

Senior Management Issues in Gift Planning

Tony Martignetti, Esq., Martignetti Planned Giving Advisors, LLC
Jonathan Tidd, J.D., Attorney at Law

TOPIC I: SITUATION FOR DISCUSSION

Tom is a very wealthy and prominent individual (he lives in NYC). ABC Charity, through its president (Grace) and board chair (Bill), have just worked out an agreement in principle whereby Tom will contribute a whole bunch of "money" (north of \$10 million), and in exchange, ABC will name a new wing for Tom and his wife (Meg).

At this point, the details are being left to Tom's "people" to paper up. An announcement of Tom's commitment has been scheduled (with media reps in attendance) for next Tuesday.

What are the potential problems here?

Experience Teaches That

- ... donors' attorneys and other advisers are usually unaware of the tax and other legal ramifications of planning large donations
- ... ALL pledge agreements should be routed through the development office before being signed
- ... details matter when it comes to large donations
- ... the larger the proposed gift, the greater the probability it will be screwed up from a tax standpoint
- ... good intentions count for little when it comes to the tax law applicable to donations

TOPIC II: STATE CHARITY REGISTRATION

What is state registration?

Why you should be registered in every state where you solicit

A plan for getting started

TOPIC III: CASE STUDY FOR DISCUSSION

Actual NYS charity message:

Just wanted to remind everyone we have a gift annuity program called "Special Blessings" that allows you to purchase a \$5000 gift annuity (or more) for family, friends or loved ones who you would like to remember on their birthday, graduation or any special occasion. For five years the recipient receives a check for \$250. You receive a tax write-off of about \$3,800 the first year. If you do the math you and your family make approximately \$250 on the deal and help Charity. How? The tax write-off is approximately $\$3800 + \$250 \times 5 \text{ years} = \1250 in yearly payments= $\$5250$ And guess what? You are helping to build our endowment. All proceeds of this campaign will go directly to our endowment fund.

What can we learn from this example?

QUESTIONS FROM THE AUDIENCE