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FEBRUARY 2005

The Contributor is issued ten times annually and is a publication of the Greater Toronto Chapter of the Association of Fundraising Professionals.

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AFP represents more than 26,000 members in 172 Chapters throughout the United States, Canada, Mexico and China, and works to advance philanthropy through advocacy, research, ethical standards, education and certification.

Gift Planning on the Upswing

Planned Giving is here to stay, promised Ann Rosenfield, CFRE, Vice President of Legacy Leaders. Her prediction that "The Next Decade Belongs to Gift Planners," was delivered to those in attendance at the Greater Toronto Chapter's January luncheon, and backed up with articles and industry research. While the trend toward planned giving and charitable gift annuities is still in its early adoption stage, with some concentrated effort, most organizations can and should prepare themselves for this new wave of giving.

Fundraising professionals recognize that the charitable landscape is changing and as other forms of fundraising are projected to flatten or become more competitive, few people would argue that any and all new sources of revenue deserve to be given any amount of extra attention that a nonprofit organization's resources will permit. This is especially true for planned giving, since, according to Rosenfield, it represents one of the most underutilized tool in any professional fundraiser's toolkit. Surprisingly, only 12% of Canadians have named a charity in their will, but 28% of those polled indicated that they would add an organization to their will if asked. This figure is expected to grow from 12% to 40% of the population during the next ten years.

The major factors spurring this swift growth are multifaceted. Awareness campaigns have facilitated an increased awareness on the part of donors toward this specialized form of giving, especially as the population ages and turns its attention to the issues of estate planning. At the same time, many organizations realize the need for revenue growth. Other factors such as changes in board character (more aggressive, and demanding of accountability), urgent program needs, and shifts in government funding, is turning the area of gift planning into the "last frontier of dramatic growth," stated Rosenfield.

In addition to these internal pressures, external pressures such as the increased number of outside consultants, business trends such as CRM (customer relationship management) and competition between organizations have raised the bar. Awareness of these relatively new trends is on the upswing, and boards and donors are naturally turning to their favourite charities for advice and expertise.

Organizations should now be asking themselves: "How do we become the charity that makes it into the will?" The best place to start, Rosenfield advised, is to remember that there is more than one kind of donor, and you will need to market this concept in different ways but that ultimately, the hard work will pay off. Planned gifts do offer a high return on investment and the good news for fundraisers is that more industry resources are being brought to bear upon this trend, as charities recognize the need to take better care of their donors and improve the level of service in this area. There are great opportunities right now to distinguish your organization from the others with improved customer service and affordable, personalized correspondence.

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AFP Calendar

Note: unless indicated, all functions take place at the YMCA of Greater Toronto Auditorium, 20 Grosvenor Street, Toronto.

March Luncheon
March 8, 2005
Annual General Meeting

Satellite Luncheon
Thursday, March 15th
11:45-1:30 pm
Topic: Creating Magic Moments
Speaker: Mark Climie, CFRE (in conjunction with the Canadian Association of Gift Planners)
Location: Hamilton Chamber of Commerce 555 Bay Street North

Audioconference
Thursday, March 10th
12:30-2:30 pm
Topic: Sky High! Major Gift Strategies to Engage & Excite Your Donors & Prospects
Speaker: Nick G. Costa, FAHP

Mark the Date:
Fundraising Day
June 8, 2005
The Metro Toronto Convention Centre

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Fundraisers embarking on this journey to the new frontier are brave, and taking on the long haul work for the profession, assured Rosenfield, but they should be comforted by the fact that this relatively new area of giving holds great potential for the future.

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Workshops Series Launched

The new Greater Toronto Chapter workshop series kicked off in January with a session on "Securing a Bequest- From Beginning to End," presented by Michelle Osborne, CFRE and Jasmine Sweatman, LL.B. The session, the first in a series of morning workshops, complemented the January luncheon that followed it. This comprehensive session detailed the proceedings and interactions (many of them legal) necessary to steward planned gifts from start to finish. It also touched upon a number of potential wrinkles that an organization might encounter while negotiating and administering planned gifts.

The session covered off such topics as how to approach and negotiate a planned gift, how to work with estate trustees and legal professionals, and addressed some of the delicate, ethical issues that could arise. Initially, Osborne and Sweatman stressed the importance of marketing and appropriate prospect identification, but quickly moved into detailing the steps that the legal team will undertake to steward the gift, including what happens after the death of a donor, administration of the gift on death, duties of those involved, rights and obligations of the charity, accounting "traps", trustee compensation and unfortunately, in some cases, litigation.

She stressed the role of record keeping and checking obituaries as an important role for charities. After a donor's death, it becomes even more necessary to pay full attention. Their straightforward advice was to "notice the players, do the math, and read the will." They also stressed the importance of bringing forward a system for regular contact and cultivating relationships with surviving family members and their advisors, friends of the deceased and the allied professionals. They also suggested maintaining contact with other charities listed in will, in order to protect the deceased person's wishes.

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Industry Updates

Shattering Online Fundraising Myths:

The AFP International website has launched a monthly article on technology and fundraising issues, featuring writers Rick Christ and Heather Figar. The first article presented recently, released data dispelling some of the myths that prevent nonprofits from embracing online fundraising:

Myth #1: Would-be donors are afraid of online identity theft.

Fact #1: Identity fraud is more prevalent offline than online.

Myth #2: Most web users are still using dial-up connections.

Fact #2: Fifty-five percent of home Internet users are using broadband, and they account for the majority of online retail purchases (and, presumably, online donations.)

Myth #3: Tuesday (or Wednesday) is the best day to send e-mail.

Fact #3: There is no proof that one day is better than any other.

Read more online at: http://www.afpnet.org/tier3_cd.cfm?folder_id=893&content_item_id=19829

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AFP Greater Toronto Chapter congratulates the following members who recently achieved their CFRE Certification.

Formal recognition will take place at the Annual General Meeting on March 8, 2005:

Nicole Arnold, CFRE
 Ken Aucoin, CFRE
 Peter Bergman, CFRE
 Joan Bosworth, CFRE
 Karen A. Brackley, CFRE
 Alison Broadworth, CFRE
 Stephanie Corlett, CFRE
 Kenneth Crocker, CFRE
 Melanie Gaertner, CFRE
 Margaret E. Gage, CFRE
 Linda Gray, CFRE
 Dalit Dell Hume, CFRE
 Dorothy Jakowenko, CFRE
 Maria Jordan, CFRE
 Alec S. Kaminsky, CFRE
 Nicole Lamont, CFRE
 Susan Laycock, CFRE
 Sharon Lee, CFRE
 Andrea Lindsay, CFRE
 Tania Little, CFRE
 Laura Manning, CFRE
 Meredith Marr, CFRE
 Heidi McKenzie, CFRE
 Ginny Medland Green, CFRE
 Lee Pigeau, CFRE
 Joel Porter, CFRE
 Susan St. John, CFRE
 Ann Symington, CFRE
 Rosemary Triebner, CFRE
 Rebecca Truax, CFRE
 Catherine Wallace, CFRE
 Glenn Waterman, CFRE

Canadian Charitable Tax Receipts Must Include CRA Information:

Receipts for contributions issued by registered charities in Canada must now include the name and website address of the Canada Revenue Agency (CRA). The change was part of the Minister of Finance's draft legislative and regulatory proposals introduced in September, 2004. The legislation was approved with little discussion in late January.

The name "Canada Revenue Agency" and its website address (www.cra-arc.gc.ca/charities) must now be included on all charitable receipts.

Since the CRA was formerly part of the Canada Customs and Revenue Agency, the CRA will also accept receipts with that name and website address as well. Registered charities were required to have implemented this change on January 1, 2005, however, the CRA has already said that it will accept charitable receipts without this information throughout 2005, and will not penalize charities for not having the information on their receipts this year.

In addition, the CRA has indicated that in 2005, charities can use any sort of means (e.g., sticker, stamp, hand-written) to include the information on receipts. Read more online at: <http://www.cra-arc.gc.ca/tax/charities/jrt-e.html>.

Parliament Urges Reduction in Capital Gains Tax for Gifts of Stock, Land:

The Canadian Parliament's Standing Committee on Finance has urged the federal government to reduce the capital gains tax on charitable gifts of stock and real estate, including ecologically sensitive land.

In late December, the Committee released its final recommendations regarding its most recent round of pre-budget consultations, where the Committee seeks the input of organizations around the country on a variety of tax issues. Tad Brown, LL.B., Chair of AFP's Canadian Government Relations Committee, represented the Association before the Committee in November, 2004.

The Committee's recommendations for the capital gains tax were broader this year in that they included, for the first time, gifts of land and real estate. Reducing the capital gains tax on such gifts was one of AFP's key points in its written and oral testimony to the Committee. As it has for the past three years, AFP urged the Committee to recommend a complete elimination of the capital gains tax on gifts of securities to charities, including private foundations. However, this year, AFP expanded the proposal to include all appreciated assets, including real estate. AFP also encouraged Committee members to support the idea of a government-sponsored day to recognize philanthropy and honor those involved in the philanthropic process.

Chapter News & Developments

Satellite Lunches have returned to Hamilton: The Chapter looks forward to bringing together professional fundraisers in the Hamilton Region on a regular basis to network and learn. Three separate AFP professional development luncheons will be presented in Hamilton at Dundurn Castle on March 15th (Mark Climie, CFRE, in conjunction with Canadian Association of Gift Planners), April 19th (Marnie Spears) and June 21st, 2005. (Jasmine Sweatman, LL.B.)