**CHARITABLE GIFT ANNUITY POLICIES**

In recognition of the importance of charitable gift annuities as part of the fund development program of ABC Charity (hereinafter “the Charity) and in an effort to ensure that gift annuities are beneficial both to donors and to the Charity, the following policies are adopted:

1. The Charity’s gift annuity program shall be conducted in compliance with all applicable requirements of federal and state laws, including the laws of any states where the Charity may issue gift annuities to donors.
2. The Charity will issue both immediate and deferred gift annuities. The deferred annuities may have either a fixed or flexible payment-beginning date.
3. The annuity rates offered to donors by the Charity in connection with gift annuity contributions shall be those suggested from time to time by the American Council on Gift Annuities, although in any given instance a donor may agree to a rate lower than the rate then offered by the Charity. When a donor agrees to a lower-than-published rate, this fact should be documented either by an addendum to the gift annuity agreement (as required in California) or by a signed consent form or memorandum in the file.
4. The minimum contribution for a gift annuity shall be $10,000 [*Note:* *The minimum could be higher or lower, but it is recommended that it not be lower than $10,000, unless the donor is establishing multiple annuities that are similar to each other.*], though the Gift Acceptance Committee may approve a smaller amount in some circumstances, such as when the donor is establishing a number of substantially similar gift annuities.
5. If the proposed contribution for an annuity will exceed $500,000, or if a proposed contribution plus contributions for previous annuities on the life (lives) of the same annuitant(s) will exceed $500,000, the Charity, upon recommendation of the Gift Acceptance Committee, may reinsure all or a portion of the payment obligation, consistent with the requirements of any applicable state laws. [*Note:* *A charity may want to set the threshold at a different level, but it is a good idea at least to consider reinsurance in these cases in order to limit risk, especially if the contribution(s) would constitute a significant percentage of the total gift annuity reserve fund.*]
6. Gift annuity payments may be made to one person for life or to two persons, either concurrently or successively, for life.
7. In the case of an immediate gift annuity, the minimum age of the annuitant of a one-life annuity, or the younger annuitant of a two-life annuity, shall be 65. Any exceptions must be approved by the Gift Acceptance Committee. [*Note:* *A charity could have a younger or older age minimum, but caution should be exercised in adopting a lower age minimum in consideration of the time horizon before actually realizing the gift.* ]
8. In the case of a deferred gift annuity, whether the payment-beginning date is fixed or flexible, the minimum age of the annuitant of a one-life annuity, or the younger annuitant of a two-life annuity, at the time that contribution is made shall be 55; the minimum age at the time payments begin shall be the same as for immediate annuities, 65. Any exceptions must be approved by the Gift Acceptance Committee. [*Note:* *Again, the minimum age could be younger or older, but a younger minimum age is not recommended. Nevertheless, one of the exceptions the Gift Acceptance Committee might make would be in connection with the issuance of a so-called “college annuity” on the life of a child.*]
9. Annuity payments shall ordinarily be made quarterly at the end of each calendar quarter, although at the request of the donor they may be made semi-annually or annually at the end of the period. Monthly payments require the prior approval of the Gift Acceptance Committee and the Chief Financial Officer.
10. Gifts of cash and marketable securities that are in accordance with the above policies do not require approval of the Gift Acceptance Committee. A gift annuity funded with any other property must be approved by the Gift Acceptance Committee. Such approval should not be granted unless steps are taken to minimize the risk to the Charity.
11. The Finance Committee [*or other appropriate committee designated by the governing board*]*,* shall approve the asset allocation of the gift annuity reserve fund(s) with the objectives of (1) realizing a net total return on gift annuity reserves that equals or exceeds the net-return assumption on which the American Council on Gift Annuity suggested rates are currently based and (2) minimizing investment risk and volatility. It is expected that fixed income investments will constitute a higher percentage of gift annuity reserves than of the Charity’s endowment.
12. In managing its gift annuity program, the Charity may employ agents and advisors to assist with various aspects of operating the program. In particular, the Charity may delegate to other entities the administration of gift annuities and the investment of assets held in the gift annuity reserve fund(s).
13. These policies shall be reviewed periodically, and may be amended at any time by *[the Board/Finance Committee]*.

Adopted by the *[Board/Finance Committee]* of ABC Charity on the \_\_\_\_\_\_ day of \_\_\_\_\_\_\_\_ 20\_\_.

[*Note:**The actual name of the charity should be substituted for “ABC Charity,” and the short name for the charity should be substituted for “the Charity.” Also, the charity may refer to its Gift Acceptance Committee by a different name. Obviously, these sample policies should be adapted and customized for the institution.*]