

THE FIRST MONDAY REPORT

Thoughts on Fund Raising for Campus Ministry

**Office of Lutheran Campus Ministry Advancement
1407 North Cleveland
St. Paul, MN 55108**

November, 2004

Look for Those Extraordinary Gifts

It was one of those foggy Minnesota mornings and I was headed to a meeting. It was pea soup. Cars were inching down I-35 like a snail through a murky aquarium. Every one of the other drivers on the road was doing exactly what I was doing—trying not to hit the car in front of me and hoping that the person behind could at least make out my tail lights. My vision was limited. My focus was narrow. My intentions were honorable. Burl Ives was singing “Foggy, Foggy Dew” on the radio. Really! But when the scofflaw garbage truck blew through the on-ramp lights, I my focus intensified. I just wanted to make it to the office without hurting myself or someone else.

I’ve been in this kind of pea soup atmosphere when I have tried to raise some funds to keep my ministry afloat, haven’t you? Finding myself in dire circumstances, and surrounded by others in the same fix, I have focused on one thing primarily—raising enough bucks to make it to the end of the fiscal year. Sure it was survival stuff, but that’s what I felt constrained to do at the time. Forget the planned giving strategies. Stop hoping for a major donor to knock on my door. I just needed to send out an impassioned letter to as many people as I could find on my data base and hope that they bailed me out one more time.

We all get wrapped up in this kind of desperation fund raising, so I don’t want to make light of it. But if it happens on a regular basis, I want to ask why it is we allow ourselves to get into such a fogged-in, precarious mode of survival. Did we have some unreasonable hope that the economy would make a sudden U-turn or that church benevolence would show a surprising increase this year? Was it procrastination on our part or that of the board? Did we just lack the planning and the stamina and the vision? There are many reasons.

Now, during the fall season, we are likely to find ourselves hurrying to get out the “annual appeal,” (even though we know we should do this more than once a year). We are crawling along with the rest of the traffic, every one of them sending year-end appeals to an increasingly savvy, skeptical list of prospects. Think about your own personal incoming mail these days. You get desperate pleas to help “keep the budget in the

black,” “make it to our annual goal,” or “finish the year strong.” Organizations are relying on you to carry them through. And that’s OK. What it doesn’t allow for, however, is the sense that the organization has a viable, functional, considered plan for navigating through the budget year. Almost always I round-file these last minute appeals, unless the cause is near and dear to me heart. I would rather respond to an appeal in the spring of the year, when I may be more able to make a gift, than feel set upon during the holidays to “make my gift count.”

Here’s the deal. Ask for your annual gifts—more appropriately called “sustaining fund gifts”—with some regularity throughout the year. Then you will be able to avoid the traffic congestion at year’s end and you will be able to lift your vision to invite other, more extraordinary gifts.

The gifts I am thinking about are generally those under the umbrella of “planned gifts,” which simply means that they are gifts that have to be planned for. It used to be that we got around to talking about these extraordinary gifts only after we had our annual fund in place and we had moved through at least one successful capital campaign. The contemporary wisdom is that we need to invite extraordinary gifts throughout the year in conjunction with all of our funding opportunities. Our Web sites, our newsletters, our appeal letters, and our conversations ought to let our supporters know about our willingness and our ability to receive these special gifts. And when we receive them, we need to lift them up in thanksgiving for others to emulate.

Let me name some of these extraordinary gifts and give you some language to use when you choose to highlight them.

Life Insurance

It is possible to give ownership of the policy as well as make the ministry the beneficiary. A gift of life insurance can be made at any age. The gift passes to the ministry without delay and without being subject to probate or administrative fees. Simply have the donor call his/her life insurance representative and ask for a change of beneficiary form that names your ministry as a primary beneficiary. If the ownership of the policy is transferred to the ELCA through the ELCA Foundation, the donor is able to designate certain ministries to receive the proceeds at death. The donor receives a charitable tax deduction at the time of the transfer. If a new life insurance policy is written, with the ELCA named as owner, the donor makes gifts to the ELCA to support the policy and receives a tax deduction each time the gift is made. Two-life policies also work, with the proceeds paid out at the second death.

A Will

Everyone who owns property, has investments or savings, has dependents, and wants to remember the work of the church or other charities needs a will. If you don’t have a will, the state has one for you, and at your death, the state will distribute your estate according to its laws, without taking into account any special needs of your family or your own personal wishes. A will provides a plan that you control for the ultimate distribution of your estate. A will should be written early in one’s life. It can be changed at any time

until a person's death. Bequests may be a specific dollar amount, a percent of a residual estate, or a specific asset, such as a real estate. It is estimated that 70% of North Americans do not have a will. Christian persons should be encouraged to remember the church and its ministries in their wills as part of their lifelong stewardship.

Charitable Gift Annuity

This is a gift that keeps on giving. The donor receives a fixed, guaranteed annual income for life, based on age. The ministry invests the gift principal and agrees to pay the donor according to the fixed rates. Part of the annuity is designated by the IRS as a charitable gift; therefore, if the donor itemizes, they receive a charitable tax deduction, which, if large enough, may be spread over several years. Future estate taxes and probate costs may be avoided in the future.

Real Estate

If a person has property that is not subject to a mortgage and has appreciated in value, donating this property to a charity may be an attractive possibility to consider. An income tax deduction can be claimed based on the fair market value of the property. Capital gains taxes are avoided and the asset is removed from the person's taxable estate. Or the ownership of the home or farm can be transferred to the charity by deed, and an agreement written that allows the donor to continue to use the property for life and enjoy income from its use.

Securities

The best stocks to donate are those that have increased greatly in value (appreciated), particularly those producing low yield. If the donor gives stock that has risen in value and has held it for more than one year, no capital gains tax is paid on the transfer and the donor is entitled to a charitable deduction for the full fair market value. However, stock that has lost value should be sold by the donor and cash given to the charity, in order to realize the loss for tax purposes.

NOTE: As with any and all of these extraordinary gifts, the ELCA Foundation representative should be contacted to help close the transaction or complete the necessary legal paper work, unless there is local expertise available¹. To contact the ELCA Foundation offices in Chicago call 773.380.2970. More information can be found at www.elca.org/fo. Free brochures that describe in detail a variety of extraordinary gift possibilities are available from the Foundation.

I wish you safe traveling as you negotiate your way through the fall fund raising traffic. Plan wisely. Think ahead. Look for those extraordinary gifts. And be careful out there.

¹ Language for the above was taken from materials provided by the ELCA Foundation and Craig Johnson (CFRE and CPA), Fargo, ND.