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DONOR CULTIVATION GUIDE

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Introduction

Friend: confidant, companion; attached to another by affection or esteem. Every council has friends who provide annual support to their operation. Joe Cocker sings, “I get by with a little help from my friends.” Most councils get by with a little help from their friends. The challenge is how to initiate, maximize, and manage the process and progress to move these friends toward becoming major gift donors.

Raising: The act of causing or helping to rise to a standing position; to heighten or invigorate. Webster’s New Collegiate Dictionary provides these definitions of Friend and Raising. Compare this to *Fund* Raising—which sounds like more fun? Which sounds more productive? Raising friends gives us the opportunity to fulfill dreams that may not even have surfaced. Friend-raising provides a chance to elevate dreams and elevate the support so vital to the future of Scouting. Raising the interests and sights of our friends will give councils the chance to elevate annual gifts into planned gifts, bequests, and in some cases, major gifts and even legacy gifts that will transform these friends and their families.

Major gifts—sometimes referred to as planned or deferred gifts, or (somewhat mistakenly) as endowment gifts—are vital to the financial future of Scouting. The distinction: *major gifts* are large, significant gifts of any type, from your best donors. *Planned/deferred gifts* are gifts of almost everything but outright gifts of cash. *Endowment gifts* are gifts for the long-term support of the council. In many cases, a gift can be all three, so do not worry about what the gift is called. Just focus on showing your donors how their gifts will be used. Major gifts can be used to build and increase a council’s endowment fund, provide immediate, operating fund support, generate funds gifts during a capital campaign—and everything in between.

In other words, major gifts can and should be used to support all three sides of the council’s “funding pillars” (see “Major Gifts and Planned Giving” chapter). Councils that do not promote *and close* major gifts lose significant financial support. It is like trying to win every baseball game with nothing but singles and walks. They are important, but home runs *always* make the job easier.

As you will read, one of the keys to major gift success is the involvement of the council’s executive board. Financing the local council is the responsibility of the board, and this involves more than budgeting, controlling expenditures, and conducting the council’s financial affairs with integrity and prudence. The board also must promote major gift options, identify your best gift prospects, and take an active role in the cultivation and solicitation of these individuals. But they must have the necessary training, tools, and support to do so.

Objectives

This manual will help provide guidance and practical information on the creation, maintenance, and improvement of a “Friend Raising” program. But these should not be the *only* resources used by a council and its volunteers. There are many other excellent resources on these topics. Consult the Council Fund Development Team at the National Council for help with the infrastructure of a major gift program, and the resources needed for the Major Gift Achievement Award.

There is also a companion volume to this one: the *Major Gifts Resource Manual*; it includes detailed information about many of the best and most effective gifts and gift vehicles for your donors. There is the BSA National Foundation for technical assistance and its team of Major Gift Directors and national-level volunteers to work with councils on their top donors and prospects. There is also the Resources section of www.scouting.org/financeimpact, the Foundation’s website (www.bsafoundation.org), and the BSA’s stand-alone planned giving site, www.bsagiftplan.org.

Keep an eye on what other organizations, especially in your own community, are doing to promote and offer major gifts—you can bet that your donors are. To quote Will Rogers: *“Even if you’re on the right track, if you’re just sitting there you’re going to get run over.”*

Major Gifts and Planned Giving

“Never work just for money or for power—they won’t save your soul or help you sleep at night.”

Major giving can involve some of the most creative methods used to secure funds for a local council. It may involve planned gifts. These are simply gifts using a planning process that takes into consideration the donor’s estate, income, and tax liabilities.

These may be outright gifts of appreciated stock, real estate, or charitable trusts where the council may not get anything for years. Regardless, promoting and marketing planned gifts is *not* an option for councils. For one thing, you must offer your council donors the same types of options your local competition offers them. If you do not, be prepared to lose gifts. For another, a large, outright gift of cash may not be an option for your donors—but a large, planned gift may be exactly what he or she needs.

The Importance of Planned Gifts to a Council

Obviously, some traditional sources of income for Scouting are leveling off, shrinking, or even disappearing. Among those challenges for our councils:

- Continued reduction of United Way allocations to local councils, corporate gifts, and corporate support of special events
- IRS tax reforms and changing tax laws that reduce tax incentives for charitable gifts, or confuse donors about the tax impact of their gifts
- Increased competition for charitable gifts (approximately 50,000 new charities are created each year)
- Changing demographics, and trillions of dollars in assets passing to a generation that is younger and often less supportive or understanding of Scouting’s needs and its role in society
- Changing values of investments
- The cost of identifying new donors

A council “friend-raising” program must be well-organized and efficient. Most importantly, it also must be *integrated* into all other council fundraising activities: Friends of Scouting annual campaigns, capital campaigns, distinguished citizen award dinners, other fundraising activities, etc. *Why would you want to limit the options (or imagination and vision) of your best donors?*

According to the most recent Giving USA statistics, about 81 percent of all charitable gifts come from individuals, either during their life or through bequests. So where should you concentrate approximately 81 percent of your fundraising efforts? On *individuals*. Corporate and foundation gifts are always helpful, but we have little control over those gifts. A corporation must answer to shareholders as to why it wants to give away its assets. A foundation grant is often subject to the approval of its board of directors. But you have much more control over the cultivation of (and relationships with) your individual donors and prospects.

Part of a Long-Range Plan

Friend raising should be part of every council's long-range plans. Councils should have specific and progressive 5-year and 10-year objectives for increasing the gift size and increasing major gifts. For example, some councils determine the "cost per year" for a young person to be in Scouting and tie their goals to their projected membership. Some look at how much represents two to three years' worth of operating reserves and make that their goal. Most try to at least earn the Major Gifts Achievement Award.

Find the objectives that best fit your council's needs. Like a strong investment portfolio, councils also need a "balanced" funding model of outright cash, deferred gifts, trusts, and bequests. It must be a focused, determined, and extended effort to increase the size of your current gifts, as well as your endowment and its current income earnings.

Responsibility for the Program

It is the responsibility of *each local council executive board and its key council officers* to make "friend raising" and major gifts an integral part of a council's long-range and annual programs. The council president, Scout executive, vice president for finance, major gifts campaign or planned giving committee chairman, and the finance committee chairman all have a responsibility and role in developing the components and conducting your council's major gifts program. In particular, the Scout executive must give active leadership to this, especially in identifying and cultivating donors and being part of the "ask" team.

A major gifts program is part of a council friend-raising committee—usually a subcommittee of the council finance committee. Its responsibilities cover all areas of planned giving: endowment and trust funds, promoting and securing outright gifts, bequests, lifetime income gifts of all kinds, donor recognition, etc. Progress, results, and decisions are reviewed and appraised by the council finance committee, then submitted to the council executive board. The committee's responsibilities and schedule for activities should be coordinated with those and with the agreed-upon council major gifts plan.

Integration With Capital and Operating Needs

People in many councils think they need a full committee *before* they can go after major gifts. Do not let this happen to you! If you do, you will lose some great gifts. A major gifts committee is helpful but not vital. The committee brings a lot of valuable expertise, assistance, coordination, and donor information to your giving efforts—the more people involved in your major gift efforts, the better. But even without a committee, you will see dramatic results if the Scout executive, finance director, or board members simply “know a good gift opportunity when they see one,” and focus on *quality* of gifts, not quantity.

The Funding Pillars

The council’s funding needs form three pillars for stability. All three pillars are vital to support the council’s function, mission and programs. Like a three-legged stool, you must have all three legs for stability. Similarly, a council must rely upon all three pillars to ensure its own financial stability.

Side 1: Current Income. The first pillar includes FOS campaigns, United Way support, activities, popcorn, and special events. This funding requires a great deal of time and effort, but it helps the council keep the lights on.

Side 2: Capital Funds. This is the second pillar and includes items often referred to as “bricks and mortar.” These funds build and renovate camp property, camp facilities, council service centers, and equipment.

Side 3: Endowment. Despite its importance, endowment is often ignored or overlooked by councils and donors. It is considered “less appealing” than the other pillars—a luxury that does not produce immediate results, sitting in a hole waiting for a “rainy day.” If that is the perception, you must do a better job of showing your donors what your endowment income is doing for the council *now*. Without an endowment, the council will never be financially stable—it will have no financial “safety net” for its future. In particular, capital gifts and campaigns should include an endowment component to help maintain them.

Not all donors have similar interests. A donor who gives a college \$1 million for the football program will probably not give that gift to build a new library—but, fortunately, it goes both ways. Every council has donors who prefer one of the three funding pillars over the others. Some donors like to build things with their money. Others love “riding to the rescue” of an annual campaign. Some donors feel they are visionaries and pride themselves on making endowment gifts when others cannot see the need—especially business owners who see endowment as “council operating reserves,” and understand that properties and facilities do not maintain themselves.

Virtually any large gift for any council purpose can be a major gift. The key is simple: *match the interests of your donors with the needs of your council.*

The focus of a Friend Raising program is always on the donor and his or her interests. Major gifts support the local council operating fund, capital needs, their endowment fund, or *any* combination. In fact, your council can now use the Second Century Society to recognize council current and deferred major gifts for *operating and capital*—not just endowment.

A Comprehensive Friend-Raising Program

The best way to come back from a casino with a small fortune is to go there with a large fortune.

No two councils are alike in their needs, donor base, or friend raising program. Still, there are common elements to all successful programs. Some are more important than others—none should be ignored. You may already think you have a good giving program, but review the list below. Compare what you have to what you *should* have; work on areas where you may be weak.

Laying the Groundwork

Before your council can know where it wants to go, it must know where it has been:

1. **Review the Past History of Council’s Major Gift Efforts.** Go through council files; identify *any and all* known gift commitments to your council. Record these in ScoutNET, track them, and stay in touch (or *get* in touch) with these donors.
2. **Review Council Trust Fund or Funds.** Determine the status of your endowment trust document; review it to make sure it: a) conforms with council needs; b) includes the proper names and location of the council and trustee; and c) conforms to current IRS and BSA guidelines. (*See the chapter, “The Council Trust Fund”*).
3. **Prepare a Giving Budget.** It is certainly possible to conduct a good major gift program within the limitations of an existing council budget. But many councils find that they need additional, dedicated resources to be effective. Estimate how much it may cost to “ramp up” your giving program and establish a plan for funding it. Enlist your officers, board and other volunteers to help estimate needs and expenses for your renewed major gift efforts.
4. **Executive Board Orientation and Approval.** Does your board understand the value and potential to the council of major gifts and endowments? Establish a plan and timetable to educate them about it, and get their input and approval to move ahead with it. Enlist individual board members to educate other board members.
5. **Do a Council Friend-Raising Plan of Action.** Something the council should do (or update) annually. A sample is at the end of this chapter.
6. **Review Council Past History of Council Fundraising Campaigns and Events.** Review the 5-year history to identify patterns of giving and look for growth of gifts from individuals or organizations.

Recruit a Chairman for Friend-Raising Committee

The success of your program will rest largely on the selection of your chairman. His or her stature, credibility, and commitment within the community and among other board members and donors is critical. He/she should be:

- An influential member of the community
- Someone with a well-known commitment to Scouting
- Willing to make a personal commitment to the program
- A strong believer in the program and its mission
- Experienced in recruiting and leading people
- Supportive of a donor recognition program, willing to help plan and promote the recognition event and its sponsorship
- Committed to these responsibilities for a specified period of time

Some of the responsibilities of the endowment committee chairman include:

- Recruit a committee of eight to 15 outstanding members.
- Make a personal commitment before the first recognition event.
- Convince committee members to also make financial commitments to the program.
- Meet with the committee at its meetings for prospect identification, screening, training, motivation, and selecting prospects for contact and cultivation.
- Regularly update the executive board on the committee's progress (the chairman should also be a board member).
- Help obtain sponsorship for the donor recognition event.
- Work closely with the Scout executive and other staff.

As with other committees, the chairman should select a vice chairman to share some of these responsibilities. A vice chairman should not, however, relieve the chairman of his or her primary responsibilities and requirements.

Recruit Committee Members

Now you need the team to help drive the major gift efforts of the council. This committee should be both a “*sales group*” and a “*resource group*.” They should: a) understand the basics of planned giving, b) be able to explain the goals and needs of the council, and c) help match prospects to the proposed gifts. The committee should include those with expertise such as attorneys, real estate agents, accountants, life insurance agents, financial planners, and similar individuals with influence and affluence. They should be:

- Influential members of the community and/or well respected within their areas of expertise
- Individuals with an identifiable interest in Scouting
- Willing to make personal financial commitments
- Believers in the role of major gifts in the council’s future
- Willing to attend regular meetings
- Willing to call on donors/prospects and help close gifts with the Scout executive, other board members, etc.

Try to put volunteers on your committee who are *not* currently on your executive board. It will broaden your base of information, contacts, and expertise.

Which staff members should work with the committee? Large councils use a full-time development director, endowment specialist, or finance director. Medium-size councils use finance directors and full- or part-time development people. In smaller councils, the Scout executive probably has total responsibility for this. Whoever it is, the staff liaison must work closely with the chairman to help in any way possible and provide information and guidance.

The committee should meet regularly, especially as prospects are identified and “ask schedules” are developed for each. This committee normally knows no season (though it may be busier at year-end as donors prepare to make year-end gifts). The committee should coordinate with any council campaign leadership. Sample job descriptions for committee members, chairman, and other responsibilities including district and Wood Badge endowment chairman are at the end of this chapter.

Developing a Case for Support

The case for support is an extremely important part of a major gift program and is covered in the chapter, “Building a Case for Your Council.”

Committee Begins to Meet

Hold the meetings in a business setting, such as a corporation, bank, or trust company boardroom. Avoid meeting at the council service center—it may not seem as important or “weighty.” Also, members may feel less inclined to attend, or may wander in and out as they please.

Some matters to cover at the committee meetings include:

- Information already shared with the council executive board, such as donor giving
- History, trust matters, past support, etc.
- Long- and short-term goals for the giving program. Decide on an appropriate recognition society and events.
- Methods of training and educating prospects and board members about planned giving, quarterly mailings, etc.
- Creating prospect lists, giving committee members the necessary research and information on each prospect, and assigning these prospects to committee members to work and “ask”
- Decide which gifts the council will focus on and establish guidelines for crediting these gifts
- Establish how many prospect contacts to make between meetings
- Procedures for donor tracking, prospecting, and record keeping
- Determine procedures for timely and organized follow-ups
- Make sure they know whom to contact with questions

Establishing and Promoting a Recognition Society and Event

Attracting donors with appropriate recognition, and producing a quality event to honor those donors, is a high priority of the committee and the council. For a detailed discussion, see the “Donor Recognition” chapter.

Council Major Gifts Chairman Profile Characteristics

1. Committed to Scouting through his/her direct involvement, previous experience, or belief in the values of Scouting for future generations. Highly successful in his/her personal and business life.
2. Has influence within the community to attract and recruit others to promote major gifts to the council.
3. Has financial resources that will allow the time and freedom to participate in meetings and donor visits/asks.
4. Can relate to all areas of leadership including area presidents, area directors, Scout executives, and key council volunteers.
5. Has an understanding of how a council functions and the need for a total financial development program, particularly endowment.
6. Will demonstrate through his/her personal financial commitment in support of the council.

Planned Gifts/Endowment Committee Members Profile Characteristics

1. An influential member of the community, with a proven interest in Scouting.
2. Is willing to make a personal financial commitment to the program and willing to attend regular committee meetings.
3. Believes the planned giving program can and will make a significant contribution to the future of the council.
4. Willing to make prospect calls/gift asks with Scout executive, council staff person, or committee chairman.

**Position Description:
District Major Gift Chairman**

Prepared for (insert name)

The Job:

The responsibility of the chairman is to develop and implement a plan, working with the professional staff to build a committee to successfully encourage those who believe in Scouting to invest in its future.

Primary Responsibilities:

1. Serve on the council major gift committee.
2. Recruit volunteers to serve on the district major gift committee.
3. Promote an endowment and major gift outreach program.
4. Encourage and promote gifts to the council's Heritage Society.
5. Promote and support estate-planning seminars.
6. Is willing to make a personal financial commitment to the program and willing to attend regular committee meetings.

This job description is only intended as an example.
Please customize this for each individual prospect and district.

District Planned Giving Committee**The Job:**

The responsibility of the committee is to develop and implement a plan working with the chairman to strive to successfully encourage men and women who believe in Scouting to invest in our future.

Primary Responsibilities:

1. Serve on the district major gifts committee.
2. Promote a James E. West Fellowship and Second Century Society cultivation program.
3. Is willing to make a personal financial commitment as a James E. West Fellow or member of the Second Century Society.
4. Assist in the development and promotion of gifts to the council's Heritage Society.

Make the identification and assist in the cultivation of prospects to consider a major/planned gift to the council through a bequest, outright gift, or other deferred vehicle including life insurance, IRAs, or income plans such as the BSA Gift Annuity program.

Position Description:
District James E. West Wood Badge Outreach Chairman

The Job

The responsibility of the chairman is to develop and implement a plan working with the professional staff to promote James E. West opportunities within the Wood Badge community. The goal is to successfully encourage those who believe in Scouting to invest in its future.

The Majors

1. Serve on the council major gifts committee.
2. Promote a James E. West Fellowship outreach program.
3. Formal and informal discussions at Wood Badge meetings and gatherings.
4. Personal visitations to qualified James E. West prospects.
5. Obtain agreed upon objectives by successfully enrolling new members.
6. Is willing to make a personal financial commitment to be a James E. West Fellow.

(201___) Planned Gifts/Endowment Plan of Action

1. Mailing Contact Program—A routine brochure mailing (or email) program to selected “Prospects/Donors” to build awareness of major gifts.

Mailing Date	What Will Be Mailed
A. _____	_____
B. _____	_____
C. _____	_____
D. _____	_____

The GiftCharity Council program is available to councils for \$250 per year. It includes eNewsletters that can be sent weekly, bi-weekly, or monthly to individuals in a council owned database and two brochures that can be mailed to individuals or families – one on Wills and the other a general overview of planned giving.

2. Board and Executive Committee Plan—A brief three-five-minute presentation given at a board meeting or executive committee meeting by a committee member to stimulate board members to continually examine their personal estate plans and consider qualifying for membership in your recognition society.

Executive Committee

<i>Meeting Date</i>	<i>Topic (You pick topics)</i>	<i>Presenter</i>
	A. Share Plan of Action	
	B. Show Pooled Income Video	
	C. Show Gift Annuity Video	
	D. Show Wills/Bequests Video	
	E. Wills Survey	
	F. Show Education Unitrust	
	G. Show Retirement Unitrust Video	
	H. Year-end Gift Advantages	
	I. Continue Year-end Gift Advantages	
	J. Endowment Report	
	K. Major Gift Plan of Action	
	L. Promote Bequest Program/Wills Survey	
	M. Visit to Camp _____	
	N. Wills Survey Report/Year-end Giving Advantages	
	O. Major Gift Report	

3. James E. West and Second Century Society—An opportunity for members of the committee to talk individually with other board members and Friends of Scouting to discuss the giving program and the need for major resources and endowment, and extend an invitation to be a member.

James E. West and Second Century Society emphasis period(s).

Date(s): _____

Committee member in charge: _____

4. Scouting Heritage Society Program—Annual gathering of council friends who qualify for membership by giving outright or deferred gifts to the council. The annual meeting is designed to express appreciation to those who qualify. Individual recognitions are usually presented through the year at special events or board meetings as individuals qualify.

Current number of Society members as of 12/31/201__ : _____.

Projected number of members by year-end (12/31/201__): _____.

Date: _____ Event: _____

Location: _____ Host: _____

_____ Chair: _____

5. Wills Clinics or Estate Seminars—Wills Clinics offered to our Scouting Heritage Society members as a service to our communities within our council boundaries.

#1 Date _____ Place _____ Vol. In Charge _____

#2 Date _____ Place _____ Vol. In Charge _____

6. Scouting Heritage Society Member Cultivation—Ongoing project assigning staff and selected volunteers to contact Society members and new prospects. Purpose: to keep members informed about Scouting and to keep our friends . . . our friends. Personal visits are key to success.

7. Wills Survey—Conduct a Wills Survey of Board members, past and present, and major FOS donors to get them thinking about new wills or codicils prior to summer vacations (i.e., usually May). Volunteer in charge: _____.

8. Conduct a Fact-Finding Brainstorm Session—Identify prospects, select top 20+ for cultivation, and assign each to staff and volunteers.
9. Consider Promoting Major Gifts in Your District—Come up with a written District Plan of Action. Planned giving is one of the most creative ways to secure funds for a council. A planned gift is simply a gift to a council made as the result of a planning process; taking into account the effects that gift will have on the donor's estate, income, and tax liabilities.

Building a Case for Your Council

“The only reason most Americans do not own an elephant is that no one has offered them an elephant for no money down and easy monthly payments.”

Why do you need a case for support?

What does your council do, and why does it matter? This may be second nature to you—but *never* assume that others know the answer. Providing a persuasive and compelling answer to these questions is the heart of a case for support—and a case for support is the heart of a council’s fundraising effort. If you can’t tell potential donors why your council needs financial support—and how their money in your hands will benefit the community and its youth—your efforts will be dead in the water.

The \$25 Million Donor

One of these days—soon—a potential donor will look you in the eye and ask: “If I gave your council \$25,000,000, how would you spend it?” Are you prepared to answer that donor? If you can’t, you do NOT have an adequate case statement.

Donors do *not* want you to gush and offer generalities like, “Wow, we’d be able to do all kinds of things with a gift that big. What an amazing gift for Scouting in our community.” Donors want to hear: “I’m glad you asked. Our Board has discussed it a lot. Our next \$5 million will be spent on...Here’s why that’s important. Our next \$10 million will be spent on... Here’s what that’ll do for Scouting and the community. Our next \$10 million will go to...etc.”

Those goals show vision and good planning. It is what other charities in your community already have. It is also what major donors want to hear. They do not want an answer that implies: “Just give us your money and we’ll figure it out later.” Donors do not want to pay for what you already have. They want to pay for something new, exciting, and game-changing.

The case statement should include “stretch goals.” Short-term goals are important, but those goals are typically met using short-term fundraising solutions (FOS, special events, and capital campaigns). Long-term goals must be well-imagined, well-documented, and challenging. Goals that are easy to achieve are neither magical nor visionary.

Donors who consider very large gifts (even the donor’s family) consider themselves to be visionaries. They want to transform the charities they love, and they want their charities to be as visionary as they perceive *themselves* to be. If you are not—or if you cannot convey that to the donor—you will not get a gift from that donor. If you want donors to give you more, you must give *them* more.

For example, if you are after an endowment gift, show your donors how your endowment makes a difference now—today. Do not expect a donor to move money from his savings account into yours because you say “endowment is important.” Make a case for it. “We want your money now ... just in case ...” is not inspiring, visionary, or persuasive.

Identify projects and council needs currently funded by your endowment—and tell the world. If your endowment generated \$40,000 in income last year, “match up” that income with specific expenses in that same amount. Did it cost \$40,000 to renovate and upgrade the kitchen at camp? Then: “Last year, our endowment provided the \$40,000 we needed to renovate our camp kitchen. Next year, we hope to use that income for ...” Donors understand that endowment helps meet future needs—consider the many endowed scholarships at universities. But they also want the endowment in action *now*—today. It is critical to making a strong case for new endowment gifts.

If everyone in your community felt as strongly about Scouting as you do, raising money would be easy. Use your case statement to: a) tell people what Scouting is and does; b) convince potential donors that Scouting in your community is worthy of support; and c) detail how you will use their gifts. A good case for support markets your mission, goals, and needs. Everyone has heard of Scouting; but everyone does NOT know what Scouting is all about. The more personal and specific your case statement, the more effective it is.

Key Parts of a Case Statement

A council case statement should include:

1. The mission statement, history and tradition of Scouting in your council, your overall purpose, objectives, and long- and short-term goals.
2. A description of your programs and services—how do you serve the community, have you grown to meet the needs of your community, have your programs and financial support grown, what is the impact of your programs in your community?
3. How your council intends to grow and improve—what do you want to do with your programs that you are not already doing?
4. A list of your council leadership, both professional and volunteer.
5. An invitation to participate in your council’s future—how to make contributions, what recognition is received, how to volunteer, etc.
6. How to give: time, resources and services, and money, describing specific programs and facilities with identifiable needs.

All of these should be prominent—and easily accessible—on your council’s website as well. Council websites are an indispensable marketing opportunity for the council and a vital information source for donors and volunteers. The quality of your Website, and the information you provide on it, speaks volumes about the quality of the council.

Suggestions for Preparing a Case Statement

Every council has its own unique needs and approach. Here are some suggestions for creating a cohesive, effective case statement:

1. Evaluate your image within the community—ask friends, colleagues, and volunteers to offer opinions as to how your council and its publications, special events, etc., are perceived by others.
2. Review case statements created by other organizations in the community. Consider what makes their case statements effective, unattractive, confusing, powerful, etc.
3. Use your executive board and other trusted volunteers in your council to help identify the council's strengths, weaknesses, future, and goals.
4. Get your council board to approve the case statement so it says what you want and effectively promotes your council.
5. Make sure it focuses on the aspects that make your council and programs unique from others in your community. Make it interesting, exciting, and emotional to read. Make people feel that Scouting is something *special*; help them understand why. Highlight the difference it has made in the lives of specific young people. Use individual stories.
6. The tone should be positive and personal. Pretend you are writing a friend to tell them about your council. Do not beg or sound desperate for money. You are writing to rally potential donors to your cause and get them excited about what you do.
7. Pie graphs and charts always make figures and statistics more meaningful and readable. Charts and graphs are often the only things some people read or remember. Compare previous years and even other organizations, where appropriate. But do not let pie charts and graphs substitute for the emotional impact of a well-told story in your case statement. To quote a well-known speaker: "No one ever marched on Washington because of a pie chart."
8. Avoid using abbreviations such as FOS, TAY, etc. They only mean something to those familiar with Scouting, and they confuse everyone else. Similarly, avoid non-words and empty phrases like "impactful" or "capacity building." They convey nothing of substance.

General operating support for a council is vital—but it is hard for some donors to get excited about a big gift that merely “pays for what you already have.” Donors who have built up their businesses (and made their fortunes) understand the importance of infrastructure—and gifts to support that infrastructure. But many other donors prefer gifts for a specific, identifiable part of the council program—so be creative. Try to “segment” parts of your budget into items you can “sell” separately. It helps donors focus on something specific, and helps them understand what they get for their money.

For example, isolate the costs to renovate or redecorate a building or room, train or hire staff, purchase needed items, or the cost to run your council for a day. Package these as specific items your donors can buy (or endow) and include them in your case statement. You will be surprised how it helps donors focus on what they are getting for their money when they support your council. Some examples of this can be obtained from the Council Fund Development Team.

But do not forget the Golden Rule of case statements: *tell a story*. For every culture and society in the world, the native language is storytelling. People understand and relate to stories about others. Scouting has plenty of great stories to tell—it is your job to do it.

To Whom Is the Case Statement Addressed?

Potential Individual Donors

Many donors read a case statement and, if they like what they see, will contribute. Your objective in writing the case statement for potential donors is to:

- Introduce them to (or update them on) Scouting and your local council
- Create an understanding and appreciation of Scouting, what you are doing in your community, and what you want to be doing.
- Stimulate interest and concern for your needs and goals.
- Convey confidence about your council board and leadership.
- Create a desire in others to become donors (or “investors” in your mission).

Council Executive Board

Use your case statement to attract new board members and remind current board members “what it is all about.” When writing for your board, use the case statement to:

- Instill pride in your board members for associating with the council.
- Encourage active support of your council and a feeling of ownership and confidence among the board.
- Educate your board about your council and prepare them to share your mission, goals, and needs with others.

Corporation and Foundation Donors

The case statement is a vital document to share with corporations and foundations you plan to approach about a gift or grant. For some corporations and foundations, a general case statement will be sufficient. For others, you also may need a *specific* case statement, focusing on the specific project or program you are looking to fund.

For example, a case statement that focuses on conservation or environmental initiatives is appropriate for a funder that grants money to support those types of initiatives. It is similar to a foundation grant proposal in its focus and content.

Some things to include in a specific case statement

- Who will benefit from this program, and what difference will it make if you have this program or do not have it?
- What is the cost of the project or program you hope to undertake?
- When should (or did) the project begin, and when will it end?
- How and by whom will the results of your program be evaluated and measured?

If your specific case statement is for a capital project, such as a new service center or camp structures, explain why a donor and the community should care that the project is a success. Talk about why the project is special, what it will do, how it will do it, and how Scouting and the community will benefit. Saying that the grant will allow 100 more kids to go to camp does not answer the underlying question for people outside of Scouting: Why is camp important for even one kid?

Your case statement should address a potential donor's primary questions: Why should I give to Scouting? What's in it for me if I do? What difference will this make in the community? What exactly does Scouting do for our youth? Your donors and potential board members want the satisfaction of doing something important and making something important happen. A great case statement is vital to your council.

The Council Trust Fund

“There’s nothing wrong with our young people that becoming taxpayers won’t cure.”

A trust is a “holding of property subject to the duty to employ it or to apply its proceeds, for the benefit of another, according to directions given by those from whom the property was received.” It must have four parts: a trust document, the trust property, a trustee, and at least one beneficiary.

The trustee has the legal duty to protect the trust assets and manage the trust affairs. The trust agreement defines those duties and responsibilities and provides definitions of income, principal, and other important areas. State laws normally provide “default” definitions of trust responsibilities, but these usually apply only if the trust document is silent on an issue.

Restrictions and guidelines for local council trust agreements are in Article XI, section 1, clause 2(d) of the Rules and Regulations of the Boy Scouts of America and Article X, section 2, clause 3 of the Standard Local Council Articles of Incorporation and Bylaws.

Reasons for a Trust Fund

Protecting the long-range financial needs of the council is vital. Each council shall have at least one non-invadable trust fund to hold endowment gifts permanently restricted by the donor. Having a trust fund gives your endowment efforts credibility, and it reassures prospective donors who want to make sure that their gift—and your council—will be around for a long time.

An endowment fund also can hold gifts from donors who allow the council to spend the principal for a specific charitable or educational project, provided that any such accrual shall not be unreasonable in amount or duration. *Only an individual donor may permanently restrict an endowment gift.*

What Do We Mean by Endowment?

To most people, a typical endowment gift implies that their entire gift will be held in perpetuity. In other words, the principal of the gift can never be invaded, if it is a permanent, donor restriction (or if that’s what you’ve promised to a donor). Only the annual income (or total return, if required by the donor’s deed of gift, or as allowed under state law) from these gifts can be used to support the council either in general or for specific purposes. But is this what the donor really wants? Is it what the council wants? It depends.

Having a large pool of money that generates income for decades to come is certainly nice to have. You are thinking, where do I sign up? The problem is that, quite often, the pool isn't that large. This also means you won't get much annual income out of it. Every little bit helps, true, but we're looking for a way to establish long-term financial stability. Permanent endowment funds help, but the help comes at a price—they are the most limiting, and limited, funds you can hold.

Most importantly, look at the way that many councils promote endowment gifts: A gift to endowment “guarantees our financial security for those ‘rainy days.’” It “protects us against economic downturns,” or against “market drops or major businesses moving out of our community.” But this is largely inaccurate. Permanent endowment gifts are NOT “rainy day” funds. In fact, it is likely that the council will never be able to touch one dime of its permanent endowment.

Certainly, “permanently restricted endowment” is great to have—but would “temporarily restricted” be just as good, or better? Councils must simply balance the advantages with the disadvantages when promoting endowment gifts, setting goals, or creating “default” provisions for certain gifts. Do you want endowment gifts to be presumed to be permanent, or be presumed to be temporarily restricted, unless a donor tells you otherwise? Both are acceptable—but you *must* be clear about this in your gift materials, and give donors options for both.

For example, a donor wants to make an endowment gift of \$1,000,000. He asks which you would prefer: permanently restricted, or temporarily restricted. For example, do you want the \$1,000,000 locked up forever, or do you want access to the \$1,000,000 “just in case” and trust your board to responsibly handle the funds? The importance and ramifications of how you define *endowment*—and the kinds of endowment gifts you encourage—are far more important than most councils realize.

Corporate Trustee Required

In accordance with the BSA Rules and Regulations, the BSA standard Model Trust must use a corporate trustee. Funds that are not in the BSA standard Model Trust may be held by the BSA Asset Management LLC, or the BSA Asset Management Endowment Master Trust with a directed trustee (BSAAM). Acceptable corporate trustees are usually a bank or trust company, but may include corporate trust groups of Smith Barney, Merrill Lynch, and others like them. A money manager is NOT an acceptable substitute for a trustee.

Individuals are not permitted as trustees for council endowment funds, due to past abuses and the potential for individual liability. If your council has volunteers interested in your investments, they can be on a trust advisory committee—but cannot be trustees. That way, the committee can provide advice and guidance to your corporate trustee but would not be liable for bad investment decisions or trust problems. This committee should regularly monitor trustee and fund performance and recommend changes or new trustees as needed.

Again, a trust must have a trustee; you cannot have a trust without one. A money manager is not a trustee; it is a manager, and the standards for liability and responsibility are much lower than for a trustee. Many councils and trustees use a money manager to help with fund investments—and they can be a valuable asset for the council—but you cannot just have a money manager. Accordingly, if you have permanently restricted funds in trust and you want to change trustees, those funds must go from one trustee to another trustee.

Usually, a council does not need more than one trust. One trust can accommodate both permanently and temporarily restricted gifts. It can have numerous sub funds with various purposes and income sources. “One trust, one council” can handle the needs of most councils.

There’s nothing wrong with having more than one trust, and there can be good reasons for having more than one (more than one bank represented on your executive board or making large annual gifts, “investment challenges” with two trustees competing for all the funds, etc.). But each trust must have a trustee, and this may mean numerous trustee fees, so the council must balance the cost and benefit of multiple trusts with the need and reasons for it.

Meaning of Trust Agreement

A trust agreement is a three-party agreement among the local council, the trustee, and the BSA National Council. Trust donors are implied parties to the agreement—trust gifts must be accepted and used by the council according to the donor’s intent and the terms of the trust. The council and the trustee have the option (and responsibility) to refuse any gifts with conditions or uses that are inappropriate, unnecessary, or unwanted. Conversely, if a council accepts an endowment gift with a restriction or special use, it must honor it.

Model for Boy Scout Trust Fund

The BSA standard trust agreement used by the councils is referred to as the “Model Trust.” The IRS has specifically approved it, and councils are encouraged to use it because it:

- Allows the trust to be automatically included within the group ruling issued by the Internal Revenue Service granting tax-exempt status to such trust funds and declaring them to be a public—not private—foundation
- Formally establishes the fund and gives it perpetual legal status
- Defines the guidelines for the trustee working with the council and the council with the trustee
- Attracts gifts by giving confidence to possible donors that their wishes will be respected now and by all future council executive boards
- Assures attorneys that the fund can be recommended to their clients as a sound way to perpetuate their gifts

- Protects the officers of the council from court action for failing to respect the terms of a will or permanently restricted gift
- Causes the BSA to join with the local council and the trustee to promote the fund and help enhance its growth
- Requires that all proposed changes or amendments to the agreement be supervised and approved by the BSA and the trustee
- Minimizes the chances of violating state law regarding investments and management of fiduciaries. A corporate trustee is expected to know what investments are permitted

Establishing a New Trust

In establishing a new trust fund or amending an existing one, consult board members or others with: 1) legal expertise and experience in trust matters, and 2) an understanding of investments. Certainly, a qualified trustee can provide help. Councils should discuss this with the BSA Legal Department. Finally, share the trust document with your council attorney and appropriate board or committee members to consider any revisions necessary to comply with required state laws.

Securing a Corporate Trustee

Many councils seek the commitment of a reliable, well-established bank or trust company to serve as trustee. The bank or trust company should be selected objectively, based on its reputation in the community and past performance. Personal friendships or a bank's relationship with the council should *not* be the reason you select it (unless it gets you objectively lower management fees, and past performance is competitive with others).

The board needs to adopt a corporate resolution to establish or amend a trust fund, and to designate the chosen bank or trust company as trustee. The resolution authorizes the officers of the council to execute the agreement on behalf of the council. Once the board resolution is adopted, the committee can proceed with the preparation of the agreement. Sample resolution and trust forms are available from the BSA Legal Department.

National Council Approval

Before the agreement is approved by the council's executive board, it should be sent to the BSA Legal Department for review, suggestions, and informal approval. The trust document will be returned to the council, either approved or with suggested changes to make it acceptable to the BSA and the IRS. However, this review will *not* include applicable state laws.

The final draft of the instrument is prepared—usually three copies—with the council's executive board giving approval. They are signed by the Scout executive, the council president, and the corporate trustee; notarized; and all three copies are sent to the BSA Legal Department. The Chief Scout Executive of the BSA signs the instruments, the instruments are attested to, and two copies are returned to the local council. One copy is kept at the BSA National Office.

Amending an Agreement

Councils often want to amend an existing trust agreement, such as to:

- Change corporate trustees
- Change an invadable trust to a non-invadable trust (but not the reverse)
- Bring a trust into compliance with the Model Trust Form

Council mergers or consolidations also usually require the amendment of a trust agreement. Procedures to amend existing agreements are important and should be handled by your local council attorney. Sample amendments are available from the BSA Legal Department.

Two Methods to Amend

The executive board, by resolution, must approve any proposed amendments. Before formal execution, the amendment should be reviewed by the corporate trustee and local council attorney for compliance with state laws, and the BSA Legal Department for compliance with federal and BSA policies.

1. **Simple Amendment.** This is a simple amendment that adds to and becomes a part of the original agreement. Often used if the change is relatively simple, such as changing or adding one or two sentences, a paragraph, or changing trustees.
2. **Extensive Amendment.** If the trust has already had one or more amendments, or if multiple paragraphs are being amended, the council should use an *amended and substituted* declaration of trust. This restates the original trust and incorporates all amendments into a completely new document. This is especially helpful to provide continuity of trust funds in a council merger or consolidation.

Employer Identification Number

Some local councils do not have a separate employer identification number (EIN) for their trust fund or trust funds. However, IRS regulations require that *every* local council and *every* council trust fund have an EIN, and they *cannot* use the same number. The numbers must be separate and different from each other.

Form 990 Filing

If the council trust fund complies with the Model Trust Form and is included in the group exemption, the trust will need to file IRS Form 990. Councils should file Form 990 with the IRS for all trust funds *regardless* of the trust's size or earnings. If you do not file, the IRS will think you forgot about them—and probably will come looking for you. For more information, see the *Local Council Guide to the IRS Form 990 and 990-EZ* on the Finance Impact Department website.

How to Secure an Identification Number

Employer identification numbers are normally obtained by the corporate trustee by filing IRS Form SS-4. The fastest way to get a current Form SS-4 and its instructions is to use the online application on the IRS website (www.irs.gov). You also can get an EIN number by calling the IRS and completing the form over the phone (see the Instructions for Form SS-4).

If you already have an EIN for your trust, (and it must be different from your council's tax ID number), you do not need another number. If the council merges trusts or eliminates a trust, the trustee or tax preparer must file a final 990 for the trust. If the council somehow ends up with trust numbers no longer assigned to a trust, the council should contact the IRS to report that the trust EINs are not in use.

If the council makes any changes to its EINs, it needs to send a letter to the BSA Legal Department describing the changes. The BSA Legal Department will make the necessary changes to the BSA group exemption listing on behalf of the council. We highly recommend this to councils. Otherwise, the IRS has no idea why certain council tax IDs no longer file. Updating the IRS master list avoids future confusion and problems for the council.

Prospecting for Major Gifts

“When you have money in your pocket, you are wise, you are handsome, and you sing well, too.”

Philanthropic giving in America is big business. Every year, charities receive gifts totaling \$304 billion (in 2009). Of this huge amount, only about 18 percent of the gifts come from corporations and foundations—the remaining 82 percent of the gifts come from *individuals*. It is vital to identify and work with the right individual donors.

Prospecting is continuous and cumulative; it has no beginning or end. Existing donors are your best prospects for additional gifts. You do not want to ignore existing donors and focus your attention and time on new prospects. Contacts you make today may not turn into a gift for months or years. You are prospecting when you simply spend time with and give attention to a Scouter who’s made past gifts to the council. They may be very interested in, and capable of, making sizable future gifts to the council. Prospecting is a balancing act, between present and future interests.

Donors have their own interests and own priorities—those will become evident in the course of good prospecting and cultivation. Tensions can arise if generous FOS donors are “hoarded” by district executives, so it is easier for them to make their annual goals. Or, if an endowment director tries too hard to get a trust gift out of a donor who would personally prefer a large capital gift. Discovering a donor’s interests—and matching those interests with a council funding need—is the key to getting a large gift.

Councils have a limited number of prospects to draw upon—most will have different interests. One donor may give you \$100,000 for a new dining hall, but nothing for endowment. Another donor may consider a large trust gift to the council endowment gift “visionary”—but the same donor will find a gift to renovate the service center “boring.” Fortunately, most councils have donors interested in all three funding pillars. It is just a matter of figuring out which donors prefer which pillar.

Principles of Prospect Research

There are some basic prospecting principles anyone involved in philanthropy should remember:

- People give to *people*, not organizations. Your donors must respect and feel comfortable with the Scout executive and the council staff, as well as other volunteers they are in contact with.
- People give when they are interested and involved in what is happening at the council.
- People only give what they have. Obvious, but asking a donor for more than he or she can possibly give is flattering for some donors, and embarrassing for others. Good research can prevent this.
- Knowledge is power (or at least provides access to it). Know the right information, and the best people to call your key prospects, and ask them to make a major gift to the council.

The single most important characteristic for a great prospect: *a love for Scouting*. There are, of course, other characteristics, including:

- Over 50 years of age (best age: between 60 and 65)
- Already retired or thinking about retirement
- With assets sufficient to make a planned gift
- Nearing retirement and can use a sizable tax deduction
- Includes the council in their will
- Makes planned gifts with other organizations
- Does not need more income now, but will in the future
- Wants to provide income for parents, children, relatives, etc.
- Unmarried, widowed, etc., with no immediate family
- Married couples without children, or with married children
- Past donors who have made small or medium size gifts
- Owners of low-yield, highly appreciated property.

Play the odds by focusing on these individuals. There are always exceptions—even with the “dot com” gold rush behind us, there are still many young billionaires or multimillionaires who are very good prospects. The key is simple: *match the right prospect with the right project*. Find a funding opportunity to match their interests.

Identifying Prospects

No one is a good prospect without interest and involvement in Scouting. The resources (and time and attention) of even the wealthiest individuals are limited. They may have billions, but they have no interest or capacity to give to everyone or every cause and event that solicits them. They have their own list of charitable priorities—sometimes, this list is very short—and these donors are emotionally involved or invested with them.

Your best prospects have been involved with (or touched by) Scouting in a meaningful way. They are your *natural constituencies*, closest to your programs and goals. They include your executive board members, current Scouters, former Scouters, parents/widows of Scouters, and previous contributors to annual or capital campaigns.

Merely identifying someone with lots of money rarely does much good. All the other charities in your community also subscribe to *Fortune* or *Chronicle of Philanthropy*. They also know who lives in the big house on the hill, and they are all after them to donate. Wealthy people have no shortage of people trying to get some of their money. Just because someone has a lot of money does not mean you will get any of it.

Do not waste time trying to get a major gift from someone unless you get them involved in Scouting or identify a past or present Scouting connection. *Active* prospecting—involving personal contacts, follow-up visits, board involvement, and friends calling on friends—is always the best way.

Before you determine if a person has an interest in Scouting—or before you spend time *trying* to get them interested—make sure you are going after the right people. Beyond the obvious (current donor lists, mailing lists, your board), look for prospects who *could* be strong potential givers if they had Scouting interests or ties. Some good places to look:

- Current executive and advisory board lists
- Service club rosters
- Company and stockholder reports listing officers and directors
- Women’s club lists
- Professional directories
- Who’s who books
- Chamber of commerce lists

- Banking institutions and reports listing officers, directors
- Country club membership rosters
- Industrial directories
- College and university reports listing donors and trustees
- Faculty member rosters from colleges, universities
- Media personnel lists: radio, television, newspapers
- Social registers
- Private club memberships
- Testimonial dinner programs
- Prestigious golf tournament rosters
- Donor lists from similar institutions
- Patron of the arts lists
- Probate records
- Newspaper obituaries naming heirs or survivors
- College and university yearbooks
- Corporate quarterly reports and proxy statements
- Home locations in prestigious neighborhoods
- Residents of exclusive nursing homes
- News media reports or new residents in your community

In addition to these sources, prospects unique to Scouting include:

- World jamboree participants
- National jamboree participants
- Philmont participants
- Venturing/high-adventure activity participants

- National Eagle Scout Association members, including families
- Silver Beaver recipients
- Past executive board and council membership rosters
- Eagle recognition sponsors—current and previous years
- Scouting membership applications.

Develop a broad and comprehensive prospect list. Your committee will help identify and screen your prospects. They will have a lot of local contacts and probably can provide a lot of good information you might not otherwise get.

Who are the *centers of influence* in your community? They are professionals and include attorneys, accountants, financial planners, insurance agents, trust officers, and other professionals who deal every day with the kinds of prospects you want.

If a professional has a client who is one of your prospects, they obviously can't reveal personal information about him/her. But *they can tell their clients* about Scouting, and recommend your council as a possible beneficiary (statistically, many people want to make charitable gifts but do not have a charity in mind). They also can tell you who may be receptive to a visit or board member contact—and whom you should leave alone.

Information Needed on Your Prospects

Once you identify prospects worth pursuing, what information is most helpful for your files? Some of the important and helpful information to have:

- Past connection with Scouting
- Occupation, title, employer
- Estimated annual income and net worth of prospect/family
- Favorite charitable organizations and causes
- Directorships and participation in other organizations
- Names of attorney, CPA, and secretary
- Religious and political preferences
- Awards, hobbies, honors, and interests

The Internet is an irreplaceable source of research and information. Go to a major search engine: Google, Yahoo, Bing, etc. Enter the name of your prospect and the name of his/her community. Look for news articles, references to other organizations they support, etc.

Also, there is the BSA's great research portal. You can access this through MyBSA, under: Resource—FID Resources—then go to iWave or the Wealth Engine to gather information on donors and prospects.

ScoutNET also has some excellent donor and prospect tracking capabilities. Routinely update your ScoutNET records to make sure all of your donors and top prospects are included in these records. This will help you track your contacts and update information. Information as to how to do this is accessed through MyBSA, as listed above.

A recent study showed that when a donor makes a gift, he or she expects *seven contacts* from that charity before being asked for his or her next gift. Donors want information about the council; they do *not* want to be ignored. Good donor tracking is vital—it is *always* easier, cheaper, and more efficient to keep an existing donor than to replace him/her with a new one.

Cultivating the Prospect

There are many ways to cultivate a prospect. Some are simple; some take a great deal of time. The key: show the donor you are interested in him/her as a person. Cultivation involves letters, phone calls, pictures of kids at camp, and birthday and special occasion cards—not just charts and tax information about major gifts. Remember these points:

- **Be Prepared.** It's our Scout motto, and for good reason. Know as much as you can about the donor and the donor's background. Know his/her interests, and you will know what kinds of gifts the donor will consider.
- **Be Confident.** Believe in your program and be able to discuss council needs and why funding them will make a difference. The donor wants to hear this. It helps a lot if the person cultivating the prospect (e.g., another board member or volunteer) already has made a personal commitment like the one for which the prospect is being asked.
- **Be at Ease.** Do not be nervous; the prospect is just as nervous. Relax, smile, be yourself, and allow the prospect to do the same. You are there to talk about Scouting—how hard is that? If you are in the prospect's home or office, look around. Get the prospect talking about some of the awards, trophies, memorabilia, etc.

- Be Interested. Show you are interested in the donor. *Listen*. Do not be so focused on what you want to say—or when you will have your “big chance” to say it. The donor will think you are uninterested in him or her. You may even hear something that causes you *not* to ask the donor for a gift this time (unexpected medical expenses, investing in a new business, a divorce, etc.). That is fine—better to wait than to ask at the wrong time. Remember: *people give to people*.
- Be Quiet. Let the donor talk; you listen. If it is appropriate for you start talking about the gift, do not ramble—get to the point. The donor probably figured out a long time ago why you are there. After you leave, make a detailed, written record about the visit. You can’t do that if you were not listening.
- Be Brief. Respect the person’s time, even if they are retired. End your visit on a positive note, and thank the person for their time. Tell them when or what your follow-up will be.
- Be Patient. This is a slow, deliberate process. You are not a door-to-door salesman. Assume that you will have a number of visits with this person before anything “happens.” Do not rush things or expect a quick decision. The donor will want to give it a lot of thought and should discuss it with his family and advisers. It takes time.
- Find the Best Person to Open the Door. For your best chance of success, have your first meeting arranged by the *right person*—perhaps another board member, peer, family member, or fellow worker. It would be great if they could go with you. If they cannot, ask them to call your prospect before the visit. People may give to people—but only if the *right person* is involved.
- Discuss Fundamentals. Talk about the philosophy and goals of Scouting, the short- and long-range strategies and projects in your council (or Scouting in general) and the need for funds to support it. Unless they are very active in Scouting, they probably do not know enough about it to make an informed decision to support it.
- Maintain Self-Esteem. This applies to both you and the prospect. Do not apologize when asking for a big gift—most donors are flattered by a “big gift” ask. An emotional appeal is fine, and can be very effective—but do not sacrifice emotion for logic. If you are making an emotional appeal, focus on a specific example of how Scouting made a difference in one person’s life. Do not feel intimidated because of the donor’s community standing or personal wealth. Do not beg. Please, please, please, do not beg.
- Anticipate Objections and Questions. Expect tough questions, and be prepared for them. If you cannot answer obvious questions, it will sound like your need is not well thought out.

- Highlight Objectives and Motives. Remind the prospect about the possible tax and estate benefits of the gift. But your job is to talk about Scouting—not tax law. Many donors do not even itemize or need deductions. Save tax advice for the pros.
- Closing the Gift. When you think it is appropriate to try and close the gift, ask. Suggest a specific amount for the donor’s consideration, and let the donor respond. Do not be afraid of silence—it is the prospect’s turn to talk. But you cannot be successful without asking for gifts.

Sample Cultivation Ideas

People give when they feel cared about. Some of the items of council recognition include:

1. Invite prospect to a council event
2. Invite prospect to a Heritage Society event
3. Ask prospect to write an article for council newsletter
4. Write a feature story about prospect
5. Call them on their birthday, anniversary, a holiday
6. Inform them of council progress/success; periodically update the prospect
7. Send them literature on council activities
8. Have a camp attendee write them a letter from camp
9. Send holiday/greeting cards
10. Send token "thank-you" gifts
11. Have them host an event, possibly in their home
12. Invite them to join the board
13. Invite them to tour camp
14. Invite them to tour a day camp
15. Ask them to chair an event
16. Invite them to speak at a council event
17. Invite them to speak to your staff or board
18. Ask for suggestions on operational improvements
19. Invite them to participate in surveys, feasibility studies, or focus groups
20. "Bump into" the prospect at local, non-Scouting functions
21. Find the prospect's passion and volunteer in those other organizations
22. Send articles about the council, positive or negative, to the prospect
23. Personally deliver the prospect's popcorn order

24. Send the prospect a patch, with a great story behind the patch
25. Recognize the prospect for their ongoing commitment or support
26. Send photos of Eagle Scouts, service projects, or camp activities
27. Tell prospects you missed them when they were unable to attend an event
28. Praise the prospect's involvements/commitments to his/her friends.

Top Ten Suggestions for Better Cultivation

1. Cultivation is a partnership among board members, volunteers, donors, and staff. Your staff or committee sets up chances for board, volunteers, and prospects to meet and talk.
2. The volunteers should make themselves available for these opportunities
3. Get your existing donors to participate as often and as actively as possible in council events. This gives them a greater sense of commitment and the chance to become advocates and "cheerleaders" to other prospects about the importance of the council, or about their own, personal gift commitment.
4. Cultivation is strategic—and all of it requires follow-through.
 - a. Cultivation planning takes two forms: general and specific.
 - b. General cultivation includes scheduled events where prospects are invited to meet council leadership and other volunteers.
 - c. Specific cultivation is for special prospects and donors, involving targeted, one-on-one time, such as a visit to camp or the construction site for a council capital project.
5. Cultivation is systematic.
 - a. Follow through with thank-you letters, phone calls from board members and other top donors.
 - b. Add prospect/attendees' names to your database for mailings, future events, and "social" cards (birthdays, anniversaries, etc.)
 - c. Put board members at specific tables; give them bios in advance of key prospects.
 - d. Board members should make a special effort at the event to "schmooze."

6. Cultivation should be coordinated.
 - a. Report and coordinate all staff and volunteer interaction through Scout executive.
 - b. Make sure the staff shares any information about that person that may be important or relevant to a major ask.
 - c. Staff may learn if now is a particularly good time to pursue a gift (inheritance, business sale), or an inappropriate time (divorce, business misfortune).
 - d. Prospect already may have been “assigned” to another volunteer, causing confusion and duplication of efforts.
 - e. Cultivation is a shared responsibility among staff and volunteers.
7. Cultivation should not be limited only to legacy gift or major gift prospects.
 - a. Add a cultivation/information component to every event.
 - b. Be sure everyone who attends gala, etc., leaves with a greater understanding of the council, its needs, and its successes. For example, a brief presentation at the event, materials at each table (brochures, table tents), a packet given to attendees as they leave—any of these will help build the relationship.
8. Not all cultivation involves personal interaction at an event or meeting.
 - a. Does the information you provide through your newsletters or website convey impact and results of your programs, or does it just focus on your needs?
 - b. Do your communications balance volunteer information, donor recognition, and program impact?
 - c. Consider doing “position papers,” or summaries of topics of national and local concern and how your council addresses the problems.
9. Cultivation also can occur unexpectedly.
 - a. Encourage your board and other volunteers to be enthusiastic about the council and what it is doing in the community. They are your ambassadors—their enthusiasm often will generate great interest in others about your programs. (“Gee, if HE thinks it is good, there must be something to it.”)
 - b. Anyone committed to and enthusiastic about the council or Scouting will often be the best component of a “cultivation” plan.

10. It is important to cultivate, but you also must know when to ask—then do it!
 - a. The quality of the cultivation and follow-through has a dramatic impact on the ease and success of the eventual ask
 - b. Recognize the “early warning signs” that a person is getting close to the ask—such as growing interest, willingness to get involved.
 - c. At every cultivation activity, try to have meaningful conversations to assess the degree of interest of the donor/prospect.

11. Cultivations of corporations and foundations are different in two main areas.
 - a. First, they have deadlines for “asks,” so it is easier to sequence activities, create a strategic time line, and organize the involvement of their representatives with the council to match their timeframe. Except for timing year-end deductions, most individuals do not have “deadlines.”
 - b. Second, funding decisions by corporations and foundations involve many people, such as shareholders, and many stages of the process. It is possible your “gift” will actually be marketing dollars. But decisions by individuals are individual decisions, possibly involving a spouse and other family members.

12. Have a cultivation budget.
 - a. You need to invest more than time in the process—you also need to invest funds in activities, development, recognition, etc., to make them meaningful and classy. You need your “best foot forward.”

Cultivation is a process and a tool. Good stewardship of the gift—using it for intended purposes, following established guidelines for investments and spending, etc.—obviously occurs after the gift has been made. But educate the donor about this, and what the council will do with its “next big gifts.” It takes good coordination among staff and other volunteers, critical thinking, good planning, and follow-through. Nothing less will do. Remember: do not spend so much time focusing on your needs that you ignore the donor’s needs.

Myths About Prospecting

Many barriers to effective prospecting are more myth than reality. Real life is challenging enough without having to deal with misinformation. To dispel four of the more common myths about major gifts:

People who make outright gifts are great major gift prospects.

All things being equal, you would rather have \$100,000 now than \$100,000 in 10 years. But that is not the choice for some donors. A current FOS donor may raise his \$1,000 gift to \$5,000, create a \$100,000 bequest, or choose between a current \$50,000 gift to a capital campaign and a larger, deferred trust gift. Some will make the smaller, current gift. Some will choose a large, deferred gift. Some will choose both. However, if they are already making outright gifts, they are good prospects for larger, deferred gifts.

Major gifts are not just for older donors.

There are many reasons to spend most of your time on your older prospects: a) they may benefit the most from a planned gift; b) the council will receive the gift sooner rather than later; and c) most generous donors are usually older—and you will never have enough time to see every prospect. Nevertheless, young and middle-age donors also can benefit from certain giving options—especially those with inherited assets, closely held stock, and appreciated real estate. Younger donors are also good prospects for life insurance, lead trusts, deferred gift annuities, or “quasi-retirement” trusts for those with large IRAs.

Major gift prospects are not always wealthy.

A modest FOS donor may have a modest cash flow, but it may be the tip of the iceberg—it may represent a tiny return from huge amounts of low yield, highly appreciated stock—great assets for a gift annuity. This could mean more for your council, and more annual income for the donor. In addition, not all planned gifts require large amounts of cash or property. For example, a percentage bequest from the donor’s estate, a fractional interest in a piece of property, a life estate gift of a modest home—any of these can be significant gifts for a council.

You may view a donor as a modest donor to your council—but they may be making lots of gifts to dozens of *other* charities.

Just because you do not get large gifts from a particular donor does not mean he or she is not making large gifts to someone else. They may also make some large gifts of which you are not aware. Once you know who they are, get them as interested in Scouting as they are in their “favorite” charities. The wealthiest people in town are being cultivated by hundreds of charities. “Less-wealthy” donors (and those considered the “millionaire next door”) are probably not, and they might appreciate your attention.

Going after major gifts will hurt FOS or capital campaigns.

You must be crazy. For one thing, if you go after a prospect for major gift, they will get a lot more personal attention from you than your “run-of-the-mill” FOS donors. That is good, and they probably will continue, if not increase, their annual gifts. But major gifts—planned or otherwise—can be used for any gift and can make a gift less expensive to make. You just have to tell people about them. For example, tell donors about stock and land gifts. It does not matter if their gift is for operating, capital or endowment—you have now informed them about a very cost-effective way to make their gifts.

Board Involvement and Screening Sessions

Your board and major gifts committee members are critical. They can help you identify top prospects, call on these prospects, give you names of others who can, and help you plan the most effective approach to these individuals.

One of the best ways to utilize your board or committee is to hold *screening sessions* for prospects. In these sessions, board or committee members meet confidentially to discuss a select group of prospects. In many cases, the people you invite to these screening sessions are major gift prospects themselves.

One of the goals of the screening session is to put prospect names in three categories: (a) those ready to give; (b) those requiring minimum cultivation; and (c) those requiring extensive cultivation. Prospects should be ranked or graded by the likely size of gift, the type of gift, interest in Scouting, and any particular Scouting interests (camp, Venturing, All Market Strategy program, etc.).

There are three things in particular you want out of a screening session:

1. Identify individuals with significant gift potential and appropriate solicitation strategies developed (e.g., who should call on them).
2. To learn more about your prospects’ interests and backgrounds.
3. For those in the screening session to also learn more about major gifts and their roles in your council’s finance efforts.

Develop agendas and strategies for a successful screening session. The results you will get from these sessions will be significant and long-lasting. If screening sessions are not possible (or to supplement them), use individual evaluations. Your board members or staff can submit evaluations based on personal knowledge, Internet research, or other information. Individual evaluations are simpler than organizing a committee and meeting, but they may be based on limited knowledge or only one point of view.

One technique commonly used to identify great prospects is the *brainstorming* session. It is an excellent way to come up with a large universe of prospects, then “whittle down” the list. It is also a way to involve unit-serving executives in the process—they have a lot of good ideas, contacts, and prospects to consider. (*For more information about brainstorming, see the attachment at the end of this chapter.*)

Educate your volunteers about major gifts. Acquaint them with the basic tools and vehicles of giving. Make sure they receive the informational tools available to the council. Encourage them to attend some of the major giving seminars conducted by the national staff, region, or area. Have a local development professional make a short board presentation.

Prospecting never stops. Also, the financial payoffs from pursuing major gifts do not come immediately. Do not expect donors to rush into decisions about big gifts. Your goals are *not* their problem—they will make their gifts when it is best for *them*, not for you. These decisions affect their current income, heirs, and estates. Take your time, be patient, and build friendships with your donors. Build a broad base of donors to support your council with large, regular gifts; encourage others to do the same. You aren’t just fundraising, you are *friend raising*, and *Scouters give to Scouting*.

Identifying top prospects is only the tip of the iceberg. The largest part of attracting major gifts lies beneath the surface—what are you going to do with them now that you know who they are, and you’ve committed to building a relationship with them?

Do not try to deal with more prospects than you can work and efficiently follow up. You will do more harm than good if someone thinks you are just after their money, or if they do not get from you the attention they expect. Give donors and prospects the attention they need and deserve.

A successful major gifts program is just an extension of your other council giving efforts. Let your FOS or capital campaigns help you identify individuals, upgrade them as donors, and get them emotionally and financially involved in Scouting. Major gifts will become natural and attractive options for these individuals and a financial cornerstone for your council.

Brainstorming for Prospects—Tips and Tools

The simple rules of brainstorming are made up of four principles:

1. **Quantity**—Select a place and time to hold a brainstorming session—then let the imagination roam. The more ideas, the better.
2. **No criticism**—All ideas and names are free from criticism—this allows the free flow of information and the imagination to concentrate on the issues.
3. **Free Wheeling**—No restraints on the possible solutions and ideas presented. Brainstorming should not be undermined by someone’s management authority, status or position.
4. **Combinations**—Involve different combinations of individuals with different backgrounds and different working experiences, education and maturity levels. This allows for a greater and freer flow of ideas and names.

A Scout executive or other professional, leading a disciplined and focused brainstorming session with a few volunteers and staff members, probably can come up with 200-300 names in a fairly short time. Repeat it throughout the council with different groups. Long-time local Scouters should be part of these sessions.

The following checklist is useful in setting up and running a brainstorming session:

1. Establishing a Prospective Donor Brainstorming session:
 - a. Allow for a two-hour time block
 - b. Obtain non-obtrusive setting
 - c. RSVP volunteers and professionals with business and social connections
 - d. Review rules of brainstorming at meeting opening
 - e. Brainstorm with at least three to four people for one and a half to two hours
 - f. Process and classify names, and select your “top 20”
2. Identify three names for initial prospective donor visits
 - a. Get volunteers and professionals acquainted with prospects
 - b. Get appointments to meet with three prospects

Donor identification is the most difficult part of an endowment program. Once a list of 300 names is identified, pick your top 20 prospects. These should be the focus of visits by Scouters, professionals, or both. Remember, you are wasting your time if prospects have not been involved with Scouting—regardless of how wealthy they are.

District Executive Brainstorming Session Checklist

Materials and Location

- Snacks & soda/water
- Laminated sheets with brainstorming questions
- Secluded area (for privacy, spontaneity)

Who Should Participate:

- 4-6 people: variety of ages, expertise
- DE, major gifts chair or committee person from that district
- Moderator (from council)
- Volunteer (to act as scribe; prepare material)

Length:

- One and a half to two hours

Activity:

- “Build a Camp” using laminated sheets with brainstorming questions. Moderator should repeat questions frequently to focus group on issues.

Rules:

- Defer judging Build on the ideas of others
- Stay focused on the topic One person at a time
- Go for quantity Encourage wild ideas
- Be Visual

Brainstorming Process

Assume you are building a new camp. Every question you can answer gives you more great prospects for a council gift. Could these same people help you meet current council needs? Put together the list, then start evaluating them:

Who Can Help Build, Donate, or Provide—Or Who Has Already Provided or Paid For:

The road?	The survey work?
Sand and gravel?	The grading of the road?
Architectural services?	Black top or cement?
A weekend to clean camp?	The fireplace at camp?
The money for the lodge?	The legal work, contracts, etc.
Existing memorials at camp?	Gifts now memorialized at camp?
The flagpole?	The camp vehicles?
The camp furniture?	The camp dock?
Signage for the camp?	Clear and sell the timber?
The excavating?	The blue prints?
The cement work?	The electrical work?
The septic tank?	The roofing?
The dry wall?	The painting?
The lumber?	The construction work?
The windows and doors?	The plumbing?
The kitchen?	The stove, cabinets etc.?

Other sample questions to trigger names of potential Scout donors:

Who is the council president?	Who is the council commissioner?
Who has endowed the camp?	Who were prominent Scouters?
Which troops usually go to camp?	Who is the oldest Scouter in town?
Who are past council presidents?	Who's been to Wood Badge?
Which Scouters are doctors?	Which Scouters are dentists?
Who has lost Scouter husbands?	Who has given to endowment?
Who are Silver Beavers?	Which Scouters are attorneys?
Which Scouters are CPAs?	Who are the ranchers?
Who are the farmers?	Who comes to the round tables?
Any professors at the university?	Who is on the board?
Any Scouters involved in oil/gas?	What Scouters own horses?
Who owns fishing property?	Who has family foundations?
Who owns a repair shop?	
Who owns a janitorial business?	A heating/cooling business?
Who is a realtor?	Who is a land developer?
Who is into mining?	Any pilots?
Who is a hunting/fishing guide?	Who is a plumber?
Who is an optometrist?	Who goes to camp every year?
Scoutmasters?	Anyone involved in a rifle range?
Any politicians?	Cub leaders?

Who's gone to a national jamboree?
 Parents of Eagle Scouts?
 Who owns fast food restaurants?
 Who runs a rafting business?
 Any one in law enforcement?
 Any national board members?
 Who are the 10 oldest Scouters?
 Who is a prominent family?
 Who is in an assisted living facility?
 Which Scouters are bankers?
 Who owns hotels/motels?
 Who are the investment brokers?
 Who are the architects?
 Who are the oldest troops in town?
 Who's been involved in camporees?
 Who's been district chairman?
 Who gave to build the service center?
 Who are distinguished Eagles?
 Who are Silver Buffaloes?
 Who collects Scouting memorabilia?
 Families with more than one Eagle?
 Who wrote the council history?
 Who have we recognized at DCADs?
 Who donated for Cub Scout Camp?
 Who owns a grocery store?
 Is "that family" still around?
 Who are the Fortune 500 Executives?
 Who are municipal employees?
 Who are artists?
 Who is in telecommunications?
 Who is in retail sporting goods?
 Who are the prominent Catholics?
 Who are prominent Methodists, etc.?
 Who is a merit badge councilor?
 Who was at Philmont as a youth?
 Who has donated unrestricted property?
 Who's a member of the Heritage Society?
 Who received adult training at Philmont?
 Who are area volunteers?

A world jamboree?
 Who owns a gas station?
 Who runs a ski resort?
 Who is a prominent Scouter?
 Who is a jeweler?
 Who is on the regional board?
 Who owns a lot of land?
 Who is in a nursing home?
 Who owns a mortuary?
 Who runs a wedding chapel?
 Who is a photographer?
 Who are the insurance people?
 Who are the landscapers?
 Who's on the troop committees?
 Who is the district chairman?
 Who gives us \$500+ a year?
 What plaques are in the office?
 Who are Silver Antelopes?
 Who's in World Scouting?
 Who's "Mr. Scouter" locally?
 With father/son Eagles?
 Who's sponsored a Scout?
 Who owns restaurants?
 Who gave the land for camp?
 Who helped establish Scouting?
 Who are the stockbrokers?
 Who are state employees?
 Who are federal employees?
 Who are in tourism?
 Who is involved with JLT?
 Who are in broadcasting?
 Prominent Mormons?
 Who are in computer services?
 Who's on district committee?
 Who owns a second home?
 Who has donated securities?
 Who are Silver Fawns?
 Who attended camp school?

Marketing Your Major Gifts

“Every day, I get up and look through the Forbes list of the richest Americans. If I’m not there, I go to work.”

Your council may have the greatest major gifts program in the world. But if your prospects do not know you have it, or do not understand it, it won’t do you any good. How you present giving options to your donors—how you *market* your giving program and options—will largely determine how successful you are at raising awareness of your finance needs, and getting major gifts.

Types of Gift Marketing

Mass Marketing

This is a broad approach to identify and attract potential donors using mass media (newspapers, community or council publications and websites, radio, television, magazine advertisements, etc.). It is a “shotgun” approach to attracting new donors, but it is usually much more successful in raising awareness of the local council and its programs. A direct mail campaign is the most common example of this approach.

Mass marketing can (or should) also be relatively specific. Publications that are Scout- or council-related (or oriented toward a readership likely to support Scouting such as council websites, newsletters, and publications with similar demographics) always get the greatest response. Make sure an ad or mailing contains an opportunity to respond and request more information.

Target Marketing

This is used to reach a select group of prospects—a target group—with a specific message or request. It may include past council donors, volunteers with specific responsibilities within the organization (board members, committee chairmen, etc.), those who named the council in their will, and those with an interest in a certain council program or area—for example, camp scholarships, Hispanic emphasis, etc.

Targeting certain age groups is also an option. Though there are always exceptions, older donors often yield the best results. They are more likely to have been involved in Scouting, and they often have stronger ties to, and memories of, the historical importance of Scouting. Who your target is often depends on which gift you are marketing.

Elements of a Successful Marketing Program

There are specific elements of any major gifts marketing program to consider. Though not necessarily a comprehensive list, these include:

1. **Board Awareness.** Any successful development program must have the support and blessing of your council's executive board. Before you do this, you must educate the board about endowment gifts, your reasons for wanting an endowment, and how much you are trying to raise in your endowment efforts. Ask for and expect gifts from your board as a show of support. Use those gifts to encourage gifts from other donors. Educating your board will help them understand gift options, make them comfortable raising such issues with other prospects, and give them ideas for others who might benefit from such gifts.
2. **Newsletters.** Three different types of newsletters can play an active part in your giving program:
 - a. **General newsletter**—You are probably already sending this to your constituency (or plan to), containing articles on different types of gifts. Many councils include an endowment gift article or ad in their council newsletter and encourage readers to respond for more information.
 - b. Councils have had great success with articles and reminders to “Remember Scouting in your will.” The BSA major gifts campaign resources include the “Will Sez” cartoon series and drop-in articles for council newsletters. Information about the national major gifts awards—the West Fellowship (for endowment only) and the Second Century Society—and profiles of council recipients are also excellent ways to provide relevant information in your newsletter.
 - c. **Major gifts newsletter**—a special mailing to provide information on major gifts and planned gifts and how they help your council and its programs. These newsletters are suitable for donors as well as financial professionals such as attorneys, accountants, financial advisers, etc.

Special mailings educate some, and remind others, about gift options. They encourage readers to remember your council when they or their clients are considering a charitable gift in their estate plan. These newsletters and articles can be created by the council, or consider enrolling in the GiftCharity Council program described in the Finance Impact Department website (www.scouting.org/financeimpact) under the “Council Fund Development” tab and then “Major Gifts & Endowment.”

GiftCharity Council eNewsletters can be sent weekly, bi-weekly or monthly to people in your database. These eNewsletters contain timely and information on many planned giving strategies that can benefit donors, their heirs and the charities they love.

3. Direct Mail. There are often three different approaches taken to direct mail:
- a. Regular, quarterly mailings—a reminder for donors and prospects that the council is ready to assist with planned gifts. But send too many and you dilute your impact. Donors ignore too many council mailings, especially if they *look* like you are asking for money.
 - b. Year-end mailings—a good time to remind donors that year-end gifts of any kind may help reduce their taxes for the year. Many donors make last-minute gifts to help their tax situation. Do not send the mailings too close to year-end; if donors do not have the time to do something meaningful, they won't do anything at all.
 - c. Specialized mailings—use these to announce a new type of gift, recognition program, or as an annual reminder to name the council in a will. Some councils send three or four a year, each one focusing on a specific type of gift.

To quote Penelope Burk in *Donor Centered Fundraising*, “Do not confuse a direct mail campaign with fundraising. Direct mail is marketing, not fundraising.” Donors only give if they understand *who* you are and *what* you do. That is marketing. Fundraising is about *building relationships*, and it does not begin until after a person makes their first gift to the council.

4. **Wills Seminars.** Seminars or clinics emphasizing wills and bequests can have many positive effects. Offering seminars for the general public is a meaningful community service. Use attorneys, financial advisers, and other local professionals to do the training, or call national for assistance. You also may have this expertise already on your executive board or major gifts committee.

Effective wills seminars also can be conducted for a specialized group, such as your executive board, major gifts committee, or “top donors.” It is especially effective if it is underwritten or sponsored by a local business, such as a bank or trust company. They can help send out the mailings and offer to have the seminar in their boardroom or other first-class meeting facility. It lends credibility and a sense of professionalism to the seminar. Also, it feels more informational and less like solicitation if it is *not* held at the council office.

5. **Professional Seminars.** These are seminars for local professionals, such as attorneys, accountants, etc. They are held by other professionals to acquaint attendees with current estate planning issues, trends, and gifts, and to make sure they know what planned giving resources and options the BSA can offer. They build good will for the council and remind professionals that planned gifts are just as important for Scouting as they are for other charities.

If they have a client interested in making a charitable gift—but without a charitable preference—they’ll remember your council. Both the setting and the credentials of the presenter are vital to the success of the seminar. A second-class affair (or non-professional presenter) attracts and impresses no one. You also should try to get the seminar to qualify for continuing education credits to attendees. Attorneys, accountants, and other professionals must have a certain number of continuing education (CE) credits each year—you will greatly improve your attendance if you provide attendees with something that they need to have (regardless of the content).

6. **Video Letters.** Another effective tool can be the video letter. They are four-to seven-minute “video brochures,” and each one focuses on a particular gift. They can be given out or mailed to major donors, prospects and board members, taken to a prospect’s house and shown there, or used as response pieces to a mailing. They also can be used as short board presentations at all executive board or committee meetings.

They are now available as DVDs (free of charge) through the Council Fund Development Team. Some councils duplicate the segments and use them as follow-up pieces for newsletters or other planned gift mailings. Some add footage of their camps, or testimonials by their council president or donors who already have made such a gift. This can be a particularly effective marketing tool. (Note: these have recently been reviewed. While still technically accurate, some of the clothes may induce laughter.)

7. Recognition Society or Club. Offering membership in a giving society, and providing an appropriate and interesting recognition piece, is an effective way to attract donors. It is covered in detail in the chapter Donor Recognition.

NOTE: Be careful how you promote the tax aspects of gifts. The marketing and promotion of major gifts should emphasize the *gift* and what it will do for Scouting in your council. Avoid specific claims about tax savings, and do not refer to gift annuities and income trusts as “investments.” Make it clear that tax information is for educational purposes only. Otherwise, the council may find itself facing charges of unauthorized practice of law, negligence, misrepresentation, or possibly fraud.

Save tax discussions for the experts—spend your efforts talking about Scouting, your programs, and your successes. For guidance in these matters, consult either your council attorney or the BSA Foundation.

The ultimate success of any major gifts program depends on many factors. But you must make donors aware of what you have; if you do not, then do not expect many big gifts. Good marketing will raise awareness of planned giving, the council, and its programs and goals. Time and effort on marketing a giving program will help transition your supporters from prospect to donor.

Remember: your ship will never come in if you do not send one out.

Donor Recognition

“Money is better than poverty, if only for financial reasons.”

People appreciate appropriate recognition for a contribution they’ve made or for a job well done. Councils must act as excited about getting the gift as the donor was about *making* the gift. Proper recognition is extremely important for major gifts to Scouting. A donor who is properly recognized for a gift, and knows you appreciate the gift, will continue to support and promote your council and its programs.

A strong recognition program recognizes all donors—major gifts, modest donors, and donors who make long-term endowment gifts or bequests. After all, a donor of a modest gift today may be a major donor tomorrow. Maybe they are “testing you,” to see how you treat their gift. Maybe they are “income poor and asset rich.” Regardless, acknowledge it and recognize the donor as soon as possible after the gift, either personally or in writing. Promptness reassures the donor that you received the gift and you appreciate it.

It Is All About the Donor

Thank your donors promptly and properly; it is vital. Do not spend so much time trying to find tomorrow’s donors that you forget to treat today’s donors with the respect and appreciation they deserve—and expect. *Do not take your current donors for granted.* It is easier, cheaper, and more efficient to *keep them* than to find new ones. Do not assume that the donors you want are better than the ones you already have.

A research study on donor communication (in the book *Donor Centered Fundraising*) is very revealing. It found that 50 percent of all donors who make a gift to a charity never make a second gift to that charity. Some charities do not even refer to first-time donors as “donors,” because they expect to lose so many of them. They do not see them as “donors” until they’ve made their second gift. How much can any organization expect to grow—let alone survive—if it loses that many donors every year?

The study also found that *all* donors like gift recognition—no surprise. But the vast majority of them wanted something more than recognition. What they really wanted was *more meaningful information*. In fact, donors who received more information about the charity made increasingly generous gifts to those charities.

In particular, donors said they wanted three things:

1. Prompt, personalized acknowledgment of their gifts.
2. Confirmation that gifts are used for the purposes they intended.
3. Confirmation of how the council benefited from the gift *before* they are asked for their second gift.

In a controlled test of donor communications, even if a donor received Item No. 1 (prompt, personalized acknowledgement), there was *still* a 39 percent increase in gifts from those donors.

Donors love to give—and making a big gift is a big deal for most people. But when was the last time your council's post-gift response and recognition equaled the donor's excitement for making the gift? Too many organizations take their donors for granted. Do not let that happen to you.

Donor Recognition That Makes a Difference

Each council needs a well-organized plan to recognize and provide incentive for its donors. Many donors want their gifts publicly recognized; others *do not*. Also, many donors do not want the council to spend a lot of money on expensive (and often meaningless) recognition items.

Talk with the donor or the donor's family about the level of recognition and publicity they want for the gift. Public recognition of large council gifts is very important—it encourages other donors to give and sends a “success signal” to the community. But if the donor does not want it, honor his or her wishes.

Appropriate recognition must be well-thought-out, proper, and dignified. Give attention to who will present the recognition item or award, when to present it, and how and where the recognition will be given.

Most donors appreciate token recognition items for certain levels of giving: plaques, paperweights, medallions, framed art, pins/jewelry, or recognition displayed in the council service center or camp buildings. If recognition items are too expensive or extravagant, the donors may not be happy—and the IRS may reduce the donor's tax deduction by the value of the recognition.

Be creative—try to come up with something unique. Tie it to your council's history or community, and it will be especially meaningful. Most major donors probably get more recognition items than they can possibly display or use. Increase the chance that your recognition item will be kept and displayed by making it unique, attractive, and useful. Give your donors a reason to prominently display it to remind themselves (and others) of Scouting. *Examples: an engraved Scout knife, signed and framed Scouting art work or photo of kids at camp, creation of a campership in the donor's name, or a donor profile on your website or in your council newsletter.*

Studies show that many donors simply do not want plaques or certificates. They'd prefer a picture of Scouts, or the donor at camp, or of the program in action. A simple thank-you letter, placing the donor's name in the council bulletin or annual report, special Scouting publication, or an article about the gift in the local newspaper goes a long way.

Keep in touch with your donors by sending cards at holidays, birthdays, anniversaries, or other appropriate occasions. Donors also will appreciate personalized invitations to Scouting events, summer camp, dedication ceremonies and council banquets, and complimentary tickets to council events. Even if the donor cannot or will not attend the event, it is the thought that counts.

The Donor Recognition Society

A donor recognition society to encourage and recognize current and deferred gifts should be a very important part of every council. Donors appreciate clubs, groups, and societies that recognize them for their generosity or achievements. They like to be associated with others with similar commitments and interests.

The major gifts committee should be responsible for most aspects of the recognition program (as approved by the council executive board). They should suggest a name for it, types of gifts it will accept, minimum gift amounts and giving levels, and establish a timetable for key dates and events. The committee also should decide if one recognition society for all gifts is best, or if “specialized” recognition clubs should be used, such as a codicil club limited only to bequest commitments.

Many councils currently use the “standard” Scouting Heritage Society name and recognitions offered by the national office, but set their own membership levels and guidelines. Other councils use their own unique names, recognition pieces, and logos. The Fleur-de-Lis Club, the Golden Eagle Club, the Navigator’s Club, and many others like them are popular with donors and often have more of a “local” flavor.

Proper guidelines for gift crediting are essential. The guidelines must be fair to all your donors. The levels of recognition should be challenging but not too difficult or “elitist.” For example, is it fair for a \$50,000 outright gift to endowment to receive the same recognition as a \$50,000 insurance policy to the council from a 35-year-old? They are not worth the same to the council, and probably should not be recognized the same, either. It may not matter in some cases—for example, many codicil clubs recognize donors for putting a bequest to the council in their will regardless of the amount.

The council needs written guidelines for gift acceptance and crediting (this is also a requirement for councils looking to earn the Major Gifts Achievement Award). We recommend that councils credit their gifts at *present value*. Sample guidelines can be found on MyBSA.com.

If you do not plan to use the “stock” Scouting Heritage items, you will need to develop your own brochures, recognition items, certificates, and even letterhead stationery for your recognition society. On one hand, council-developed materials are much more unique to the council and its community. On the other, developing them takes time, money, and often volunteer services. At least “generic” materials are better than nothing at all.

Planning and carrying out a quality annual recognition event for society members is also very important. Make it an exclusive event at a prestigious location. Carefully budget the costs; maybe you can get the event underwritten and use goods and services that are contributed. A great donor event will honor your best donors and serve as the catalyst for many new gifts.

A donor recognition society (and event) formalizes—legitimizes—the council’s commitment to major gifts and endowment. It emphasizes the importance of major gifts to the council and draws attention to the council’s programs and needs. By offering membership in such a society—and making an effort to attract new gifts to it—the council will see many rewards, and its donors will gain even more satisfaction from their support to Scouting.

National Major Gifts Recognition for Donors

To encourage donors to make major gifts, the BSA National Council has developed three special recognition awards for these donors. The council is responsible for collecting these gifts and pledges, documenting them, and entering them in ScoutNET. The local purchases the recognition from National Supply and can recognize the donor at its own event, or at special national BSA donor events. The three programs:

The James E. West Fellowship

A donor qualifies for membership in the James E. West Fellowship by giving \$1,000 or more to a local council endowment fund. This gift may be of cash or appreciated property, but should *not* be made in lieu of a regular annual giving commitment or event underwriting. At the lowest giving level (Bronze: \$1,000 minimum), the gift must be paid all at once rather than over time. At the higher levels, gifts may be cumulative toward those levels. The West Fellowship is the only national recognition reserved for gifts to local councils, and for gifts to a council endowment fund.

There are four levels of the West Fellowship:

- \$1,000+ Bronze
- \$5,000+ Silver
- \$10,000+ Gold
- \$15,000+ Diamond



Each donor receives a special West Fellowship certificate and lapel pin appropriate for the giving level. The donor (or, in some cases, the West Fellowship honoree instead) is also entitled to wear a special square knot on the BSA field uniform (these may be ordered from Supply). West Fellows also are eligible to attend special receptions at the National Annual Meeting, the Major Gift Fellowship Weeks at Philmont and other High Adventure facilities, and other events as announced.

The Second Century Society

Established during the BSA Centennial Year to honor the future of Scouting, the Second Century Society recognizes gifts of \$25,000 or more to: 1) a local council, regional fund, BSA Foundation, High Adventure base, or any Scouting entity, including World Scouting; 2) to or for any operating, capital, or endowment fund or need. These gifts may be outright or deferred, though the qualifications are slightly different.

Outright gifts of cash, stock, land, and other acceptable property will qualify at their respective levels, as long as the gift is paid or payable within *five years* of the first, qualifying gift:

Outright Gift Levels

- \$25,000+ level
- \$100,000+ level (*Member With Distinction*)
- \$500,000+ level (*Member With Distinction*)
- \$1,000,000+ level (*Member With Distinction*)



Deferred gifts also may qualify for the Second Century Society. There are gifts such as naming the council in a will, or as a beneficiary of an IRA, insurance policy, trust, charitable trust, gift annuity, or other, similar types of gifts. The qualifying levels for deferred gifts are:

- Deferred Gift Levels
- \$100,000+ level
- \$500,000+ level (*Legacy member*)
- \$1,000,000+ level (*Legacy member*)

Donors who qualify for the Second Century Society receive a special membership certificate and recognition items appropriate for their giving level. Members of Distinction as well as Legacy Members also will receive invitations to VIP events and other level-appropriate recognition.

The Second Century Society essentially combines and replaces the previous 1910 Society and Founders Circle recognition societies. Councils may continue to acquire recognition items for those donors through BSA Supply, and they may continue to recognize those donors at council events, on donor walls, and elsewhere as the council determines. However, national recognition for 1910 Society and Founders Circle donors was phased out by the National Council in summer of 2011 and replaced by the new Second Century Society.

Councils may request that previous donors to the 1910 Society and/or Founders Circle be “grandfathered” into the new Second Century Society without requiring any new or additional gifts. This is an option that any local council may exercise for its previous donors, as long as the original gift meets the guidelines for one of the new giving levels. Please contact the BSA Foundation to request this recognition or to discuss individual donor situations related to inducting a donor into the society based on previous gifts.

As with the previous recognition societies, donors to the Second Century Society typically receive their recognition award from the council at a special donor recognition event, or at a time and place more convenient for the donor. Donors at higher levels also may be recognized at national BSA events.

The Presidents Leadership Council

The Presidents Leadership Council is reserved for the top levels of our major gift donors. These are the donors capable of transforming the BSA, and who have shown the vision and leadership commitment to do so.

To qualify, gifts must be a minimum of \$1,000,000, paid or payable within a five-year period, and go to *or through* the BSA Foundation. The gifts may be designated to benefit a local council, the foundation, or any BSA entity (and, in some cases, even non-BSA entities). But they must utilize a foundation-managed or approved gift vehicle, such as a donor advised fund, charitable trust, designated or scholarship fund, or others.

The three levels of qualifying gifts for the Presidents Leadership Council are:

- \$1,000,000 minimum gift
- \$5,000,000 minimum gift
- \$10,000,000 minimum gift



Members receive highly unique, customized recognition, including a limited edition bronze of Rockwell’s “The Scoutmaster,” and receive invitations to the most exclusive opportunities for networking and access, including national sporting events, World and National Scouting events, and special donor cruises. Donors at the top two giving levels receive exclusive, personally customized recognition.

For more information on national endowment awards for local council donors, call the Council Fund Development Team at 972-580-2339, or check out the Finance Impact website <http://www.scouting.org/financeimpact>, or check out the BSA Foundation website www.bsafoundation.org.

MEMORIAL AND TRIBUTE PROGRAMS

“The Internal Revenue Code is about 10 times as long as the Bible. Unlike the Bible, it contains no good news.”

A tribute fund—or “memorial fund”—is an organized fund for donors who want to pay tribute to a friend, relative, or special business client by making a gift to the council in their memory or honor. The tribute can be in the form of recognition, congratulations, condolences, or to honor an accomplishment or event.

A memorial/tribute fund program provides a meaningful way for people to honor or memorialize others. It should not be promoted or perceived by volunteers and supporters as merely another source of council operating income—these funds should have a separate and identifiable purpose.

Where Should the Money Go?

Most councils put memorial/tribute fund gifts in the council’s endowment fund (sometimes, permanently restricted endowment; other times, temporarily restricted). Considering the reason for most of these gifts, this is a natural fit. But regardless of whether these gifts are held as endowment, scholarships, camperships, or other purposes, donors should be told—and the council should promote—how these funds are used.

How Is It Started?

A council memorial/tribute fund program should be initiated by those charged with endowment responsibilities—usually the council endowment or major gifts committee. It should then go through the finance committee to the executive board for official approval. The executive board then approves a resolution stating where these memorial/tribute funds are held and used.

NOTE: You should also give donors the right to specify a different use and purpose, if desired.

Regularly remind your volunteers about the program, and make it easy for them to use it. Probably the easiest way to make these gifts is through the BSA-hosted site www.scoutingfriends.org. Donors may make online gifts using a credit card to your council, and may mark them as gifts in honor or in memory of others. You may want to place a button on your own council website that reminds them about this option, and links to the online giving site. Of course, regular paper “coupons” or forms small enough to be placed in a checkbook also may be used.

Acknowledgement Cards

If the gift is a memorial gift, the council should send an attractive and appropriate card to the family of the deceased or honored, indicating that a memorial gift was made by the donor. Also send a gift receipt and a card to the donor, so they know the gift was received and an acknowledgment card was sent to the family. If possible, do this within a day or two of receiving the gift (or the gift notification by the online giving administrator). Lack of a prompt follow-up can create a feeling of anxiety and concern over the council's efficiency. Prompt follow-through also may encourage additional gifts.

Promoting Memorial/Tribute Funds

Promotion of these funds should be regular and steady. Typically, these gifts will have no "season," and the gifts are rarely "major" in size. Its primary purpose is to build donor relationships and good will. How can a council increase its chances of success and draw attention to its memorial/tribute program? Consider:

- Articles in the council newsletter, including an acknowledgment of the donor and those honored by these gifts
- Naming these donors in your council's annual report
- Placing a reminder on the council website, and including a button on the site that links to the www.scoutingfriends.org website
- Distributing information at council and district events and activities
- Announcements and program updates at roundtables and other volunteer functions
- Working with local funeral directors to offer information about it
- Including a memorial/tribute booklet or "coupons" in certain mailings sent to council Scouters throughout the year, or as a display or giveaway item in your Trading Post/Scout Shop

This program gives many people a way to express to others their appreciation, congratulations, and sorrow—and establish a modest source of council revenue. Again, its most important aspect is to build new relationships (and strengthen old ones). It is also a great opportunity to remind people about the importance of having a will—and including the council in their will. It opens the door to new and potentially significant gifts, and offers another important way for Scouting to serve others.



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