

Where did all the gifts go?

GIFTS IN WILLS TRACK

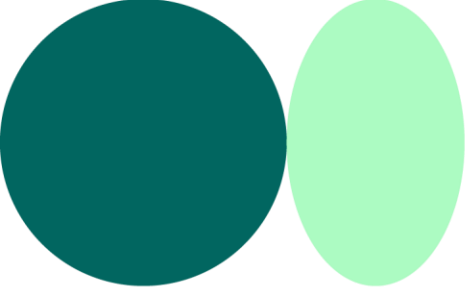
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Médecins Sans Frontières Australia and Bequest Assist



Gifts in Wills Track
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Have you ever wondered what happened to a promised gift in will?

The project

- Research into confirmed bequests that have never materialised
- Gifts in Wills are worth possibly \$2 billion annually to Australian charities
- Can charities rely on their “confirmed bequestor” pipeline?
- How big of a problem are missing gifts?





Missing gifts

- The will is misread, and one or more charities are missed
- The will is destroyed/lost, resulting in the deceased being found intestate
- The solicitor or executor does not pay some or all beneficiaries
- The solicitor or executor post a cheque in the mail, and it is lost



Project design

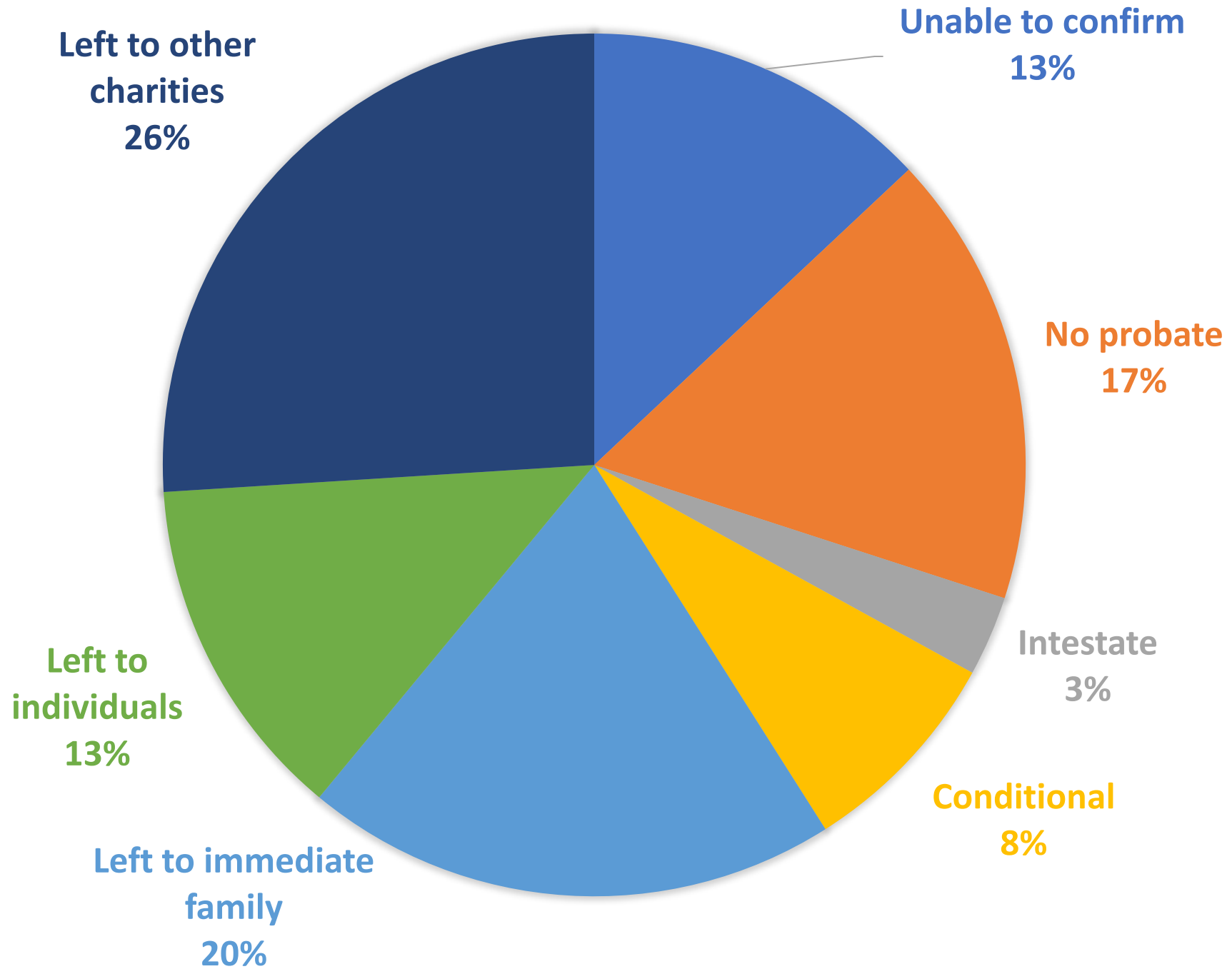
- **Pilot project**
- **14 charities**
- **Victoria**
- **Individuals deceased between 2016-2021**
- **Also looked at 4000 estates in the Bequest Assist system**



Records checked

- 585 confirmed bequestors searched
- 60 = bequest acknowledged
- 433 = bequest denied



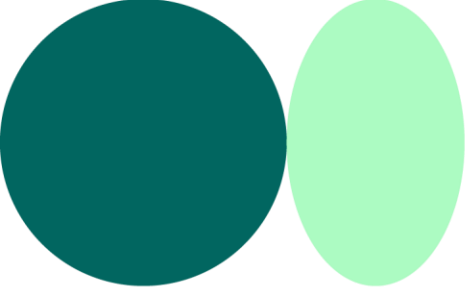




The missing gifts

- 8 missing gifts for participants, 16 overall
- \$15,000 recovered so far
- Would have never paid otherwise
- Other “missing gifts”
- Estimate that 1% of your GIW are missing gifts





\$20 million per year

Discoveries

- Charities often have the same confirmed bequestor
- 1.5 years on average to realise bequestor was deceased
- Data cleanliness made this exercise difficult for some charities



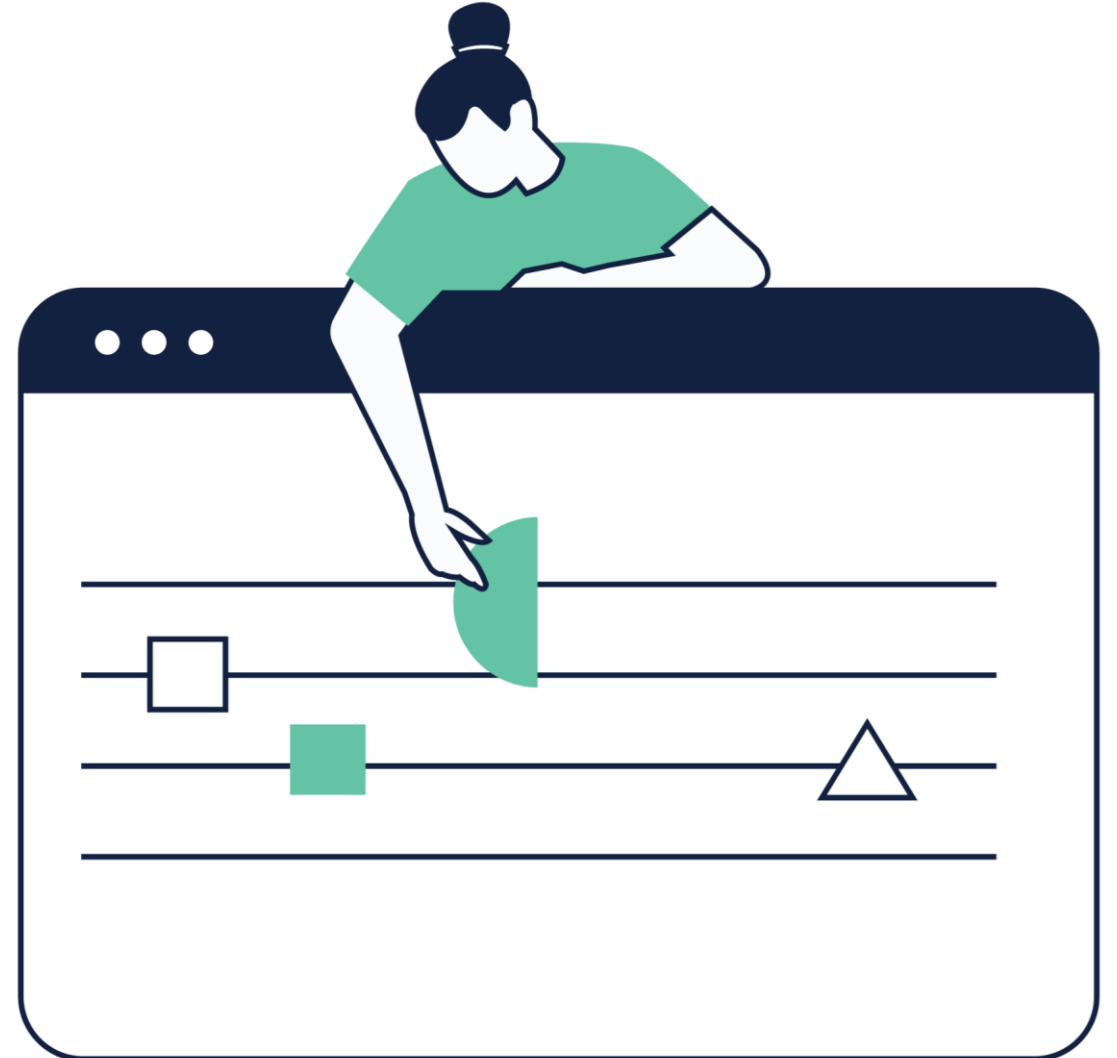
Implications for charities: pipeline

- 35% of confirmed bequests do not materialise – varies between charities
- Data cleanliness and accessibility
- Sub-classifying confirmed bequestors
- Consistency in use of terms



Deceased record keeping

- Risk of not realising that a donor/bequestor is deceased
- Australian Death Check



Bequestors with spouses

- Majority of time, entire estate left to spouse with no provision for charity
- Sometimes a conditional gift for charity
- Potential to engage spouses





Managing confirmed bequestors possibly deceased

- Charities should decide if they want to track
- Benefits: catch missing gifts, proactively handle CGT, improve forecasting and data
- Can search probate in every state and territory
- Can purchase or access wills in every state and territory

Médecins Sans Frontières' response

- Data cleansing
- Investment per individual
- Qualifying confirmed bequestors
- Be mindful of materials being provided to potential bequestors



Take aways

- You may want to track probate for confirmed bequestors who you believe are deceased
- Good notes now means easier decisions later
- Hard to tell which estates are most at risk
- Probate reform is needed



Other missing income

- Capital Gains Tax
- Excessive commissions and fees
- Solicitor/executor error
- Delayed or dishonest handling



Next steps

- *Include A Charity and Philanthropy Australia* sponsoring a country-wide study this year
- **Be in touch if you'd like to participate!**





Bequest Assist

BEQUESTS PROMISED VS BEQUESTS REALISED

Better understanding what happens to
confirmed gifts in wills that don't materialise

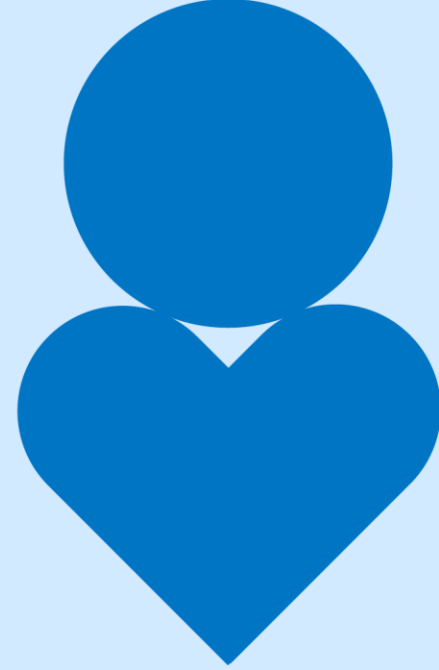
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Thank you



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