendation: Upgrade PG content on WACOSA website and promote the new WACOSA Endowment Fund, Estate Giving and the WACOSA Legacy Society.

Do you have template forms and correspondence that are used throughout the continuum of communication with PG donors and prospects:

- YES. Please provide a sample letter
 NO

Recommendation: While PG is personalized, there are common elements incorporated into standard correspondence that will simplify all forms of communication with PG donors and prospects. Create templates that will expedite communication with donors, prospects and allied professionals, as well as a paper trail in tracking a donor relationship. The templates will also ease the transition from one development officer to a new officer, so time is not wasted recreating important documents.

Strength of relationship with allied professionals (financial advisors, estate attorneys, accountants, trust officers):

- Excellent
 Moderate
 Minimal
 None

While allied professionals typically do not recommend specific charities to clients who want to be philanthropic, they can be the conduit between the charity and an individual donor. The allied professional will provide the legal and financial expertise that can help a client maximize their gift to the charity as well as the tax benefits.

Recommendation: Offer educational tours and invite allied professionals to become actively involved with WACOSA as volunteers, committee members or board members. Set a goal to establish a meaningful relationship with at least one new allied professional each year.

Prioritized Recommendations:

While the report lists 39 separate recommendations, the top five consolidated recommendations are listed below in priority order:

- 1. Board of Directors** – Intensive recruitment effort is needed to fill 9-14 board positions over the next two years. WACOSA needs strong, active board members who are visible in the community, demonstrated through their financial support (100% annual board giving) and volunteer involvement. It all starts with the board because fund raising is impacted by board leadership...major gifts require confidence in present leadership and planned gifts require confidence in future leadership.
- 2. Ranking Donors** - defining criteria and implementing a plan to rank current donors is critical, so time and effort can be focused on the best PG prospects.
- 3. Donor Survey** – the survey is essential in establishing a baseline to gauge the level of understanding and willingness by individual donors to include WACOSA in their estate plans.
- 4. Individual Donors** – Individuals are the key demographic group as evidenced by seven recommendations that focus on individual donor initiatives from growing the numbers of donors and increasing support from current donors for major and ultimate gifts through a focused cultivation, solicitation and stewardship effort.
- 5. Case Statement** – making a strong case for PG starts with educating donors about why WACOSA needs their current and future support for the endowment fund.

Summary:

Despite the pandemic, WACOSA is in an excellent position to start a PG program because the organization is financially stable, and it has the resources to make a long-term commitment. A PG program will provide a higher “return on investment” than any other fund raising strategy.

Abbreviation of Terms Used in This Report:

CGA = Charitable Gift Annuity
CMCF = Central Minnesota Community Foundation
CRT = Charitable Remainder Trust
DAF = Donor Advised Fund
DD = Development Director
ED = Executive Director
FTE = Full Time Equivalent
GC = Governance Committee
IRA = Individual Retirement Account
NPO = Nonprofit Organization
PG = Planned Giving
QCD = Qualified Charitable Distribution
WLS = WACOSA Legacy Society

Attachment A

WACOSA Bylaws ARTICLE IV – DUTIES OF OFFICERS

Current Language:

Section 4.1: Officers and Duties. There shall be a minimum of four officers of the Board consisting of a Chair, Vice-Chair, Secretary and Treasurer. Only board members with voting rights may be officers. The officers will be elected for one-year terms. The officers shall be elected by the Board one month prior to the fiscal year-end and assume office the first month of the fiscal year. Vacancies will be filled by the Board of Directors at any time to fill the unfinished term.

Recommended Language:*

Section 4.1: Officers and Duties. There shall be a minimum of **five** officers of the Board consisting of a Chair, Vice-Chair, **President**, Secretary and Treasurer. ~~Only board members with voting rights may be officers.~~ The Officers **who are not compensated to serve in such capacity** will be elected by the Board one month prior to the fiscal year-end and assume office the first month of the fiscal year. The officers will be elected for **two-year terms and serve a maximum of two terms (four years)**. Officers who are compensated to serve in such capacity shall serve in accordance with the terms of their compensation agreements. **The same person may hold more than one office at the same time, except the offices of (a) Chair and Vice Chair and (b) President and Secretary.** Vacancies will be filled by the Board of Directors at any time to fill the unfinished term.

QUESTION:

Are the titles of “Executive Director/President” in Section 4.6 interchangeable or must they be used as one?

*Changes are highlighted in **yellow**

Attachment B

Board Recruitment 12-Step Process

STEPS	Who	When
1. Create/refine matrix of needed board skills and populate with current members	* Governance Committee (GC)	Q1
2. Review planned board turnover for next and future years	GC	Q1
3. Create and actively maintain a prospect list of qualified candidates who fit a predetermined profile	GC	Ongoing
4. Identify priority candidates to recruit for the next election cycle (or to fill vacancies as they arise). Select only as many candidates to match the number of openings	GC	Q1-2
5. Gather basic information (Bio Sheet) on top prospects as background for outreach by Executive Director (ED) and board members	Staff and Board	Q2
6. ED or Board Chair or Governance Chair calls to ask about interest and set up an appointment	As assigned	Q2-3
7. ED plus at least one board member meets in person with current candidates to discuss board service and confirm willingness to serve	As assigned	Q2-3
8. Interview results reported back to Governance Committee, Committee reviews and decides on slate to nominate	ED and Committee Chair	Q3-4
9. Full board elects members	Full board	Q4
10. New board member orientation	Staff (board members invited)	Before 1 st meeting of Q1
11. New board members seated		1 st meeting of fiscal year
12. For top prospects in the pipeline, develop a plan for how best to cultivate (invite to events, join committees, etc.)	GC	Ongoing

In an addition to the steps described above, other recommendations to consider:

- Make a habit of conducting exit interviews. These are excellent occasions for the governance committee to get feedback from retiring board members.
- Consider establishing guidelines for “emeritus status” for truly outstanding board members.
- Be inventive in finding other ways to keep retiring board members attached to the organization (task force and/or advisory council assignments, fundraising activities, volunteer activities).

**Absent a Governance Committee, the Executive Committee could serve in this capacity. It is recommended that the Committee be chaired by the Board’s Vice-Chair.*

Attachment C

Planned Giving Donor Prospect Ranking Levels*

Tier I – Committed Donors with Strong Mission Connection and Giving History

- Individual donated in 2020 or 2021
- Current giving history of 7+ years out of the last 10 or 10+ years over any period
- WACOSA program connection with a family member
- Known capacity for giving
- Current or former board member
- Long term employee of 20+ years and/or senior staff

Tier II – Individuals With Giving History and a Strong Mission Connection

- Donors with giving history of 7+ years out of the last 10, but less consistent in giving annual support and may not have given in 2020 or 2021
- WACOSA program connection with a family member
- Current or former board member
- Long term employee of 20+ years and/or senior staff

Tier III – Individuals With Some Giving History and a Mission Connection

- Donors who have given 2-5 years
- Individuals who have other points of contact (current or past client family member benefited from WACOSA services, volunteers who also make donations, board committee member, etc.).

Tier IV – All Donors Connected in Some Way (not in Tier I, II or III)

- Age 45 and up
- Some limited giving history
- Client family members, but not necessarily an active donor
- Volunteers but not necessarily active donors

**Ranking of donors is not an exact science. Multiple factors and data points are used in determining a ranking level, which may change as more information is collected through donor conversations.*

Attachment D

WACOSA Legacy Society

There are two ways a person can become a member of the “WACOSA Legacy Society”:

1. By naming WACOSA as a beneficiary in their will, life insurance policy, retirement fund/IRA, charitable gift annuity, pooled income fund or charitable remainder trust.
2. By establishing a Named Endowment Fund (NEF) with a current or deferred gift/pledge.

All WACOSA Legacy Society members will be publicly acknowledged and honored as part of a very select group of donors (unless anonymity is requested).

Becoming a member of the WACOSA Legacy Society is considered the “ultimate gift”, because there is no greater expression of kindness than to use part of one’s accumulated wealth as a personal legacy to help future generations of participants benefiting from WACOSA programs.

The future of WACOSA holds a great deal of promise and excitement because of the wisdom, generosity, passion and foresight of “WACOSA Legacy Society” members.