Lives of Significance and Service
NORTH PARK UNIVERSITY CHICAGO

# School of Business and Nonprofit Management

# Course Syllabus

**Course:** *SBNM 5774-A3, Planned Giving for Nonprofit Organizations*
**Academic Year:** 2012/13 **Semester/Quad:** *Spring A*
**Credit Hours:** 2
**Prerequisites:** *None*

**Instructor:** Alexander "Sandy" Macnab, FAHP, CFRE, President Alexander Macnab & Co.

**Phone:** 312-642-1239 (office – messages 24/7) 312-560-1420 (cell)

**Email:** agmacnab@northpark.edu

**Availability:**

I can meet before or after class by appointment. Please contact me via email. I will reply within 24 hours during the week and within 48 hours on weekends. Telephone conversations can be held by emailing to request times.

**Course Description:**

This course will examine the various planned giving vehicles and gift asset types available to individuals including: charitable gift annuities, charitable remainder unitrusts, bargain sale, outright securities, real-estate, or other appreciated property. Planned and major gifts fundraising will be explored within the context of the estate planning and philanthropic major giving options for individuals. The course will also concentrate on the marketing aspects of a planned and major gift program (e.g., donor motivation, targeting prospects, volunteer roles, and program planning).

**Introductory Comments:**

Gifts from individuals lead the way as the most significant share of the philanthropic dollars given to nonprofit organizations. For many organizations, major and planned (or estate) gifts typically go beyond the so called 80-20, rule (in which 80% of contributions comes from 20% of the donor population) because a very small handful of gifts can set the pace for most giving programs. This course will concentrate on planned giving from individuals. We will consider the technical descriptions of planned giving vehicles along with marketing, targeting prospects, volunteer roles, and program planning. Role-playing exercises will help the students develop relationship-building skills as they work toward success in practice as well as theory.

**Course Materials:**

**REQUIRED**

**Textbook(s):** Ashton, D. (2004). *The Complete Guide to Planned Giving: Everything You Need to Know to Compete Successfully for Major Gifts*, Revised Third Edition. ISBN 0970581807

Sharpe, R. F. (1998). *Planned Giving Simplified: The Gift, The Giver, and the Gift Planner*. Wiley ISBN 9780471166740

Stanley, T. J. and Danko, W. D. (1996). *The Millionaire Next Door*. New York, NY: Pocket Books. ISBN 0671015206

**Software:** http://www.pgcalc.com/software/planned-giving-manager-free-trial.htm and list "Sandy Macnab" in the organization field so PGCalc will know that it's for this course. The firm will have a list of students who are registered. Please also note that while the firm does not officially support the software for a Mac platform. It is possible to install Planned Giving Manager on a Mac, and the following blog post contains more information on this subject: http://info.pgcalc.com/blog/bid/155179/How-do-I-run-PGM-for-Windows-on-my-Mac

**OPTIONAL**

**Textbook(s):** Nielsen, D. (1998). *Will You Remember Uncle Sam in Your Will?* Omaha, NE. Cross Training Publishing.

Panas, J. (1984). *Megagifts: Who Gives Them, Who Gets Them*. Chicago: IL: Pluribus Press, Inc.

Prince, R. A. and File, K. M. (1994). *Seven Faces of Philanthropy*. San Francisco, CA: Jossey-Bass Inc.

**Essential IDEA Objectives:**

1. Gaining factual knowledge (terminology, classifications, methods, trends).
2. Learning fundamental principles, generalizations, or theories.
3. Developing specific skills, competencies, and points of view needed by professionals in the field most closely related to this course.

**Specific Course Objectives:**

- Students will understand the theory of giving and diversity of motivations for individual donors, which translate to a broad marketing program.
- Students will be able to understand ethical research process for individuals.
- Students will be able to plan and budget for the planned giving program within a nonprofit organization.

**Weekly Learning Objectives:**

| Week | Topics | At conclusion of this week, students will: |
|---|---|---|
| 1 | Introduction to Planned Giving | - Have an understanding of course structure and requirements, an overview of the motivations for individual giving, ethical research on individual prospects, and the basic concepts of income tax and charitable deductions. |
| 2 | Basic Concepts of Deferred Gifts | - Understand income tax ramifications for planned giving, basic concepts of deferred giving, and initial concepts of marketing planned giving. |
| 3 | Estate Tax and Planned Giving Instruments | - Be able to define and explain the basic legal and tax issues related to individual giving, understand the various planned giving instruments, and be able to determine how estate and income tax issues affect specific donors. |
| 4 | Marketing Planned Giving | - Understand how to market to prospects in both small and large organizations, have an in-depth knowledge about making gifts via bequest, trusts, and annuities and be able to determine how particular instruments affect specific donors. |
| 5 | Donor Relations | - Understand the donor – planned giving officer relationship and be able to meet with a donor to explain planned giving concepts. |
| 6 | Planned Giving Program Management | - Understand how to work with advisors, the practicalities of running a planned giving program, and the costs and benefits of a planned gift fundraising program. |
| 7 | Trends in Planned Giving | - Be able to integrate all the ideas from class and devise a way to handle particular complex cases and understand and articulate the major trends in planned giving. |

**Course Methodology:**

Using a blend of lecture, reading, online investigation, discussion, interactive individual and group activities and assignments that provide guided and self-directed learning opportunities with outcomes that can be shared with classmates and the instructor, this course is designed to make what is learned applicable and relevant to the student's current and future professional responsibilities.

**Computer Requirements:**

In order to effectively participate in and successfully complete this course, each participant will need to have access to a computer and a high-speed internet connection. Please visit http://www.northpark.edu/Campus-Life-and-Services/Information-Technology/Network/Minimum-Requirements for information on computer requirements.

**Technical Skills Required:**

Students need to be familiar with the use of internet search engines, standard word processing software and will be guided to be able to use planned giving software to understand and model both simple and complex gifts.

**Schedule of Weekly Assignments:**

| Week | Topics | Assignment(s) |
|---|---|---|
| 1<br><br>**Jan 16** | -Course overview and introductions<br>-Motivations for individual giving<br>-Overview of Income Tax and Charitable Deductions<br>-Donor Research | **Read:**<br>1. Stanley, Thomas J. and William D. Danko (1996). The Millionaire Next Door. New York, :NY: Pocket Books.<br>2. Ashton (pages 51-68)<br>3. Bank of America Study: Follow the links:<br><br>http://newsroom.bankofamerica.com/press-release/global-wealth-and-investment-management/2012-bank-america-study-high-net-worth-philant<br><br>http://newsroom.bankofamerica.com/files/press_kit/additional/2012_BAC_Study_of_High_Net_Worth_Philanthropy_0.pdf<br><br>**To be read after class:**<br>4. Schervish, —Inclination, Obligation, and Association in Burlingame, Critical Issues in Fund Raising<br>5. Panas, MegaGifts<br>6. Havens and Schervish, —Why the $41 Trillion Wealth Estimate is Still Valid<br>7. Resources for Planned Giving (handout reference)<br>8. Lindahl Article |
| 2<br><br>**Jan 23** | -Income Tax and Charitable Deductions (continued)<br>-Percentage limitations<br>-Asset Types<br>-Capital Gains<br>-Concepts of Deferred Planned Gifts<br>-Marketing Basics for Planned Giving | **Read:**<br>1. Ashton (pages 75 – 182; 313 – 330)<br>2. Sharpe (pages 1-70)<br><br>**Assignments due:**<br>1. Research Report<br>2. Planned Giving Website |
| 3<br><br>**Jan 30** | - Bequests<br>-Gift Annuities<br>-Charitable trusts<br>-Pooled Income Funds<br>-Philanthropy Protection Act of 1995<br>-Life Estate Gifts<br>-Retirement Plans<br>-Bargain Sale | **Read:**<br>1. Ashton (pages 183 – 312)<br><br>**Assignments due:**<br>1. Donor Form<br>2. Newsletter Article |
| 4<br><br>**Feb 6** | -Marketing planned gifts<br>-Review of Planned Giving Instruments<br>-Donor meetings | **Read:**<br>1. Ashton (pages 331- 382)<br>2. Handouts<br><br>**Assignments due:**<br>1. Tax Ramifications |
| 5<br><br>**Feb 13** | -Soliciting Planned Gift<br>-Donor Relations<br>-Integration of Planned Giving into a Development Plan | **Read:**<br>1. Ashton (pages 388-394)<br>2. Top Ten Solicitation Mistakes (handout)<br>3. Gentleman Caller (handout)<br>4. Sharpe (pages 75 – 136) |

| | | |
|---|---|---|
| | | **Assignments due:**<br>1. Best Gift Options |
| 6<br><br>**Feb 20** | -Working with Advisors<br>-Setting up a planned giving program<br>-Costs and benefits<br>-Evaluation<br>-Planning | **Read:**<br>1. Ashton (pages 1-50; 69-74)<br>2. Fink, —The Costs and Benefits of Deferred Giving (handout)<br>3. Shafis —Determining the Actual Value (handout)<br>4. Sharpe (pages 139 – 159)<br><br>**Assignments due:**<br>1. Role-playing Solicitation Exercise |
| 7<br><br>**Feb 27** | -Trends in planned giving<br>-Putting it all together—big cases in planned giving | **Read:**<br>1. Ashton (pages 395 – 458)<br><br>**Assignments due:**<br>1. Final Exam |

**Grading:**

| Assignment | Points | Grade % |
|---|---|---|
| Class Participation | 100 | 25% |
| Research Report | 15 | 3.75% |
| Planned Giving Website | 15 | 3.75% |
| Donor Form | 15 | 3.75% |
| Newsletter Article | 15 | 3.75% |
| Tax Ramifications | 30 | 7.5% |
| Gift Options | 30 | 7.5% |
| Role-Playing Solicitation | 30 | 7.5% |
| Final Exam | 150 | 37.5% |
| **Total** | ***400*** | **100%** |

**Grade Mapping:**

| Numeric Grade | Letter Grade | Numeric Grade | Letter Grade | Numeric Grade | Letter Grade |
|---|---|---|---|---|---|
| 378-400 | A (95-100%) | 318-329 | B- (80-82%) | 278 and below | F (<70%) |
| 360-377 | A- (90-94%) | 306-317 | C+ (77-79%) | | |
| 346-359 | B+ (87-89%) | 290-305 | C (73-76%) | | |
| 330-345 | B (83-86%) | 279-289 | C- (70-72%) | | |

**Assignment Grading Policies:**

Class attendance and participation will be worth 100 points. All assignments are due on the dates indicated. Four assignments will be worth 15 points and three will be worth 30 points (150 points total). Late assignments will drop 5 points each week. Assignments will not receive any points if turned in after the final class. The final take home examination will be worth 150 points.

**Student Responsibilities:**

- Students are expected to engage in active and informed participation in class discussion.
- As adult learners, you are expected to manage your own learning process. The extent to which the class is valuable to you will depend much upon your level of personal involvement in learning.
- Students are expected to complete all assignments. The collection of assignments relates to the theory and practice of fundraising.
- Students are expected to complete a take-home final exam that will be handed out during the last hour of the next to the last class, which will cover the entire curriculum. It's "open book," but not a group project!

**Instructor Responsibilities:**

As your instructor, I will:

- Provide practical work-place useful information on relevant resources in the field.
- Read and critically assess assignments and provide feedback within 7-10 days of receipt
- Facilitate a participant-centered course experience, focused on student learning
- Respond to all student email within 48 hours or receipt (target is 24 hours)
- Respond to all student phone calls within 48 hours (target is 24 hours)

# ASSIGNMENT SPECIFICATIONS

**Overview:**

Assignments consist of readings, student-student interaction with case scenarios, written projects and research. Due dates are indicated in the Schedule of Weekly Assignments. All assignments are due before the start of the weekly class session.

**RESEARCH REPORT**

**Assignment Specifications:**

Look carefully at the copy of a research report on a fictitious individual that is handed out to you at class. What data might be relevant for a planned giving prospects? What data might be useless? What data might be further needed to successfully work with the prospect? Finally, write an analysis paragraph that summarizes the situation as if it will be read by the fundraiser about ready to make a call on this prospect. (15 points).

| Criteria | Outstanding | Good | Fair | Poor |
|---|---|---|---|---|
| Relevant Data Noted | 3 | 2 | 1 | 0 |
| Useless Data Noted | 3 | 2 | 1 | 0 |
| Data Still Needed | 3 | 2 | 1 | 0 |
| Analysis Summary for a Fundraiser | 6 | 4 | 2 | 1 |
| Total | 15 | 10 | 5 | 1 |

**PLANNED GIVING WEBSITE**

**Assignment Specifications:**
Find a website on planned giving. Write a short (2-3) page paper describing the site and indicating strengths and weaknesses from a donor perspective. Print out the key pages of the site to include with the assignment. (15 points)

| **Criteria** | **Outstanding** | **Good** | **Fair** | **Poor** |
|---|---|---|---|---|
| Noted Strengths | 4 | 3 | 2 | 0 |
| Noted Weaknesses | 4 | 3 | 2 | 0 |
| Analysis Summary | 7 | 5 | 3 | 1 |
| Total | 15 | 11 | 7 | 1 |

**DONOR FORM**

**Assignment Specifications:**

Create a single sheet or form that could be used by a donor to add an organization (select a particular nonprofit organization), as a beneficiary, to his or her will. Make it a marketing piece (looks nice, clear, complete, accurate, simple). If the organization already has such a sheet, critique the sheet and create a better version. (15 Points)

| **Criteria** | **Outstanding** | **Good** | **Fair** | **Poor** |
|---|---|---|---|---|
| Appearance | 4 | 3 | 2 | 1 |
| Clarity/Simplicity of Information | 4 | 3 | 2 | 1 |
| Completeness of Information | 3 | 2 | 1 | 0 |
| Accuracy of Information | 4 | 3 | 2 | 1 |
| Total | 15 | 11 | 7 | 3 |

**NEWSLETTER ARTICLE**

**Assignment Specifications:**

Write a one page newsletter article (in the context of a particular nonprofit organization) to encourage the reader to consider a gift via will, insurance, or living trust (pick one of these plans). (15 Points)

| Criteria | Outstanding | Good | Fair | Poor |
|---|---|---|---|---|
| Clarity/Simplicity of Information | 5 | 4 | 2 | 1 |
| Completeness of Information | 5 | 4 | 2 | 1 |
| Accuracy of Information | 5 | 4 | 2 | 1 |
| Total | 15 | 12 | 6 | 3 |

**TAX RAMIFICATIONS**

**Assignment Specifications:**

You will be given background scenarios for three fictitious individuals. Determine and explain the particular tax ramifications for each scenario. (30 Points)

| Criteria | Outstanding | Good | Fair | Poor |
|---|---|---|---|---|
| Completeness of Information | 15 | 10 | 5 | 2 |
| Accuracy of Information | 15 | 10 | 5 | 2 |
| | | | | |
| Total | 30 | 20 | 10 | 4 |

**GIFT OPTIONS**

**Assignment Specifications:**

You will be given background scenarios for three fictitious individuals. Determine and explain the best gift options for each scenario. (30 Points)

| Criteria | Outstanding | Good | Fair | Poor |
|---|---|---|---|---|
| Completeness of Information | 15 | 10 | 5 | 2 |
| Accuracy of Information | 15 | 10 | 5 | 2 |
| | | | | |
| Total | 30 | 20 | 10 | 4 |

**ROLE-PLAYING SOLICITATION**

**Assignment Specifications:**

Write a 2-5 page paper describing the role-playing solicitation exercise. Include an analysis of what could have been done differently and what was done well. (30 points)

| Criteria | Outstanding | Good | Fair | Poor |
|---|---|---|---|---|
| Understanding What Could Be Improved/Done Differently | 15 | 10 | 5 | 2 |
| Noting What Was Done Well | 15 | 10 | 5 | 2 |
| | | | | |
| Total | 30 | 20 | 10 | 4 |

# POLICY STATEMENTS

**Academic Honesty**

In keeping with our Christian heritage and commitment, North Park University and the School of Business and Nonprofit Management are committed to the highest possible ethical and moral standards. Just as we will constantly strive to live up to these high standards, we expect our students to do the same. To that end, cheating of any sort will not be tolerated. Students who are discovered cheating are subject to discipline up to and including failure of a course and expulsion.

Our definition of cheating includes but is not limited to:

1. Plagiarism – the use of another's work as one's own without giving credit to the individual. This includes using materials from the internet.
2. Copying another's answers on an examination.
3. Deliberately allowing another to copy one's answers or work.
4. Signing an attendance roster for another who is not present.

In the special instance of group work, the instructor will make clear his/her expectations with respect to individual vs. collaborative work. A violation of these expectations may be considered cheating as well.
For further information on this subject you may refer to the Academic Dishonesty section of the University's online catalog.

In conclusion, it is our mission to prepare each student for a life of significance and service. Honesty and ethical behavior are the foundation upon which such lives are built. We therefore expect the highest standards of each student in this regard.

**Attendance Policy for Graduate Courses**

The graduate courses in the SBNM are all 7 weeks in length. Missing one class session is allowed without penalty as long as all readings and assignments are made up by the student within a reasonable time period (the following week). Failing to log into an online course site for an entire week is allowed, but a penalty may be applied at the instructor's discretion. Missing a second class session is allowed only in unusual circumstances by prior arrangement with the instructor. Since this represents almost 30% of the engagement time for the course, the student runs the risk of receiving a lower overall grade for the class. Faculty are encouraged to drop the course grade by a full letter grade in this situation. A student who misses three classes (or the equivalent two weeks for an online class) will automatically fail the course, unless the student drops the course before the seventh week of class. Students who drop a course will be held responsible for tuition, based upon the current North Park University refund policy outlined in the University Catalog.

**APA Requirement**

The School of Business and Nonprofit Management (SBNM) has adopted the *Publication Manual of the American Psychological Association* (APA) as the standard and required format for all written assignments in SBNM courses.

Our goal in adopting the *APA Manual* is to enhance student learning by:

1) Improving student's writing skills.
2) Standardizing the required format of all written assignments in all SBNM courses.
3) Emphasizing the importance of paper mechanics, grammatical constructs, and the necessity of proper citations.
4) Holding students accountable for high quality written work.

If you are unfamiliar with the requirements of the *APA Manual*, we recommend that you purchase the reference manual and/or that you consult one or more of the suggested resources as listed on the Student Resources section of the SBNM website. ***It is your responsibility to learn and ensure that all written work is formatted according to the standards of the APA Manual.***

**Students with Disabilities**

Students with disabilities who believe that they may need accommodations in this class are encouraged to contact your program's office (Business: 773-244-6270). Please do so as soon as possible to better ensure that such accommodations are implemented in a timely manner. For further information please review the following website: http://www.northpark.edu/ada