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Practical Planned Giving Marketing Ideas for All Fundraisers

# Planned Giving tomorrow

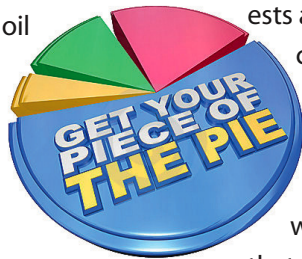
## Underground Revenue?

### Don't Overlook Gifts of Mineral Interests!

by Betsy Suppes

Fracking is a fundraiser's best friend.

Why? Because, regardless of opinion on the rights and wrongs of drilling for oil or digging for coal, there is significant, endowment-building value in mineral interests.



### And if you don't grab it, some other nonprofit will.

Colleges and universities have had mineral interests in their endowment portfolios for years. The University of Texas has one of the largest endowments in the United States, and its portfolio includes mineral interests such as oil and gas. Still, this concept may be new to advancement offices in states which (unlike Texas) have traditionally had little oil and gas production.

The definition of "mineral interests" varies from state to state. For example, in Pennsylvania, mineral interests include all minerals, oil, gas

and coal. In some states, mineral interests may refer to non-hydrocarbon minerals. In other states, oil and gas interests are separated from coal or ore.

A search of college and university advancement websites reveals that most schools ask for traditional gifts such as life insurance, stocks, or bequests. Some advancement websites may suggest non-traditional gifts, e.g. real estate or works of art, to be considered, but very few schools actually promote gifts of mineral interests.

Starting the conversation can be as simple as adding a line like "Gifts of gas, oil and mineral rights may be accepted," to your advancement website.

Once an alumnus has made the decision to make a gift of mineral interests, the school advancement office then needs to determine the value of that gift. Oil, gas and mineral interests generate an income stream in two ways:

- A land bonus which is paid prior to drilling a well, and
- Royalty payments that are paid if a successful oil or gas well is drilled.

Generally, oil, gas and mineral interests should generate at least \$3,000 a year in income. If the land has not been drilled, and no one has leased the land, the school needs to have the land appraised in respect to the potential income that could be generated.

The advancement office should contact a qualified appraiser who can advise the advancement office. This appraisal represents a crucial step towards getting the most out of any potential gifts of mineral interests. With the recommendations from the appraiser, the college can then monetize this gift.



Betsy Suppes is a petroleum geologist and a qualified appraiser.  
bsuppes@forgedalegeo.com  
www.forgedalegeo.com