

About *The Workbook for Gift Planners*

The Workbook for Gift Planners is a compendium of resources provided by the National Committee on Planned Giving. It includes:

- *The Syllabus for Gift Planners*
- *The NCPG Bibliography and Resource Guide*
- *The Model Standards of Practice for the Charitable Gift Planner* and associated commentary
- Other ready-reference materials that will help members of NCPG's planned giving councils access the programs and services of their national organization.

NCPG recommends that you place the pages of the Workbook in a 3-ring binder immediately. The Workbook will be updated periodically as new information becomes available or as additional lists of resources are compiled. Updates will be distributed to all council members with instructions for inserting them into the Workbook.

About the National Committee on Planned Giving®

The National Committee on Planned Giving was formed in 1988 as a federation of local planned giving councils. NCPG's mission is to facilitate, coordinate and encourage the education and training of the planned giving community, and to facilitate effective communication among the many different professionals in this community.

Members of NCPG-affiliated planned giving councils receive the following benefits:

- educational opportunities delivered via video, audiotape, print and online resources
- discounted registration for the National Conference on Planned Giving
- a network of government relations contacts working in Washington, DC, and around the nation to promote a favorable climate for charitable giving
- statistical information gathered through national survey research
- an opportunity to help raise public awareness of planned giving through the Leave A Legacy program
- a professional standard of ethical behavior and ongoing attention to situations which challenge this standard

NCPG council members automatically receive these national publications*:

- *Gift Planner Update*: a monthly news bulletin
- *The Journal of Gift Planning*: a quarterly magazine
- *The Workbook for Gift Planners*: a looseleaf educational resource, updated periodically
- *The Directory of Council Members*: an annual directory listing over 10,000 gift planners nationwide

Council members may purchase other publications at reduced prices. Contact NCPG headquarters at (317)269-6274 or visit our web site at www.ncpg.org for a current order form listing all available publications.

** In order to receive benefits from NCPG you must be a member of a council that participates in NCPG's ICDMS database.*

About The Syllabus for Gift Planners

The Syllabus is a study guide for people involved in charitable gift planning. Its purpose is to identify areas of knowledge related to the acquisition and administration of planned gifts. The Syllabus is intended to assist gift planners in identifying subjects requiring additional study, independent educators in revising and expanding their course offerings, professional associations in organizing the gift planning segments of their conferences, and planned giving councils in designing programs and study groups.

Gift Planners should seek a general understanding of all subjects listed and an in-depth knowledge of those that most directly affect service to their donors, clients and charitable organizations. To this end, it is recommended that gift planners consult the Syllabus to plan a program of reading, seminars, conferences and other activities that will fill gaps in their knowledge. Private vendors, professional associations and planned giving councils can facilitate this learning process by coordinating their seminars and course offerings with the areas of knowledge as outlined in the Syllabus.

Although the Syllabus is devoted largely to the technical aspects of gift planning, humanistic concerns are equally important. While technical subjects are the planners' "tool kit," the heart of planned giving is in serving the needs of people who are motivated by a sincere desire to support the

purposes of a charitable organization. To succeed, gift planners must hone their communication skills, including the ability to speak credibly for their organizations and the ability to listen carefully to their donors. Technical expertise should reinforce the gift planner's commitment to providing the highest level of customer service to his or her donors or clients.

Using the Syllabus

The Syllabus has been coded in order to assist both gift planners and independent educators in identifying and selecting subject areas. The codes indicate general subject divisions and more specific areas of concentration. For example:

- A seminar covering life income plans including specifically gift annuities, charitable remainder trusts, and pooled income funds would be coded NCPG 3.01.03-3.01.05.
- A seminar covering all giving methods would be coded NCPG 3.01.
- A seminar sufficiently comprehensive to encompass the entire unit on "Understanding and Designing Charitable Gifts" would be coded NCPG 3.00.

Gift planners are encouraged to begin with a review of the entire Syllabus in order to identify areas in which they feel well-informed and those which require further study. Thereafter, they may develop their own program of training and self-study, using the Syllabus to chart their continuing education.

Evolution of the Syllabus

The Syllabus is intended to be a living document that will change with the needs of the profession. Updates will be distributed to all council members for insertion *in The Workbook for Gift Planners*. Users of the Syllabus are invited to submit comments or to recommend revisions at any time. Contact NCPG's Education Manager at (317)269-6274 to discuss the Syllabus or any other section of the Workbook.

The NCPG Bibliography and Resource Guide

A list of print resources follows each section of the Syllabus for Gift Planners. Each title has been coded to indicate the section(s) of the Syllabus addressed. As much publication information as possible has been included for each title. These resources should be obtained directly from the publisher or from a library or bookstore. NCPG does not fill orders for these titles, nor does it endorse or recommend any particular title.

A section of general resources follows the Syllabus. Titles listed here address all sections of the Syllabus. Future sections may be added to provide information on nonprint resources. These will be distributed as they are compiled. A listing of other types of resources, including software and promotional publications, can be found in the Business Pages section of the annual *NCPG Directory of Council Members*.

The Model Standards of Practice for the Charitable Gift Planner

The Model Standards define the ethical practice of gift planning. They are intended to apply to gift planners who are employed by charitable organizations and also to donor advisors who work in the many for-profit professions involved in the gift planning process.

NCPG-affiliated planned giving councils are asked to ratify the Model Standards as a condition of their affiliation with the national organization. Many councils also ask their individual members to formally endorse the standards. A national Ethics Committee exists to provide advice and commentary regarding the standards. This committee can serve as a sounding board in cases where the standards appear to have been violated. However, councils are encouraged to address such issues locally whenever possible.

1.01 Philanthropy

- 1.01.01 Definition
 - a. Goodwill toward others, especially as expressed through active efforts to promote human welfare
 - b. An act of deliberative generosity
 - c. A contribution made in the spirit of humanitarianism

- 1.01.02 Role of philanthropy in society
 - a. Approximate amounts contributed to various types of charities
 - b. Approximate amounts given through various methods
 - c. Impact of these contributions

- 1.01.03 Importance of intangible benefits as well as tax benefits
- 1.01.04 Why many people are philanthropic and have a need to give
- 1.01.05 How a successful charity exhibits through mission and activities its worthiness to receive gifts
- 1.01.06 Matching donor interests and institutional needs
- 1.01.07 How the gift celebrates the contributor's charitable intent

1.02 Ethics

- 1.02.01 Historical background
 - a. Influential ethical theories
 - (1) Legalism
 - (2) Natural law
 - (3) Utilitarianism
 - (4) Kantian categorical imperative
 - b. Ethical codes of other fund raising organizations such as NSFRE

- 1.02.02 Model Standards of Practice for the Charitable Gift Planner
 - a. Evolution and adoption in May 1991
 - b. Themes
 - (1) Centrality of philanthropic motivation
 - (2) Full disclosure of roles and relationships among parties to gift arrangement
 - (3) Reasonable, proportionate compensation
 - (4) Inappropriateness of finder's fees and commission-based fundraising
 - (5) Gift planner's maintenance of high degree of competence and professionalism
 - (6) Gift planner's encouraging involvement of independent advisors on donor's behalf
 - (7) Explanation of all aspects of gift to donor by gift planner
 - (8) Importance of independent gift planner's discussing gift with recipient charity

- (9) Full compliance with applicable state/federal laws
- (10) Avoiding conflict of interest

- 1.02.03 Specific concerns involving gift planner and donor
 - a. Avoidance of undue pressure and influence
 - b. Respect for anonymity
 - c. Genuine assurances of confidentiality
 - d. Correctly representing institution's position and goals
 - e. Correctly representing institutional limitations
 - f. Working cooperatively with individuals donor chooses to involve
 - g. Proceeding with great care and caution when working with donors who are ill, near death, or possibly incompetent

- 1.02.04 Specific concerns involving gift planner and advisors
 - a. Respecting advisor's role
 - b. Involving appropriate advisors
 - c. Recognizing when to call in specialized advisors
 - d. Handling of inept advisors
 - e. Whether to recommend advisors to donors

- 1.02.05 Specific concerns involving gift planner and donor's heirs
 - a. Respecting donor's wish to involve or disregard children and others in gift discussions
 - b. Treating gift process "globally," i.e., taking time to consider gift's impact on heirs
 - c. Encouraging donors to consider relationships with/needs of heirs when determining gift amount and timing
 - d. When heirs are known, maintaining contact as appropriate
 - e. When gift comes to fruition, handling possible objections from heirs and others

- 1.02.06 Specific concerns involving gift planners and other institutional representatives
 - a. Doing the best job possible in matching donor's interest to institution's mission and goals
 - b. Explaining donor motivations/goals to colleagues and involving other appropriate individuals
 - c. Establishing and maintaining well-defined relationship with finance office
 - d. Establishing dialogue with colleagues to facilitate appropriate gifts that might otherwise be rejected
 - e. Dealing with institutional disappointment when gifts go "sour"

- 1.02.07 Recognizing limits, avoiding impropriety
 - a. Learning to distinguish between the sharing of general information (e.g., tax issues) and the giving of specific advice to a donor

- b. Avoiding rendering formal legal advice
- c. Avoiding deals with individuals promoting finder's fees
- d. Declining any form of compensation in consummating a gift other than that received from one's employer
- e. Avoiding any actions or decisions which may lead to an appearance of impropriety, or actual impropriety
- f. Exercising care not to divulge confidential donor information
- g. Becoming familiar with situations which may present a conflict of interest

BIBLIOGRAPHY

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605 Third Ave.
New York, NY 10157-0228
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price: \$49.95
- 1.0 *The NSFRE Fund-Raising Dictionary* (1996)
John Wiley & Sons, Inc.
605 Third Ave.
New York, NY 10157-0228
(800)879-4539
price: \$29.95
- 1.0 *Wealthy and Wise: How You and America Can Get the Most Out of Your Giving*, Claude Rosenberg, Jr. (1994)
Little, Brown and Company
price: \$23.95
- 1.02 *Ethics for Fundraisers*, Albert Anderson (1996)
Indiana University Press
601 N. Morton St.
Bloomington, IN 47404-3797
(800)842-6796
price: \$29.95

2.01 Marketing Planned Gifts

- 2.01.01 Basic marketing principles and techniques
 - a. Market analysis
 - (1) Prospect identification
 - (2) Prospect research
 - b. Target marketing
 - c. Test marketing
 - d. Focus groups
 - e. Design of advertisements and marketing literature

- 2.01.02 Internal marketing
 - a. Conducting training sessions for other development officers
 - b. Training and motivating volunteers
 - c. Organizing and conducting seminars for current and retired staff
 - d. Making presentations to boards of trustees

- 2.01.03 External marketing
 - a. Building personal relationships with donors
 - (1) Through personal visits
 - (2) Through telephone conversations
 - (3) Through written correspondence
 - (4) Organized tracking of donor contacts
 - b. Building relationships with allied professionals
 - (1) Creating a volunteer planned giving council
 - (2) Speaking at professional associations
 - (3) Organizing seminars for allied professionals
 - (4) Arranging site visits and orientation sessions for allied professionals
 - (5) Developing reference materials for professionals on charity's planned giving program
 - c. Encouraging referrals
 - (1) From donors
 - (2) From volunteers
 - (3) From other professionals
 - d. Using annual giving materials
 - (1) To identify those who have made or are considering a bequest provision
 - (2) To prompt inquiries about other planned gifts
 - e. Roles for volunteers
 - (1) Involving the best prospects
 - (2) Letters
 - (3) Introductions
 - (4) Writing articles
 - (5) Accompanying gift planner on selected calls
 - f. Using a financial planning newsletter effectively

- (1) Building a mailing list
- (2) Developing a format
- (3) Selecting or writing copy
- (4) Personalization
- (5) Following up on responses
- (6) Evaluating effectiveness of newsletter and making changes
- g. Writing articles and designing advertising copy for institutional publications
 - (1) Using testimonials tastefully and effectively
 - (2) Attracting attention
 - (3) Maximizing responses
- h. Designing literature for general and targeted mailings
 - (1) Making publications user friendly
 - (2) Connecting with the audience
 - (3) Stimulating responses
- i. Conducting seminars for prospects and donors
 - (1) Choosing topics that appeal
 - (2) Selecting the right speakers
 - (3) Inviting the right audience
 - (4) Personalizing the invitation
 - (5) Obtaining information for follow-up

2.02 Donor Concerns That Affect Giving

2.02.01 Personal concerns

- a. Social
 - (1) Desire that charity will be successful in its mission
 - (2) Desire to have an impact on society
 - (3) Desire to perpetuate family name
 - (4) Desire to repay a debt
 - (5) Desire to be recognized
- b. Family issues
 - (1) Provide for minor children
 - (2) Provide for spouse, adult children, and other heirs
 - (3) Guardianship
 - (4) Providing for parents
 - (5) Cultivate philanthropic values/behavior in succeeding generations
- c. Special concerns of the elderly
 - (1) Living conditions/housing
 - (2) Sufficient income
 - (3) Quality of life
 - (4) Health issues
 - (a) Medicare, Social Security, etc.
 - (b) Catastrophic illness
 - (c) Long-term care

- (d) Terminal illness
- (e) Disability
- (f) Incompetence
- (5) Premature death
- (6) Outliving assets
- (7) Maintaining standard of living
- (8) Finding a qualified executor/trustee
- (9) Leaving a legacy

- 2.02.02 Financial concerns
- a. Income generation
 - (1) Current income
 - (a) Increasing after-tax income
 - (b) Generating income from appreciated assets
 - (c) Tax-free income
 - (d) Income for family member or friend
 - (2) Future income
 - (a) Keeping pace with inflation
 - (b) Improving standard of living
 - b. Asset management
 - c. Retirement planning
 - (1) Pension plan alternatives/supplements
 - (2) Tax-free compounding
 - (3) Flexibility and control
 - d. Planning for education of children, grandchildren, etc.
 - e. Financial/estate planning
 - (1) Wealth transfer
 - (2) Wealth management by heirs
 - (3) Intergenerational issues
 - (4) Blended family issues
 - (5) Generation-skipping issues
 - (6) Concerns of owners of closely-held businesses
 - (a) Continuing the business
 - (b) Transferring ownership
 - (c) Selling/liquidating the business
 - (d) Avoiding capital gains tax on sale
 - (e) Preserving income
 - f. Tax concerns
 - (1) Income tax savings
 - (2) Avoiding capital gains tax
 - (3) Alternative minimum tax
 - (4) Reducing gift and estate tax
- 2.02.03 Gift concerns
- a. Gift mechanics
 - (1) Who prepares documents

- (2) How the gift is completed
- (3) Costs of completing gift
 - (a) Appraisal fees
 - (b) Legal fees
 - (c) Sales commissions
- (4) Disposition of gift assets
 - (a) Retained by charity
 - (b) Sold and reinvested
- (5) How title is to be transferred
- (6) How gift assets are to be managed/invested
- (7) Frequency and mode of income payments
- (8) Taxation of income payments
- b. Safety of gift vehicle
 - (1) Guarantee/certainty of income payments
 - (2) Preservation of corpus for charitable use
- c. Use of gift assets
 - (1) Ability to restrict or designate use
 - (2) Stewardship of gift assets

2.03 Role of Gift Planner with Other Donor Advisors

2.03.01 Fundamental considerations

- a. Who is advising the donor
 - (1) Lawyer (generalist and/or estate planning specialist)
 - (2) Accountant
 - (3) Financial Planner
 - (4) Trust Officer
 - (5) Investment Manager
 - (6) Personal advisor, relative, friend
 - (7) Insurance Agent
- b. Capacity in which counsel is provided
 - (1) Formally, by contractual agreement
 - (2) Informally
- c. When the advisor enters the gift planning process
 - (1) At time of inquiry
 - (2) Negotiation
 - (3) Closing
 - (4) Post-closing
- d. How the advisor is brought into the process
 - (1) By donor
 - (2) By donor's family
 - (3) By gift planner
- e. Credentials of the advisor(s)
- f. Donor relationship with advisor(s)
- g. Donor expectation of advisor(s)/gift planner's involvement
- h. Communications with all interested parties

- 2.03.02 Clarifying respective roles of parties involved
 - a. Recognizing who represents whom
 - (1) Gift planner as institutional representative
 - (2) Gift planner as donor representative
 - (3) Advisor as donor representative
 - (4) Advisor as fiduciary
 - (5) Advisor as trustee
 - (6) Advisor as custodian
 - b. Awareness of legal liabilities of each role
 - c. Participation in gift decision-making process
 - d. Identifying and handling deficiencies in expertise
 - (1) Does donor require additional outside counsel?
 - (2) Does gift planner require outside counsel?
 - (3) Appropriate use of disclaimers

- 2.03.03 Communication and Collaboration
 - a. Selecting an advisory team coordinator
 - b. Confidentiality
 - c. Establishing credibility
 - d. Defining mutual objectives
 - e. Building trust
 - f. Sharing information
 - g. Respecting advisor/donor relationships
 - h. Respecting limits of defined roles

- 2.03.04 Special Concerns
 - a. Conflicts of interest
 - b. Ethical dilemmas
 - c. Donor relations
 - d. Misinformation
 - e. Impropriety
 - f. Violation of institutional policy
 - g. Ineptitude
 - h. Advisor referrals
 - i. Conflicting advice from team members
 - j. Mental health of donor

2.04 Communications

2.04.01 Personal communication

- a. With donor
 - (1) Ability to listen to donor
 - (2) Ability to empathize with donor's concerns
 - (3) Ability to put donor at ease and engender trust through humor, anecdote, and knowledge of charity's history
 - (4) Ability to write clear and correct letters and proposals
 - (5) Ability to express charity's needs sincerely and persuasively
 - (6) Commitment to prompt responses to donor's requests
 - (7) Commitment to stewardship after the gift
- b. With donor's advisor
 - (1) Understanding of professional relationship between donor and advisor
 - (2) Ability to explain the gift vehicle clearly and with sufficient detail
 - (3) Ability to provide information to advisor but not usurp advisor's role
- c. With professional colleagues
 - (1) Ability to explain the details/benefits of planned giving to fund raising staff and business officers
 - (2) Informing colleagues of upcoming solicitations and completed visits
 - (3) Circulating sufficient information on donor's conditions, expectations, stewardship needs for each gift closed
 - (4) Assisting other development officers in closing a gift while maintaining their primary relationship with donor

2.04.02 Public Communication

- a. Written communication
 - (1) Ability to write articles describing gift opportunities
 - (a) Ability to write "feature" article profiling donor or highlighting giving opportunity
 - (b) Ability to write advertisements on planned gifts
 - (2) Updating fund raising colleagues on tax law changes and effects on giving opportunities
 - (3) Ability to use electronic media strategies
 - (a) Multimedia software
 - (b) Web/Internet technologies
- b. Oral communication
 - (1) Ability to speak confidently and clearly to a small group of prospects
 - (2) Ability to organize seminars and introduce the topic and speakers
 - (3) Ability to make presentations on planned gifts to larger groups of prospects

- (4) Ability to use electronic media to enhance oral communication
 - (a) Multimedia presentation software
 - (b) Teleconferencing and videoconferencing
- c. Combined oral and written communications
 - (1) Ability to develop strategies that effectively combine oral and written communications to enhance donor relations and marketing

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price: \$40.00
- 2.01 *Where the Money Is (2nd edition)*, Helen Bergan
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P.O. Box 336
Medfield, MA 02052-0336
(508)359-0019
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350 Sansome St.
San Francisco, CA 94104
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Planned Giving Today
2315 NW 198th St.
Seattle, WA 98177
(800)525-5748
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3.01 Charitable Giving Methods

- 3.01.01 Outright gifts of cash and property
- 3.01.02 Bargain sale
 - a. Determination of charitable deduction
 - b. Recognition of capital gain
 - c. Debt issues
- 3.01.03 Charitable gift annuity
 - a. A contract, not a trust
 - b. Immediate and deferred annuities
 - c. Role of American Council on Gift Annuities
 - d. Actuarial basis of recommended rates
 - e. Determination of charitable deduction
 - f. How income is taxed to annuitant
 - g. Reporting of capital gain
 - h. State regulations
 - i. Disclosure required by PL 104-62 (1995)
- 3.01.04 Charitable remainder trust
 - a. Types of qualified charitable remainder trusts
 - (1) Annuity trust
 - (2) Unitrust
 - (a) Regular ("Straight")
 - (b) Net-income
 - (c) Net-income with make-up
 - (d) FLIP
 - b. Common features of both types of charitable remainder trusts
 - (1) A split-interest gift
 - (2) Subject to private foundation rules
 - (3) Highly regulated
 - (4) Four-tier taxation of payments to beneficiary
 - (5) Charitable deduction for remainder interest
 - (6) Probability test
- 3.01.05 Pooled Income Fund
 - a. A form of charitable remainder trust
 - b. A split-interest gift
 - c. Commingling of assets requirement
 - d. Amount of payments to beneficiaries
 - e. Payments taxed as ordinary income
 - f. Treatment of long- and short-term gain realized by fund
 - g. Determination of charitable deduction

- 3.01.06 Charitable Lead Trust
 - a. Qualified and non-qualified lead trusts
 - b. Types of qualified trusts
 - (1) Charitable lead annuity trust
 - (2) Charitable lead unitrust
 - c. Grantor and non-grantor lead trusts
 - (1) Income tax consequences
 - (2) Estate and gift tax consequences
 - (3) Generation-skipping tax consequences

- 3.01.07 Remainder interest in a personal residence
 - a. Definition of a personal residence
 - b. Determination of the charitable deduction
 - c. Responsibility for expenses
 - d. Possibility of funding a gift annuity with the remainder interest

- 3.01.08 Life insurance
 - a. Assignment of ownership of paid-up policy
 - b. Assignment of ownership of existing policy on which premiums are still owing
 - c. Transfer of policy with unpaid loan
 - d. Assignment of ownership of new policy
 - e. Naming the charity as beneficiary
 - f. Ordinary income, not capital gain property
 - g. Determination of the charitable deduction
 - h. Irrevocable life insurance trusts used to replace donated assets
 - i. Gifts of policies or proceeds to fund a life-income plan

- 3.01.09 Testamentary gifts
 - a. Charitable bequests and codicils
 - (1) Specific
 - (2) Residual
 - (3) Contingent
 - b. Charitable life income trusts and annuities
 - c. Charitable distributions from living trusts, QTIPs
 - d. The probate process
 - e. Circumstances under which charitable bequests could be challenged

- 3.01.10 Alternatives to private foundation
 - a. Donor advised funds
 - b. Donor directed funds
 - c. Common funds
 - d. Supporting organizations

3.02 Charitable Gift Assets

- 3.02.01 Types or classes of assets
- a. Cash
 - b. Publicly traded stock of a regular corporation
 - c. Closely-held stock of a regular corporation
 - d. S corporation stock
 - e. Stock in a limited liability corporation
 - f. Corporate bonds
 - g. Employee stock ownership plans (ESOPs)
 - h. Qualified pension/retirement plans
 - i. Government securities
 - j. Savings bonds
 - k. General partnership interests
 - l. Limited partnership interests
 - m. Family limited partnerships
 - n. Installment obligations
 - o. Royalty mineral interests
 - p. Working mineral interests
 - q. Tangible personal property
 - r. Improved real property (land with buildings)
 - s. Unimproved real property (land without buildings)
 - t. Property of any type encumbered by debt
 - u. Long-term capital gain assets
 - v. Short-term capital gain assets
 - w. Ordinary income assets
 - x. Appreciated property
 - y. Inventions, copyrights, patents
 - z. Split-interest gifts of real estate (surface vs. subsurface interests)
 - aa. Partial interests in real estate
 - bb. Estate notes
- 3.02.02 Appropriateness of various types of assets for particular gift arrangements
- a. Outright gift
 - b. Bargain sale
 - c. Charitable gift annuity
 - d. Charitable remainder annuity trust
 - e. Charitable remainder unitrust
 - f. Pooled income fund
 - g. Charitable lead annuity trust
 - h. Charitable lead unitrust
 - i. Gift of remainder interests
 - j. Bequests
- 3.02.03 Criteria for determining whether the asset is an appropriate gift

- a. Appropriateness for a charity to receive and hold
- b. Appropriateness, from a financial and estate planning standpoint, for a donor to give

3.02.04 How to transfer various types of assets

- a. Publicly traded securities
 - (1) Held in a brokerage account
 - (2) Registered in a donor's name
- b. Mutual fund shares
- c. Government securities
- d. Savings bonds
- e. Closely-held stock
- f. Real estate
- g. Tangible personal property
- h. Royalties, copyrights, patents
- i. Installment obligations

3.03 Computing Charitable Deductions and Tax Savings

3.03.01 Variables in computing deduction

- a. Applicable discount rate
- b. Birthdates of beneficiaries
- c. Term of trust (charitable remainder and lead trust for term of years)
- d. Payout rate (charitable remainder trusts)
- e. Adjusted rate of return (pooled income funds)
- f. Annuity rates (charitable gift annuities)
- g. Payment frequency
- h. Type of property-ordinary income or capital gain (and how long held for capital gain)
- i. Value and adjusted cost basis of property
- j. Value of improved and unimproved components of property and useful life (retained life estate gift)
- k. "Related" and "unrelated" use tangible personal property

3.03.02 Using a computer software program for charitable deductions and cash flow analysis

3.03.03 Estimating charitable deduction when presented with relevant factors

3.03.04 Computing tax savings resulting from the charitable deduction

- a. Income tax savings
- b. Gift tax savings
- c. Estate tax savings

3.04 Preparing Proposals and Financial Illustrations

- 3.04.01 Elements of a proposal
 - a. The case for supporting the charity
 - b. The purpose of the gift
 - c. The amount requested
 - d. Method of making the gift
 - e. Financial benefits to the donor
 - f. Intangible benefits to the donor
 - g. Appropriate disclaimers and recommendation that donor review proposal with professional or charitable advisor

- 3.04.02 Elements of a financial illustration
 - a. Assumptions on which illustration is based
 - b. Explanation of gift plan
 - c. Tax consequences
 - d. Cash flow projections
 - e. How plan meets philanthropic objectives and personal needs.

- 3.04.03 Features of a proposal or financial illustration
 - a. Discloses all relevant information
 - b. Avoids hype
 - c. Clearly presented
 - d. User friendly
 - e. Employs graphics

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Los Angeles, CA 90049-1002
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4.01 Planned Giving Program Policies and Guidelines

- 4.01.01 Policy Questions
- a. Whether charity will accept gifts of real estate
 - b. Whether charity should manage charitable remainder and lead trusts
 - c. Whether charity should establish a pooled income fund
 - d. Whether charity should offer gift annuities
 - e. Whether charity will participate in donor advised funds, donor directed funds, common funds, and/or supporting organizations
- 4.01.02 Guidelines
- a. Gifts requiring approval by Acceptance Committee
 - b. Requirements for life-income gifts
 - (1) Minimum dollar amounts
 - (2) Age minimums
 - (a) By gift type
 - (b) By gift size
 - (c) Special situations
 - (3) Number of beneficiaries
 - (4) Payout rates
 - (5) Charitable remainder value
 - c. Review process, including environmental audits, for real estate gifts
 - d. Criteria for accepting other tangible and intangible property
- 4.01.03 Counting gifts
- a. How various types of gifts will be counted in charity's financial reports
 - b. How gifts will be counted for donor recognition
 - c. How gifts will be counted in capital campaign
 - d. How gifts should be reported to national organizations
 - e. FASB 116 and 117
- 4.01.04 Determining cost effectiveness
- a. Present values of future gifts
 - b. Internal rates of return
 - c. Criteria for program evaluation
- 4.01.05 General policies
- a. Authorization to appropriate personnel to solicit, negotiate and close planned gifts
 - b. Policy encouraging donor to discuss proposed gift with his/her advisors
 - c. Policy stating that development personnel will inform, serve, guide and otherwise assist donors, but never pressure or unduly persuade
 - d. Description of which gift vehicles will be offered and accepted by the charity and the specific guidelines for each

4.02 Administration of Planned Gifts

- 4.02.01 Responsibilities
- a. Role of development office
 - (1) Marketing
 - (2) Negotiating and closing gifts
 - (3) Donor relations
 - (4) Stewardship
 - b. Role of business/financial office
 - (1) Sales of assets/investing
 - (2) Accounting
 - (3) Reporting to donor and the IRS
 - (4) Assessment of fees/costs
 - (5) Payments to beneficiaries
 - c. Role of charity's legal counsel
 - (1) Approve documents as to form
 - (2) Represent charity in contested bequests and other litigation
 - (3) Provide counsel regarding tax and liability issues, conflicts of interest, etc.
 - (4) Assist with gift strategies
 - d. Role of board
 - (1) Governance
 - (2) Liability
 - e. Role of volunteers
 - (1) Advisory on acceptance, investment, finance and other committees
- 4.02.02 Procedures
- a. Preparation of gift agreements, deeds and other documents for conveyance of gift
 - (1) Role of charity in preparing documents
 - (2) Payment of fees
 - b. Appraisals-initial and recurring (in the case of unitrusts)
 - (1) Responsibility for obtaining
 - (2) Payment of costs
 - c. Initial tax information provided to donor
 - d. Periodic reports to donor and beneficiaries
 - e. Annual tax reporting to beneficiaries and IRS
 - f. Asset management
 - (1) In-house vs. money managers
 - (2) Monitoring asset management
 - g. Determination of payments to beneficiaries
 - h. Assessment of investment and management fees
 - i. Administrative oversight
- 4.02.03 Maturity of gift

- a. Valuation of assets
- b. Reporting to donor or personal representative
- c. Providing tax information
- d. Distribution of assets per gift agreement
- e. Acknowledgement

4.02.04 Use of professionals in gift administration

- a. Trust officers
- b. Stockbrokers
- c. Real estate brokers
- d. CPAs
- e. Attorneys
- f. Financial planners
- g. CLUs

4.03 Program Administration

4.03.01 Planning process--operational

- a. Program planning
 - (1) Priorities
 - (a) Prospect identification
 - (b) Prospect management
 - (c) Negotiating and closing planned gifts
 - (d) Stewardship
 - (e) Marketing
 - (f) Literature
 - (g) Training
 - (h) Education
 - (2) Criteria for success
 - (3) Tactics
 - (4) Timetable - calendar of activities
 - (5) Setting goals
 - (a) Dollar amounts
 - (b) Numbers of gifts
 - (6) Evaluation procedures
- b. Budgetary
 - (1) Operational
 - (a) Salaries and outside professional fees
 - (b) Office supplies
 - (c) Telephone
 - (d) Printing
 - (e) Travel
 - (f) Postage
 - (g) Advertising
 - (h) Dues/memberships
 - (i) Other

- (2) Capital equipment
 - (3) Budget forecasting
 - (4) Evaluation procedures
 - (a) Monitoring expenditures
 - (b) Budget variance reports
 - (5) Risks/opportunities
 - c. Administrative
 - (1) Hiring
 - (2) Training
 - (3) Firing
 - (4) Monitoring
 - (5) Evaluating
 - (6) Mentoring
 - d. Professional development
- 4.03.02 Planning process--strategic
- a. Program planning
 - (1) Long-range project goals
 - (2) Long-range marketing goals
 - b. Budgetary planning
 - (1) Projected operational expense increase over five years
 - (2) Projected capital expense increase over five years
 - c. Administrative planning
 - (1) Projected staff needs over five years
 - (2) Plans for recruitment and training of staff
- 4.03.03 Bequest recognition program
- a. Identifying and obtaining bequests
 - b. Documenting and counting bequests
 - (1) Documentation required in order to count
 - (2) Factors in counting
 - (a) Information about bequest provision
 - (b) Age of donor
 - (3) Donor recognition
 - (a) Communications
 - (b) Special events
 - c. Probate process
 - (1) How to communicate with attorneys and personal representatives
 - (2) When to communicate with family members
 - (3) How to track the bequest through the process
 - d. Monitoring the bequest program
 - (1) Growth in provisions
 - (2) Projected distributions
 - e. Evaluating the bequest program
 - (1) Effectiveness of recognition program in stimulating and retaining bequests

- (2) Cost of obtaining bequests and recognizing donors
- (3) Return on investment

- 4.03.04 Stewardship program
 - a. Timely responses to all inquiries about planned gifts
 - b. Efficient and timely processing of planned gifts
 - c. Timely acknowledgement letters, gift receipts and tax information to donors
 - d. Punctual payments to beneficiaries of life income agreements
 - e. Ongoing contact with financial management team
 - f. Regular reports to administrators and other members of development staff

4.04 Integrating Planned Giving Into a Development Program

- 4.04.01 Organizational issues
 - a. To whom planned giving office reports
 - b. How office is funded
 - c. Authorization of planned giving office to undertake marketing initiatives
 - d. Planned gift information to be included in database
 - e. Use of prospect tracking system for planned gifts
- 4.04.02 Working relationships
 - a. How planned giving relates to annual giving
 - b. How planned giving relates to corporate and foundation giving
 - c. How planned giving officers relate to major gift officers
 - (1) Educating major gift officers and volunteers on methods of giving
 - (2) Discussing strategy for solicitations with major gift officers
 - (3) Helping prepare gift proposals
 - (4) Working as partners, not competitors, with major gift officers
 - d. How planned giving officers relate to business office, donor records, etc.
- 4.04.03 Role of planned giving staff in a capital campaign
 - a. Act as technical resource to development staff and committees of volunteers
 - b. Conduct training sessions for campaign leadership and other volunteers

- c. Be directly involved in selected solicitations and gift negotiations
- d. Write sections of campaign literature explaining gift options
- e. Continue primary responsibility for bequests, life income plans, and more complex property gifts

4.04.04

Issues regarding counting and crediting planned gifts

- a. Whether revocable planned gifts will be counted and at what value
- b. Whether irrevocable life income plans will be counted at face value or present value
- c. Whether deferred gift donors will be recognized with outright gift donors, or separately

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5.01 Income Tax Planning

- 5.01.01 Income
 - a. Definition of ordinary income
 - (1) Wages, salaries, etc.
 - (2) Dividends
 - (3) Interest
 - (4) Rents
 - b. Tax-exempt income
 - c. Reporting income on Form 1040 and applicable Schedules
 - d. Taxation of retirement income
 - (1) Social Security
 - (2) Qualified retirement plans

- 5.01.02 Capital gains and losses
 - a. Definition
 - b. Determining cost basis
 - c. Long-term/short-term distinction
 - d. Capital loss carry-forward
 - e. Exemptions relating to personal residences

- 5.01.03 Deductions
 - a. Definition (contrast to credits)
 - b. Itemized vs. standard deduction
 - c. Items eligible for deduction
 - d. The three percent floor under certain itemized deductions
 - e. Charitable deduction
 - (1) Operation of deduction
 - (2) Percent limitations
 - (3) Carry-forward rules
 - (4) Reduction rules for ordinary income property generally, short-term capital gain property, gifts of inventory, tangible personal property for unrelated use, gifts to private foundations, and gifts for the use of public charities.
 - (5) Valuation and qualified appraisal rules
 - (6) IRS Publication 1391 issues

- 5.01.04 Credits
 - a. Credits for children
 - b. Credits for college education

- 5.01.05 Tax rates
 - a. Graduated income tax rate structure
 - b. Capital gains rates

- 5.01.06 The Alternative Minimum Tax

- a. Reasons for tax
 - b. Preference items
 - c. Calculation of tax
- 5.01.07 Tax-deferred retirement plans
- a. IRA benefits and limitations
 - b. Rules limiting employer-sponsored retirement plans
 - c. Use of charitable income-paying gifts as substitutes
 - (1) Deferred payment gift annuity
 - (2) Charitable remainder unitrust (net-income with make-up)
- 5.01.08 Sources of tax law and interpretation
- a. Congressional acts (Internal Revenue Code) and treaties
 - b. Treasury regulations
 - c. IRS rulings and other pronouncements
 - d. Tax Court rulings and appellate opinions
 - e. History and policy of federal tax law and the charitable deduction
- 5.01.09 Tax law process
- a. Role of House of Representatives and Senate
 - b. Role of Executive Branch
 - c. Role of Judiciary
 - d. Role of IRS
- 5.01.10 Recent changes in federal taxation
- a. Loss of preferential tax treatment for capital gains
 - b. Elimination of income sheltering (Passive loss rules in 1986 Tax Act)
 - c. Reduced investment and business deductions
 - d. Curtailment of plans to shift income to children
 - e. Elimination of income averaging
 - f. New restrictions on retirement plans
 - g. Reduced itemized deductions
 - (1) Medical expenses--7.5 percent floor
 - (2) No sales tax deduction
 - (3) No personal interest deduction
 - (4) Miscellaneous deductions--two percent floor
 - h. Others as occurring
- 5.01.11 Private foundations
- a. Definitions of various types
 - b. Deduction limitations
 - c. Restrictions on operations
 - d. Tax status
 - e. Costs and benefits

- 5.01.12 Community foundations
- 5.01.13 State Income Tax
 - a. Rates in state of domicile
 - b. Deductibility on federal income-tax return
 - c. Availability of charitable deduction for state income tax
- 5.02 Estate and Gift Tax Planning**
- 5.02.01 How property may be transferred
 - a. Gift
 - b. Probate (bequest, intestate succession)
 - c. Ownership (Joint-tenancy, tenancy by entirety)
 - d. Contract (beneficiary of a life insurance policy, pension plan, etc.)
 - e. Trust
- 5.02.02 History of federal gift and estate tax
 - a. Initially two taxes
 - b. Rates and deductions prior to 1977
 - c. The 1976 Tax Reform Act
 - (1) Single graduated tax table for gift and estate tax
 - (2) Exemptions replaced by unified credit
 - d. Current maximum rate
 - e. Current unified credit for each year
 - f. Current annual exclusion for gift tax
- 5.02.03 Federal gift tax
 - a. Taxable and non-taxable gifts
 - b. The annual exclusion
 - c. The marital deduction
 - d. Exemptions for tuition and medical expenses
 - e. Donee's tax basis
 - f. Use of unified credit
 - g. Filing requirements--Form 709
- 5.02.04 The gift-tax charitable deduction
 - a. Unlimited deduction allowed
 - b. Deductible gifts
 - (1) Outright gifts
 - (2) Remainder interest in charitable remainder trusts and pooled income fund gifts
 - (3) Gift value in charitable gift annuities
 - (4) Income interest in charitable lead trusts
 - (5) Remainder interest in personal residence and farms

- 5.02.05 Federal estate tax
 - a. Determination of taxable estate (property in which decedent had an interest, plus lifetime taxable gifts, less applicable deductions)
 - b. Determination of the tax (application of tax rates to taxable estate less unified and other credits)
 - c. Filing requirements--Form 706
 - d. Marital deduction
 - e. Additional exemptions for family business or farm

- 5.02.06 The estate tax charitable deduction
 - a. Unlimited charitable deduction
 - b. Deductible gifts
 - (1) Outright bequests
 - (2) Remainder interest in charitable remainder trusts, pooled income fund gifts, and retained life estate gifts established under a will or where decedent was a beneficiary
 - (3) Gift value in charitable gift annuities funded under a will
 - (4) Income interest in charitable lead trusts established under a will

- 5.02.07 Generation-skipping tax
 - a. Purpose of the tax
 - b. Types of transfers subject to the tax
 - (1) Direct gifts to persons two or more generations below the donor
 - (2) Taxable terminations benefitting such persons
 - (3) Taxable distributions to such persons
 - c. Application of tax to charitable remainder trusts and charitable lead trusts

- 5.02.08 Basic Estate Planning Strategies
 - a. Advantages and disadvantages of living trusts
 - b. Lifetime gifting
 - c. Credit shelter trusts
 - d. Qualified Terminable Interest Property (QTIP) trusts and other marital deduction trusts and gifts.
 - e. Irrevocable life insurance trust
 - f. Trusts with Crummey power and Code Sec. 2503(c) trusts.
 - g. Grantor Retained Income Trust (GRIT), Annuity Trust (GRAT), Unitrust (GRUT)
 - h. Estate freezing techniques
 - i. Creating estate liquidity
 - j. Use of charitable lead and remainder trusts to reduce gift and estate taxes

- 5.02.09 State laws
 - a. State gift and estate tax
 - b. Relationship of state tax to federal tax
 - c. Mortmain statutes
 - d. Insurable interests in life insurance
 - e. When federal law looks to state law

5.03 Retirement Planning

- 5.03.01 Calculation of income required for retirement

- 5.03.02 Pension plans
 - a. Defined benefit plans
 - b. Defined contribution plans
 - c. Defined compensation plans
 - d. Stock options
 - e. Withdrawals and tax implications
 - f. Required distributions

- 5.03.03 Social Security benefits
 - a. Disability benefits
 - b. Retirement benefits
 - c. Survivor's benefits

- 5.03.04 Health care planning
 - a. Medicare
 - (1) Eligibility
 - (2) Benefits and Limitations
 - b. Medicaid
 - (1) Benefits
 - (2) Eligibility and "medical planning"
 - (a) Transfer of assets rule
 - (b) Spousal protection rule
 - c. Medical insurance/Health Maintenance Organizations
 - d. Long-term care insurance
 - e. Nursing home costs
 - f. Retirement communities offering a range of health-care and independent living options

- 5.03.05 Planning for incapacity
 - a. Revocable trusts/stand-by trust
 - b. Advance directives
 - (1) Powers of attorney
 - (2) Living will
 - (3) Health care power of attorney

- 5.03.06 Business succession planning
 - a. Planning for children who are and are not involved in the business
 - b. Stock-gift redemptions
- 5.03.07 Psychological factors of retirement
- 5.03.08 Investment strategies during retirement
 - a. Reduced risk tolerance
 - b. Relatively more emphasis on income than growth
 - c. Reverse mortgages
 - d. Private and commercial annuities
- 5.03.09 Charitable instruments to accumulate income for retirement
 - a. Deferred-payment gift annuity
 - b. Net-income charitable remainder unitrusts invested for growth
 - c. Growth-oriented pooled income fund
- 5.03.10 Charitable instruments to increase cash flow after retirement
 - a. Immediate gift annuity
 - b. Charitable remainder annuity trust or "regular" unitrust
 - c. Gift of remainder interest in residence
 - d. Contribution of paid-up life insurance, either outright or to fund a life income plan

5.04 Investing

- 5.04.01 Securities
 - a. Common stock
 - b. Preferred stock
 - c. Treasury bills
 - d. Treasury bonds
 - e. Corporate bonds
 - f. Tax-exempt bonds
 - g. Options
 - h. Public Offerings
 - i. Stock splits
 - j. Price-earnings ratios
 - k. Current yield
 - l. Yield to maturity
 - m. Total return
 - n. Closed and open-ended mutual funds
 - o. Restricted stock

- 5.04.02 Real estate
 - a. Liability rules for toxic wastes
 - b. Depreciation rules (commercial property)
 - c. Lifetime capital gains exemption (personal residence)
 - d. Types of ownership (joint tenancy, tenancy in common, etc.)
 - e. Title search--what it reveals
 - f. Title insurance
 - g. Quit claim deed and warranty deed
 - h. Undivided fractional interests
 - i. Conservation easements
 - j. Government-backed mortgages
 - k. Closing costs
 - l. Excise taxes
 - m. Options
 - n. Fixed- and variable-rate mortgages
 - o. Installment obligations
 - p. How real estate is appraised
 - (1) Comparable sales
 - (2) Replacement cost
 - (3) Capitalization

- 5.04.03 Other types of investments
 - a. Partnership interests
 - b. Collectibles
 - c. Oil and gas interests
 - d. Commodities

- 5.04.04 Understanding economic indicators

- 5.04.05 Reading a balance sheet

- 5.04.06 Interpreting the financial pages and market quotations

- 5.05 Cross-border Gifts**

- 5.05.01 Legal requirements to be met to make gifts

- 5.05.02 U.S. tax implications of gift

- 5.05.03 Tax implications of gift in foreign countries
 - a. Canada
 - b. Mexico
 - c. Others

- 5.05.04 Procedures for making cross-border gifts

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Ataxplan Publications
PO Box 1093-W
Boston, MA 02103-1093
price: \$29.95
- 5.0 *Life and Death Planning for Retirement Benefits*, Natalie Choate
Bookmasters, Inc.
PO Box 2039
Mansfield, OH 44905
(800)247-6553
price: \$79.95
- 5.0 *The 60-Minute Estate Planner*, Sandy F. Kraemer (1994)
Prentice-Hall
price: \$19.95
- 5.0 *The Well-Planned Gift*, Lynda S. Moerschbaecher
LMNOP Seminars, Publications & Software
523 Fourth St., Suite 200A
San Rafael, CA 94901-3347
(415)485-3744
price: \$49

- 5.01.11 *Private Foundations: Tax Law and Compliance*, Bruce R. Hopkins and Jody Blazek (1997)
John Wiley & Sons
605 Third Ave.
New York, NY 10157-0228
(800)879-4539
price: \$125
- 5.05 *Handbook of International Philanthropy*, Jane Peebles
LMNOP Seminars, Publications & Software
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- 5.05 *The International Guide to Nonprofit Law*, Lester M. Salamon (1997)
John Wiley & Sons
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price: \$125
- 5.05 *Planned Giving for Canadians*, Frank Minton and Lorna Somers (1994)
Somersmith
PO Box 1083
Waterdown, Ontario L0R 2H0
Canada
price: \$64
- 5.05 *The Tax Treatment of Cross-Border Donations, Including the Tax Status of Charities and Foundations*
International Bureau of Fiscal Documentation
Publications BV
P.O. Box 20237
100 HE Amsterdam, The Netherlands
(0)20 626 77 26
price: \$145 for one-year subscription

The following titles address all sections of the Syllabus for Gift Planners.

A Practical Guide to Planned Giving, Stephen M. Chiles (1990)
McDermott, Will & Emery
227 W. Monroe St.
Chicago, IL 60606-5096
price: \$25

The Charitable Giving Handbook, Russ Alan Prince, Gary L. Rathbun,
Chris E. Steiner (1997)
The National Underwriter Co.
505 Gest Street
Cincinnati, OH 45203-1716
(800)543-0874
Price: \$22.00

Charitable Giving Tax Service (4 volumes)
R&R Newkirk
8695 South Archer #10
Willow Springs, IL 60480
(800)342-2375
price: \$225 for four volumes; \$150 for six bi-monthly updates

Charitable Planning Primer, Adam Smalley and Ralph Gano Miller (1997)
ViewPlan, Inc.
2515 Camino Del Rio South, Suite 312
San Diego, CA 92108
(800)826-2127
price: \$99

Planned Giving Essentials: A Step by Step Guide to Success, Richard D.
Barrett and Molly E. Ware (1997)
Aspen Publishers, Inc.
200 Orchard Ridge Dr., Suite 200
Gaithersburg, MD 20878
(800)638-8437
price: \$59

Planned Giving for the One Person Development Office, David G.
Schmeling (1997)
Deferred Giving Services
614 S. Hale St.
Wheaton, IL 60187
(630)682-4301
price: \$46

Planned Giving: Management, Marketing, and Law, Ronald R. Jordan and Katelyn L. Quynn (1995)
John Wiley & Sons, Inc.
605 Third Ave.
New York, NY 10157-0228
(800)879-4539
price: \$145

Portable Planned Giving Manual, Conrad Teitell
Taxwise Giving
13 Arcadia Rd.
Old Greenwich, CT 06870
(800)243-9122
price: \$195

Practical Guide to Planned Giving 1996, Ednalou C. Ballard, David G. Clough, Leonard G. Clough, and Ellen G. Estes (1996)
Taft Group
835 Penobscot Bldg.
Detroit, MI 48226
(800)877-8238
price: \$120

Tax Economics of Charitable Giving
Arthur Andersen Technology Solutions
2805 Fruitville Rd.
Sarasota, FL 34237
(800)546-3209
price: \$40