

# Philanthropy Matters

## We Share Your Passion! April 2020



**Greetings.** I know all of you are busy with special relief campaigns, contacting your donors, taking on new responsibilities, or all three. So, we thought that our PM for April will be brief and share with you an abridged version of two items that may serve you well during Covid-19 and beyond.

One is a brief summary of successful major gift program steps and the other is three tax benefits from the Cares Act that will benefit your donors now.

**Major gifts are still vital** – I recently followed a webinar on major gift planning. I have listed what I think may be the most important steps and information for you NOW. (Bloomerang Group).

### *What the industry is seeing:*

- Major donors are giving more but to fewer charities
- Gifts are more often viewed as an investment and donors want to see impact and return on this investment
- Your major donors need and want personal contact and cultivations
- Major Gift officers are working w/smaller donor portfolios in order to strengthen their contact and relationship building

*Who should I be Talking to? Can you update these lists during the current crisis?*

### Identify your:

- Top 100 donors of all time
- Top 50 donors from last 3-5 years
- Top 15 corporations in past 5 years
- Top Foundations in past 10 years
- Donors who have consistently given for 10 years or more
- If you are a membership org, identify members who have been with you for 15 years or more

If you don't already have this report, wouldn't this information help you as you move forward now and when we get back to the new normal.?

For more information highlighting: rules for success, appointment setting, donor questions to ask, goals for your meeting, making the ask, please contact us.



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## Several” Cares Act” Tax Benefits

As you know tax benefits for charities always rank low for reasons why your donors support your organization. Possibly during Covid-19 crisis, these benefits may come up more frequently in some of your conversations. They can help your donors support you today and you may want to share this with them. Already I have received materials from my university and other planned giving experts.

*Robert Shafis, an attorney and Director of Planned Giving Services (Veritus Group), has reviewed the bill and reduced it to three important points you need to know. Here they are:*

1. People who make smaller gifts will be able to deduct them up to \$300. Presently, only those who itemize their income tax deductions are able to use a charitable deduction. For the rest of 2020, an individual will be able to deduct up to \$300, irrespective of whether or not they itemize their deductions.
2. People who make larger gifts will be able to deduct a much higher amount. Under current law, an individual may deduct up to 60% of their adjusted gross income (AGI) for charitable deductions of cash. **The stimulus package lifts that restriction, so that an individual can make a gift only of cash (so once again not stock) and deduct it up to 100% of their AGI for the year 2020.** This is an election, so the donor who wants to use this provision must tell the IRS so. This is helpful for wealthier major donors; it could allow a person to make charitable gifts that eliminate their tax burden. Any contributions in excess of total AGI may be carried forward for up to five additional years, which is yet another benefit and planning tool.
3. Corporations have much greater incentives to make charitable gifts. There’s also a substantial benefit for corporate charitable gifts. Usually this is limited to 10% of taxable income for the corporation. That limit has been increased to 25% of the taxable income, making charitable gifts much more attractive to many companies.



## My Final Thoughts

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### Donors

Keep your place in line with your donors, are you taking care of these relationships?

In a recent campaign check-in call a leadership donor remarked to our campaign chair the following:

*“You are doing exactly the right thing by letting your donors know their contributions are valued and appreciated and that you care about them. They will remember that when they are in a position to give again.”*

Let the donor drive the conversation after you have inquired about their health and well-being.

Don't assume that every donor is not in a position to support your organization. When asking for a gift, ask for permission, be polite and consider using this message: *“IF YOU ARE ABLE AT THIS TIME, WE WOULD LOVE YOUR HELP...”*

### And

- Make sure you have a short-term fundraising plan
- If you are in a campaign, create a short-term campaign plan, campaigns are not stopping
- Keep talking with your board don't let them derail appropriate fundraising activity and asks, donors are still giving
- If you can find the time register for any number of Covid-19 fundraising webinars

## TYI – Trust Your Instincts

We have had many calls, asking about strategic steps and what is happening around the country. Please give us call if you would like to chat.

***Stay safe. Stay healthy. Stay strong.***

