

Revised PGTS Standards

NAD PGTS Webinar



On the Agenda

Why Have Standards?

Update Process

Effective Date

Standards Reorganization

Changes to Standards

Q&A



**PROVIDE A TRACK TO
RUN ON**



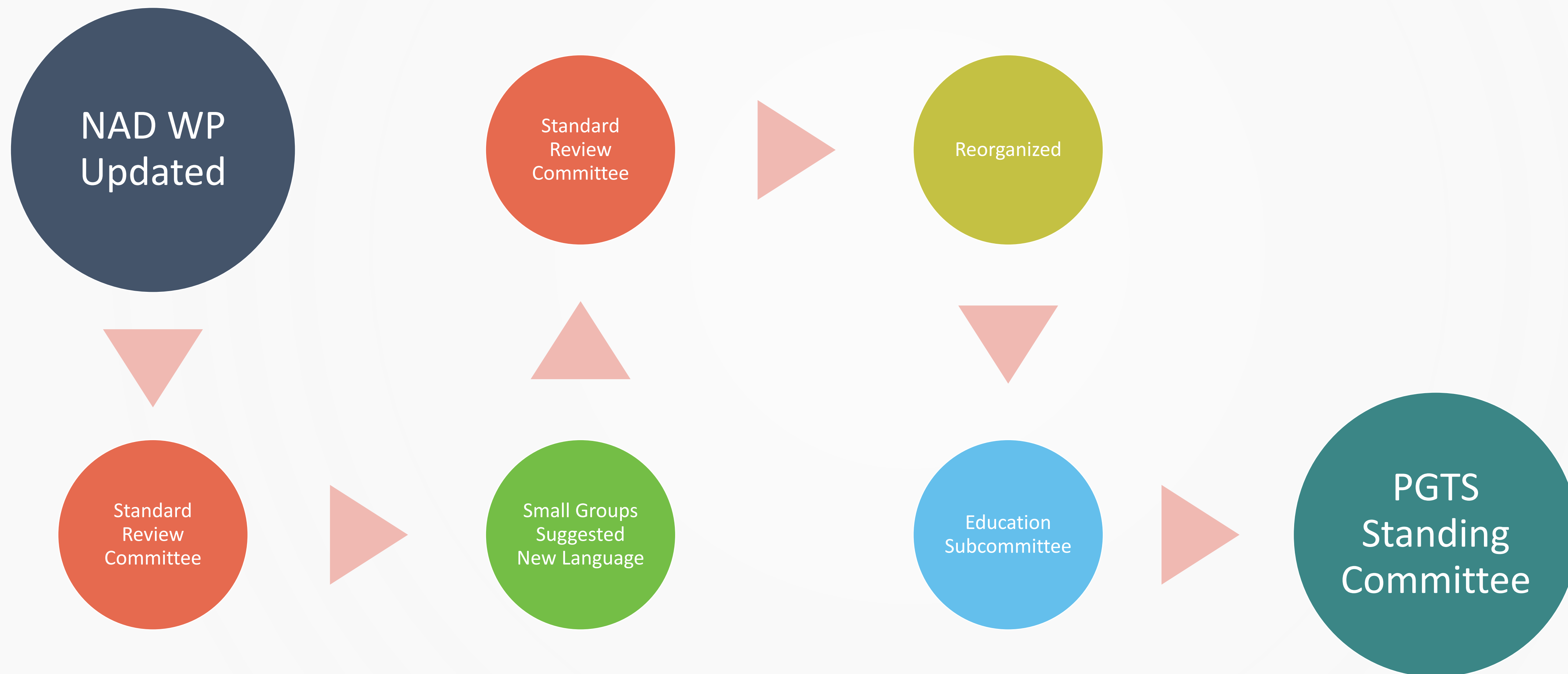
MITIGATE RISK



**MAINTAIN
CREDIBILITY &
CONFIDENCE**

What Purpose do the Standards Serve?

Revision Process



Where to Find the Standards?



Staff
Webpage

Working
Policy
Standards

PGTS
Accreditation
Standards

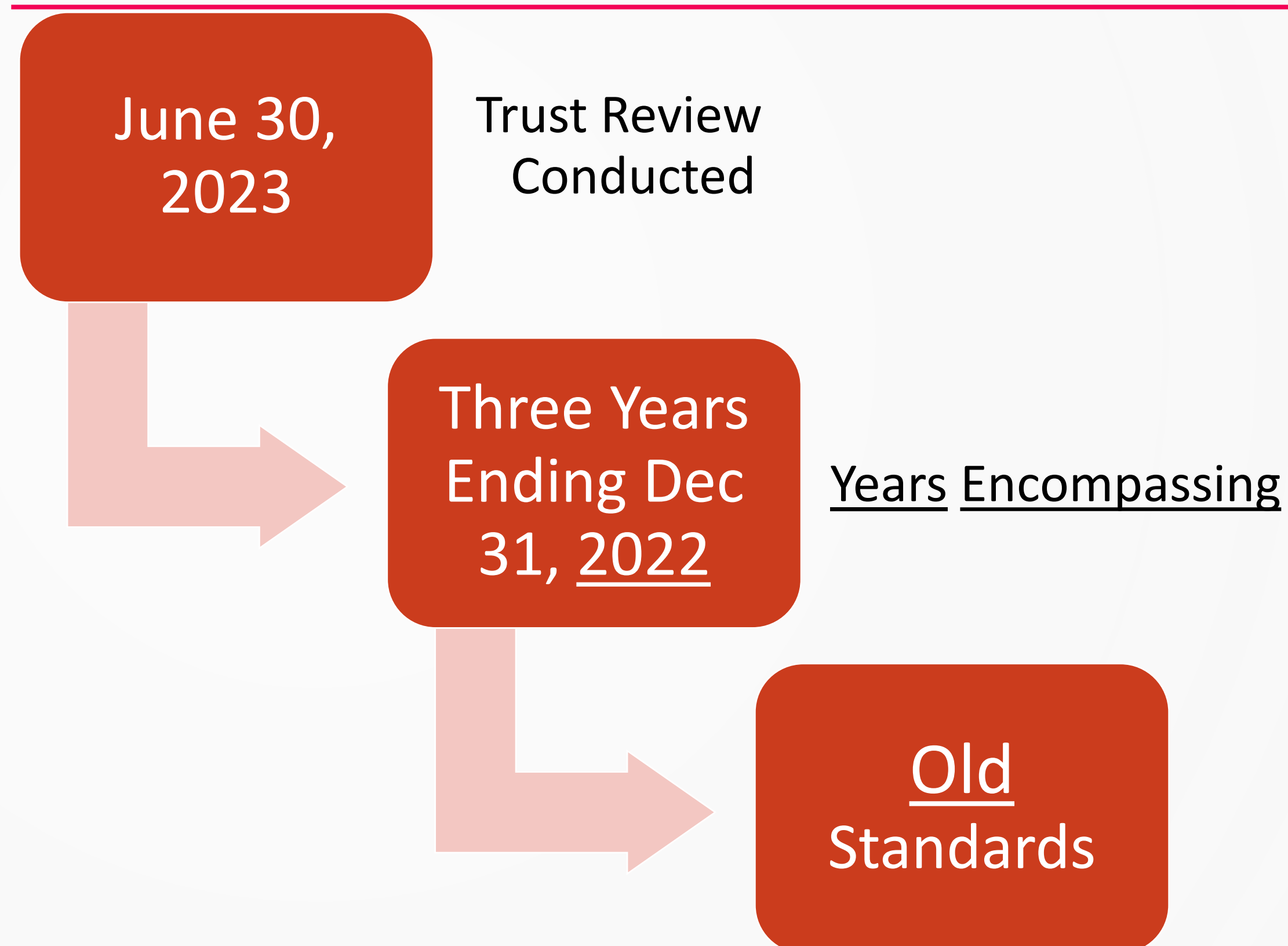
<https://staff.willplan.org/working-policy-standards-manual/pgts-accreditation-standards>

Effective Date*

January 1, 2023

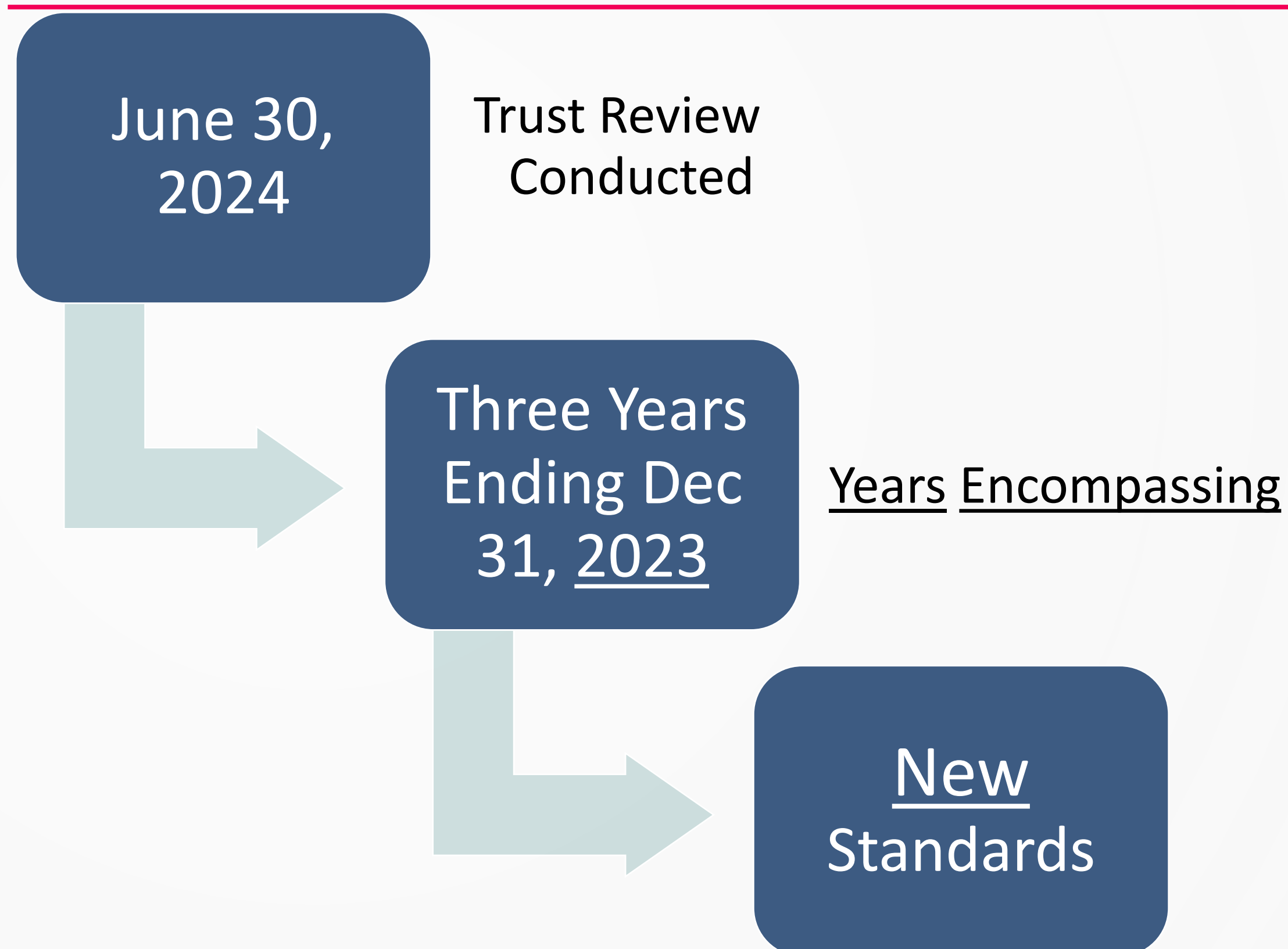
***Early Adoption Allowed**

Years Encompassing is Key*



*Early Adoption Allowed

Years Encompassing is Key*



*Early Adoption Allowed

Subcategories

Personnel

Professional Advisor(s)

Managing Gifts

Office Operation

Accreditation

Fiduciary Duties

Trusts

Reference & Level of Service

Standard 1 – Certification

All Planned Giving & Trust Services (PGTS) personnel, including appropriate accounting/treasury staff, should begin the certification process within one year, and complete the process within two years, of beginning to perform any discretionary trust/estate management or development functions. **(NADWP S40 25) [PGO, PGP, PGTS]**



(NADWP S40 25) [PGO, PGP, PGTS]



Poll Question?

**How Many
Standards Apply
to a PGO Level of
Service Program?**

Levels of Service



All 50
Standards
Apply

**Planned Giving
& Trust Services**



25
Standards
Apply

**Planned Giving
Plus**



7
Apply

**Planned Giving
Only**

Estimated Average Trust Review Cost

Based on Program Size 2022

<u>Program Size</u>	<u>Estim Days</u>	<u>Estim Hrs</u>	<u>Ave Rate</u>
Will Only (custodian)	2	19	\$2,599
Will Only	4	38	\$5,198
Small Trust	8	76	\$10,397
Medium Trust	12	114	\$15,595
Large Trust	16	152	\$20,794
Large & Complex (low)	20	190	\$25,992
Large & Complex (med)	27	260	\$35,568
Large & Complex (high)	35	330	\$45,144

Note:

Be mindful, in addition to the type of program, the cost can also vary based on availability of client's personnel, organization of files and accounting.

New Standards = 6

#7

HIPAA

#11

Philanthropy Protection Act

#16

Gift Acceptance Policy

#17

Returning Original Documents

#18

Invalidating Wills

#23b

Electronic Files

Standard #7 – HIPAA

An opinion has been obtained from an attorney licensed to practice in the applicable jurisdiction regarding the implications of the Health Insurance Portability and Accountability Act (HIPAA) and appropriate actions for the organization when serving as a fiduciary, successor fiduciary, attorney-in-fact, and any other related activity. [PGTS]

Standard #11 – Philanthropy Protection Act

All disclosures required under the Philanthropy Protection Act of 1995 are provided to each applicable donor at the time of donation. [PGP, PGTS]

Standard #16 – Gift Acceptance Policy

The organization has a PGTS gift acceptance policy approved by governing board or committee. [PGO, PGP, PGTS]

Standard #17 – Returning Original Documents

Written requests are obtained and appropriately verified by a method approved in writing by legal counsel who is authorized to practice in the applicable jurisdiction for the transfer or return of any original legal documents. [PGP, PGTS]

Standard #18 – Invalidating Wills

To consider a will no longer valid documentation must be in the file approved by legal counsel who is authorized to practice in the applicable jurisdiction.
[PGP, PGTS]

Standard #23b – Electronic Files

Electronic files held in a fiduciary capacity and other legal documents are properly backed up and secured per organizational policy approved by the governing board or committee and legal counsel. [PGP, PGTS]

Clarifications = 11

#2

COI Statements

#9

Hazardous Waste Assessment

#12

Trust Investment Instructions

#21

Organizing Files

#23a

Storing Files

#31

Death Certificates

#36

List of POAs

#37

Reviewing Files

#39

Accounting Non-cash Assets

#45

Authorizing Trustee

#46

Substantial Benefit



Poll Question?

Which Standard
Consistently Has the
Highest Number of
Deficiencies in Trust
Reviews?

Clarifications = 11

#2

COI Statements

#9

Hazardous Waste Assessment

#12

Trust Investment Instructions

#21

Organizing Files

#23a

Storing Files

#31

Death Certificates

#36

List of POAs

#37

Reviewing Files

#39

Accounting Non-cash Assets

#45

Authorizing Trustee

#46

Substantial Benefit

Standard #2 – Conflict Of Interest Statements

Current signed conflict of interest statements are on file for the controlling board/committee members and all PGTS personnel performing any discretionary trust/estate management or development functions.
(NADWP E 85 25 and S 85 20) [PGO, PGP, PGTS]

Standard #9 – Hazardous Waste Assessment

When real properties are accepted into trust or in other instances where legal title is taken (either in a fiduciary or non-fiduciary capacity) on behalf of the trust or estate on or after January 1, 1993, an investigation is made regarding hazardous waste. The organization's legal counsel licensed to practice in the applicable jurisdiction shall direct and approve the appropriate level of environmental review. (NADWP S 55 20) [PGO, PGP, PGTS]

Standard #12 – Trust Investment Instructions

All revocable trusts where the organization is serving as trustee are separately invested at the specific written direction of the trustor(s). Written directions from the trustor(s) are obtained for all investments of specifically invested revocable trusts. (NADWP S 40 16)
[PGTS]

Standard #21 – Organizing Files

All files held in a fiduciary capacity, including Charitable Gift Annuities, are properly organized and subdivided. [PGP, PGTS]

Standard #23a – Storing Files

All physical files with current or potential fiduciary duties and all current legal documents are kept in properly secured fire-resistant files/vaults. All other fiduciary files and non-current legal documents are kept in safe and secure files.

Standard #31 – Death Certificates

When a trustor, testator, annuitant, or beneficiary with a vested interest dies, a copy of the death certificate or other appropriate evidence of death is obtained. [PGP, PGTS]

Standard #36 – List of POAs

A list is maintained of all Powers of Attorney held by personnel performing any discretionary functions employed by the organization. This list will include present and future responsibilities. This list shall also include the extent of, or limitations on the powers of attorney. [PGTS]

Standard #37 – Reviewing Files

Physical files held in a current fiduciary capacity are reviewed **at least every 5 years** to verify that the files include all necessary documentation. [PGTS]

Standard #39 – Accounting Non-cash Assets

All non-cash assets are consistently recorded in the accounting records as follows:

a. All non-cash assets held in irrevocable trusts (e.g. unitrusts, annuity trusts, matured revocable trusts or estates) are consistently recorded in the accounting records at fair market value when the asset is placed in the trust or the estate.

b. All non-cash assets held in revocable trusts (or other grantor trusts) are consistently recorded at trustor's income tax (cost) basis (a signed statement from the trustor is acceptable for this purpose). [PGTS]

Standard #45 – Authorizing Trustee

All trusts **when the organization is trustee or successor trustee** are specifically authorized by the appropriate board or committee. (NADWP S 40 50) [PGTS]

Standard #46 – Substantial Benefit

Trust agreements **when the organization is trustee or successor trustee** are written only when the denomination will substantially benefit from such agreements, with the nature of the assets, size of the estate, cost of servicing the trust, and other factors being considered in determining the feasibility of entering into such agreements. (NADWP S 40 50)
[PGTS]

Substantive Changes = 2

#1

Certification

#40

Annual Reports

Standard #1 – Certification

All Planned Giving & Trust Services (PGTS) personnel, including appropriate accounting/treasury staff, should begin the certification process within one year, and complete the process within two years, of beginning to perform any discretionary trust/estate management or development functions. (NADWP S40 25) [PGO, PGP, PGTS]

Standard #40 – Annual Reports

Reports to trustor(s) and current beneficiaries are issued at least annually and include both a statement of trust assets and income/activity. At least one report should be a composite report reflecting all assets held in the trust and all income activity for the year. These may be mailed or transmitted electronically in a secure manner. [PGTS]

Questions

