

LeadingAge^{PA} / 2023

FALL FINANCE

CONFERENCE

BENEFITS OF BENEVOLENCE:

Creating or improving your benevolence program to advance your mission



WHAT DO WE MEAN BY BENEVOLENT CARE FUNDS ?

Benevolent care: Care provided to residents, when their funds have run out.

- Why do we do Benevolent Care?
- How do we do it?
- How can we do Benevolent Care funding better?
- If you don't do it, and would like to get started, how can you get started?



TOPIC AREAS

- Funding support.
- Financial operations.
- Reporting: financial statement, income statement.
- Fundraising background.
- Finance support to fundraising.
- Investment management and endowment.



Benevolent Care Support – Finance View



WHY FUNDRAISE SUPPORT - BENEFITS AND IMPACTS

- Fill financial gaps created by charity care.
- Provide resources for mission areas otherwise unaffordable.
- Add resources for staff recruitment and retention.
- Better the organizations public perception.
- Provide residents, families, and loved ones the opportunity to contribute their “passion.”
- Stay true to the mission...and the expectation.



FINANCE OPERATIONS PERSPECTIVE

Financial impacts

- Financial statement and income statement.
- Supplement Medicaid reimbursement.
 - Shortfall.
 - Narrowing the gap.
 - Other ways to lessen impact.
- Other finance considerations.



PUBLIC PERCEPTION

- Assure the public that their donation is important, that it is used wisely, and that it is cared for, if not spent immediately. We are big part of ensuring donors feel confident about making sizeable gifts.
- A successful program requires a good partnership between the Finance and Advancement teams. The Finance team is incredibly important in cultivating potential donors.
- Presentations to donors, stories, and reports.
 - Finance hears more personal testimonies than anyone.
 - A lifetime of savings which disappears in a few short years.
 - Emotional burden on residents.
 - Help donors find their passion.
- Annual impact updates.
- Discussions with key donors.



PUBLIC MESSAGING

- Communicating need without communicating poverty.
- Ensuring the messaging meets regulatory guidelines, especially as it relates to Medicaid funding.
- Compliance and Risk Management should be included in reviewing material.
- Messaging should correspond to charitable fund statements.
- Capital campaigns – specific but not too specific.
- “Or where most needed.”
 - Should not be used frequently.



RESTRICTED FUNDS

- Strong charitable fund statements.
 - Flexibility with certainty.
- Gifting money to spend it.
- Residents wanting to maintain control.
- Separate Investment Accounts (Y/N).
 - Easier to transfer funds.
 - One deposit account.
 - Cheaper investment option.
 - Record keeping is crucial.
- Where is your investment income being used?



UNRESTRICTED FUNDS

- Fund statement.
- Board designated.
- Impact on ratios.
 - Include or not include.
- Profit and loss impact versus psychological impact.
- Short- and long-term budget impact.



GIFT ACCEPTANCE POLICIES

- Take undo pressure off the leadership team.
- Strong gift acceptance policy creates a partnership with the board.
 - Required board approvals.
 - Does the funding truly benefit the organization?
 - Does the donation push any social issues/value (good or bad)?
 - Who is the donor? Is there a political concern about receiving funds from a particular donor?
 - Legacy plaques/naming?
- Is the Advancement team raising funds to support the goals of the organization or things that are “nice”?



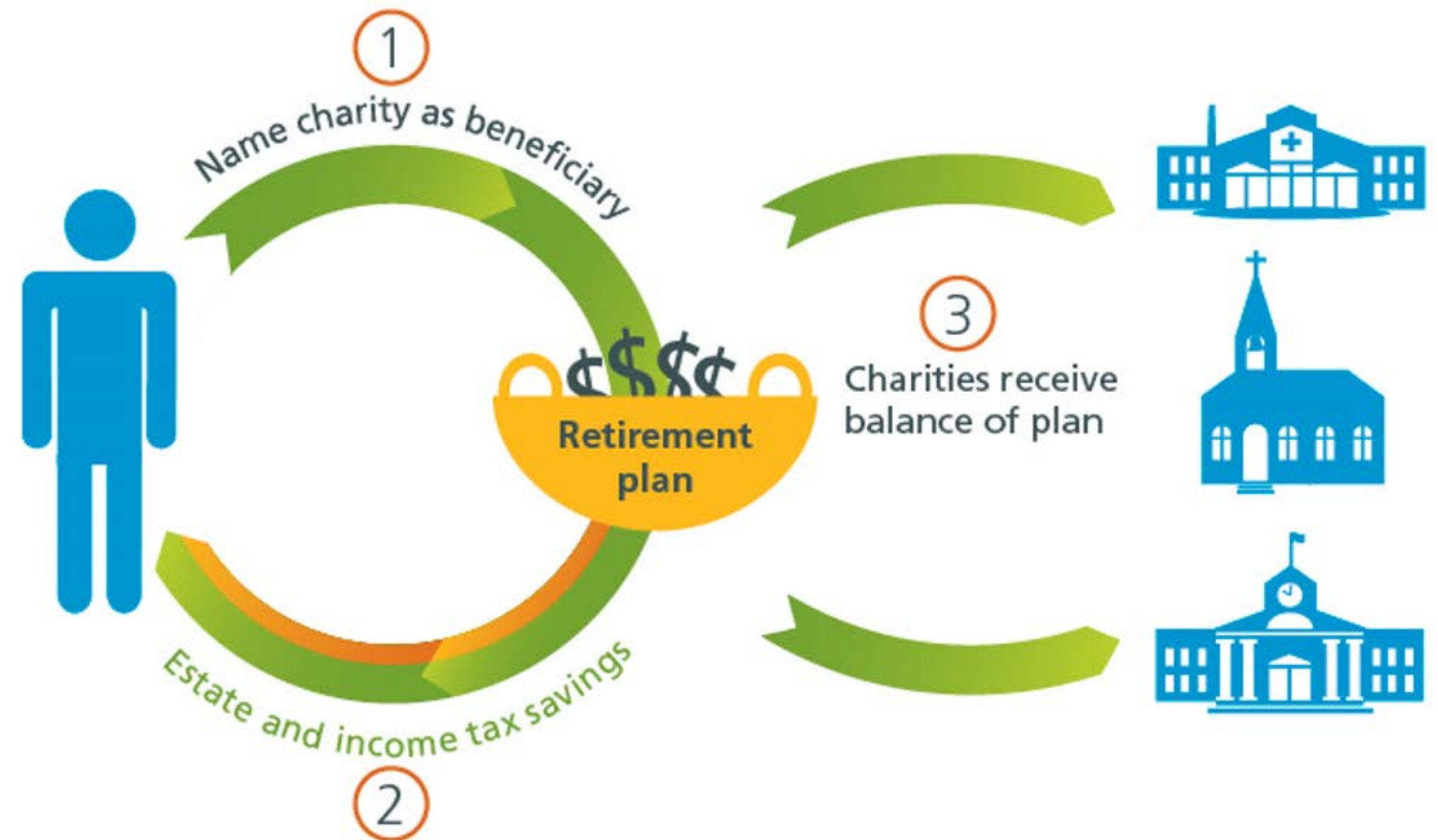
GIFT RAISING – GIFTS THAT GIVE NOW

- Annual gifts.
 - Appeals.
 - Tell a story - donor who gives because of family need.
 - Memorial gifts (obituaries).
 - Fill the gap.
 - System wide - calendar year end.
 - “Unassigned,” unsolicited gifts.
- Major gifts.
 - Donor’s interests.
- Forms.
 - Cash.
 - Qualified Charitable Distribution.
 - Donor advised fund.
 - Non-cash, appreciated assets: securities.

GIFT RAISING – GIFTS THAT GIVE LATER

- Planned gifts.
 - Bequests.
 - Wills and revocable trusts.
 - Beneficiary designation.
 - Retirement plans.
 - Commercial annuities.
 - Life insurance.

Gift of an IRA or retirement plan



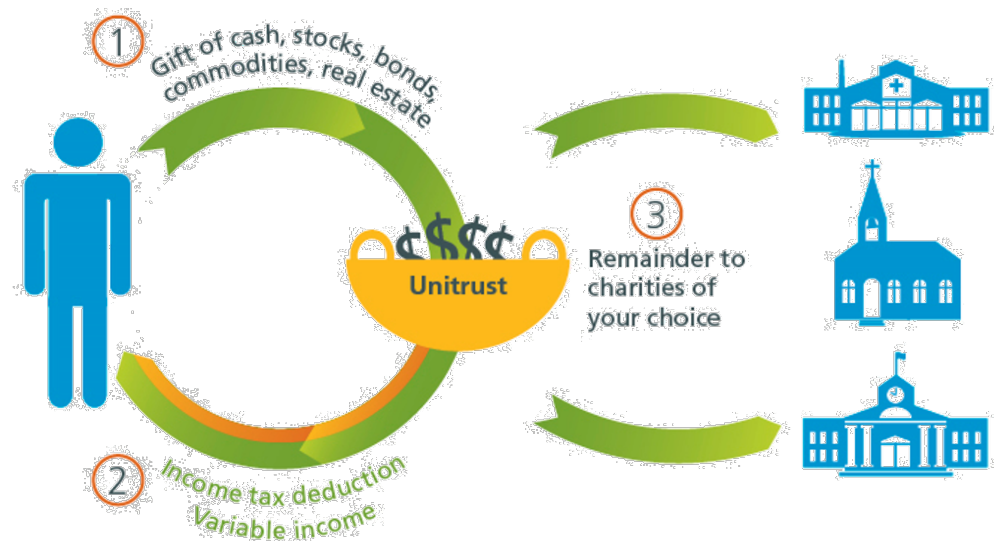
GIFT RAISING – GIFTS THAT GIVE BACK

- Planned gifts.
 - Charitable gift annuities.
 - Charitable remainder trusts.
 - Pooled income funds.

Charitable Gift Annuity



Charitable Remainder Trust





“GIFTS THAT EAT”

- What is the long-term impact of the gift?
- Will it increase operating costs in the future?
- Is it something you would otherwise do?
- Examples:
 - Real Estate – Improvements and clean-up
 - Time shares
 - Gardens and trees
 - Programs you wouldn't otherwise do but are expected to maintain?
 - Equipment
 - Donor control



GIFT RAISING – OTHER CONSIDERATIONS

- “Loyal” donors.
- Gift forms.
 - Non-cash assets.
 - Appreciated assets:
 - Publicly traded securities.
 - Real estate.
 - Complex gifts.
 - Business interests.
 - Collections.
 - Commodities.



GIFT ADMINISTRATION

- What is the cost/benefit of gift administration?
 - Are you doing it ordinarily/otherwise ?
- Partnerships.
 - Others that support fundraising.
 - Newsletters.
 - Education events.
 - Estate planning.

INVESTMENT MANAGEMENT

- Restricted or unrestricted?
- Spending/withdrawal policy.
- “Endowment” portfolios.
 - 60-70/40-30 (equity/fixed income).
 - Others?
- Are values-oriented investments needed? Wanted?
 - Socially responsible investments (SRI).
 - Environmental Social Governance (ESG).
 - Institutional governance support.





FOUNDATION OR NOT FOUNDATION

- Is a separate foundation entity needed?
 - “It depends?”
 - What is your “why?”



WRAP UP

- Summary and review
- What is your why?
- Getting started
 - Who can you call?
- Questions/responses/insights
- Thank you

MEET THE PRESENTERS

Corey Hamilton, MASL, CPA

- Corey Hamilton serves as the Vice President of Finance/CFO at Landis Communities.
- He brings more than 20 years of experience overseeing finances and accounting for Continuing Care Retirement Communities.
- Corey holds a CPA license and a Masters of Strategic Leadership and a Bachelors of Accounting from Messiah University.
- His other experience includes chairing the board for a health insurance plan and serving as treasurer for a workers compensation plan.



Who is Landis Communities?

Cultivating
Abundant
Choices



January 2023

Who is Landis Communities?



MEET THE PRESENTERS

Bill Hartman, JD, AIF

- Bill is the Vice President of Organization and Fiduciary Services at Everence Financial® .
- He brings more than 25 years of experience to organization services.
- Bill gives leadership to trust, estate and related planning through the Everence network of financial and charitable consultants.





WHO WE ARE. HOW WE HELP.

Everence Financial[®] helps organizations and individuals with comprehensive financial services including:

- Investment and endowment management.
- Planned giving administration.
- Employee benefits.
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Everence offers faith and values based, community-oriented financial services.

Over \$2.0 billion assets managed for organizations nationally.





BENEFITS OF BENEVOLENCE

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