

Charitable Gift Annuity (CGA) – Policies and fee schedule

CHARITABLE GIFT ANNUITY POLICIES

NCF will issue: Immediate, deferred, and flexible deferred CGAs (The youngest age that a CGA can begin to make payments to an annuitant is age 50)

One and two life CGAs

Joint and survivor CGAs

Consecutive lives CGAs

Minimum CGA amount is \$25,000 for cash or publicly traded securities

NCF will issue: State charitable solicitation registration requirements

State CGA registration requirements

State fund balance and investment restrictions

State required reporting

The “Clay Brown Rules” regarding the design and issuance of CGAs and the 10% charitable requirement

- NCF will accept cash, unrestricted publicly traded securities, qualified charitable distributions from an IRA, and other assets to fund a CGA.
- NCF will use the American Council on Gift Annuity recommended rates or lower.
- NCF will require all charities to enter into a CGA Engagement Agreement.
- NCF will make quarterly, semi-annual, and annual annuity payments.
- Payout start dates for immediate and deferred CGAs will be at the end of each period on March 31, June 30, September 30 or December 31.
- NCF may choose to purchase a commercial annuity to back some or all of the liability created by a CGA and reserves the right to do so at its discretion.
- NCF will, if a CGA is reinsured, place the present value of the future gift in the charity’s Ministry Fund

FEE SCHEDULE

- If the CGA is reinsured, after the reinsurance cost is covered and after credit to the charity's Ministry Fund of the future gift's present value, NCF retains the net remaining balance. In the event the reinsurance cost would cause NCF's remaining balance to be less than \$500 or 1% of the funding amount (whichever is greater), your ministry's NCF Giving Fund portion will be reduced so that NCF may retain the greater of \$500 or 1% of the funding amount.
- If the CGA is not reinsured, NCF's fee is \$250 per annuity (set-up fee) and 1% annual ongoing admin fee, both borne by the invested assets of the annuity.
- The amount retained or the fee charged goes towards covering the ongoing cost of providing CGA administrative services for the life of the annuitants and towards building a liability reserve fund to equip NCF to handle future lawsuits that may arise regarding split interest gifts.