

## **My Top Tips—Institutional Policies**

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The number one tip is: Think about why you have policies. If you know—and remember--the reasons, you will both write more effective policies and use them more effectively over time.

Reason #1: They are a guide for staff—they help staff to know what the organization will and won't do and how to do it.

Reason #2: They set institutional limits. They protect the charity against gifts the organization should not accept. They determine whether the charity is willing to accept the responsibility of being a trustee of the charitable trust. They clarify the minimum ages and amounts for charitable gift annuities. And, because they are institutional and not personal, they apply across the board.

Reason #3: They establish confidence. Donors expect charities to know what they are doing, and having good policies in place is good business practice. They lay out the process for vetting gifts so that everyone—staff, donors, trustees—knows how and why the charity does what it does. Good policies articulate the charity's due diligence practices and set forth the ways the charity might consider a potential gift transaction that is a little outside the norm.

Reason #4: They affirm consistency. If definitions, processes and limits are written down and understood by all those who are charged with implementing policies, then charges of arbitrary behavior or special privilege should disappear. The institution is protected and donors feel more fairly treated.

Reason #5: They educate. One cannot adhere to a policy very well unless one understands it. Having institutional policies provides a regular reason to revisit staff training and “training” for trustees and even key volunteers about planned giving and the issues and methods associated with a good planned giving program.

Tip #2: Write clearly—nothing obfuscates more than imprecise and jargony language.

Tip #3: Write comprehensively—think through the issues the institution might face before you face them. Think broadly. Try to imagine all the possible issues that might arise.

Tip #4: Focus on the specifics of the charity—if the charity has decided never to accept a gift of a used car, there is no need for detailed policies about how to accept used cars; but if collectibles are an asset that donors have and the charity operates a museum of specific collectibles, detailed policies are not only in order, but necessary.

Tip #5: Review regularly—policies that sit on a shelf and to which no one ever pays attention are useless. Policies should be reviewed at least annually by the development staff and at least every five years by the board to make sure they conform with any changes in the law or any changes in institutional priorities.

Tip #6: Use the policies—these are guidelines for the institution. Let them guide. If they are active, they will accomplish a great deal and fulfill the aspirations which inspired them in the first place.