
**“Legacies Quest”
A Proposal for Legacies Administration Outsourcer**

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Proposal

The UK has the fourth largest charity sector in the world. The sector has exhibited steady growth ahead of GDP over two decades, but there are signs of growth slowing or stopping, hence charities are paying more attention to structured fundraising, cost control and proving evidence of their worth. Legacies are important to the sector, from some 250,000 wills that enter probate each year, 13% bequeath an estimated £1.2 billion to charity. Charities are demanding that legacy administrators demonstrate increased efficiency and more effectiveness in their roles.

Legacies fundraising is a sensitive marketing problem, but legacies administration - what is there to manage? Actually quite a bit, viz.:

- ◆ identifying wills where the charity is a named beneficiary and tracking the future income, crucial to cashflow;
- ◆ applying for awards from discretionary legacies;
- ◆ handling the legal process, particularly dealing with the solicitors handling estates and, infrequently, commissioning solicitors to pursue claims.

Well-handled, legacies administration can significantly improve cashflow, increase certainty, reduce legal costs and inform and improve fundraising. There is even an Institute of Legacy Management formed in 1999, based in Peterborough. Yet the legacies administration role is none-core, frequently leading to part-time responsibilities which are not taken seriously. Much of the role is providing management information, a tedious process which has only been automated in a few larger charities. Many charities use junior administration staff when in fact they could gain extra value by outsourcing the work to a practitioner with legal knowledge and supporting processes.

Moreover, charities find themselves in a sensitive position when handling disputed cases. Obstructive solicitors are often close to the family or friends of the deceased. In these situations charities frequently find themselves hampered by their culture while the legacy is diminished or delayed. An independent, external provider can pursue a charity's rights more strongly.

Z/Yen proposes to form an organisation focused on processing legacies that would provide outsourced services for charities, provisionally named Legacy Quest. Legacy Quest would:

- ◆ notify charities of legacies through e-mail reports and a management information system (MIS) run on a remote, ASP basis. These reports would be tailored to fit a typical finance director's requirements;
- ◆ process all of the relevant documentation with courts and solicitors;
- ◆ notify charities of available discretionary legacies and, where requested, assist with applications;
- ◆ in the event of legal action, pursue the charities' interests on their behalf.



Legacies Quest Proposal

Legacy Quest would benefit charities by taking a non-core area and improving both the amount received (typically about X% of the monies bequeathed can be moved by active management up to Y%) by applying professional advice and speeding up the process (active management of legacies typically reduces the time taken from nearly three years to 20 months). Legacy Quest would also reduce processing and administration costs through appropriate use of resources, full-time staffing and automation. Legacy Quest would perform this service on the charities' behalf, i.e. with no rights whatsoever over the legacies. However, if financial institutions were convinced of the information control and the effectiveness of administration, Legacy Quest might be able to assist financial institutions to lend monies against future legacy cashflow as a form of security.

Next Steps

This document is designed to initiate conversation. Z/Yen is interested in exploring these issues further with all parties. Please contact Michael Mainelli, Director, Z/Yen Group Limited, Michael.Mainelli@zyen.com