

Top Tips to Avoid Trouble

State Charitable Gift Annuity Registrations and Annual Filings

By Edie Matulka and Julie Goldenberg Hay


Over the last few years, almost all states have stopped requiring hard copy submissions, both for initial registrations and annual filings, and instead accept documents via email or filing portals. While changes in work arrangements as a result of Covid undoubtedly spurred this along, some of this transition was already in process, a result of states reviewing/revisiting their filing procedures.

The last few years also seem to have brought increased scrutiny from states, in areas as varied as disclosure language in marketing materials, content of gift annuity agreements, the manner in which reserve assets are held, and more rigid adherence on annual report requirements. This might be a result of staffing turnover within the agencies, concern over the effect investment returns might be having on reserve accounts, or a sense that charities have become more lax in their oversight and compliance efforts. Whatever the reason, it seems a good time for some reminders to help avoid trouble spots when submitting initial state registrations and annual filings.

Initial Gift Annuity Registration:

 **Read the instructions and respond to each of the questions being asked or documents being requested.**

While some items may seem unnecessary to you, each state feels that what it asks for serves a purpose.

 **Depending on the state, you may need information not only from the Development/Planned Giving office, but the finance and legal departments as well.**

Be sure everyone is on board and understands broader actions that may be required, such as a Board resolution or setting up and funding the gift annuity reserve account(s).



If you're unsure about what's being requested, reach out to the contact person at the state in advance of submission.

Understanding it upfront saves time in having to redo forms or going back to re-request internal documents. We have found most reviewers to be very responsive to questions.



After submission, don't be surprised if further information is requested.

It is common to receive follow-up questions after the initial review of the application, particularly in the more complex states. They might just be seeking clarification on something previously submitted, but sometimes it can seem like a new line of inquiry. While specific statutory requirements change infrequently, particular concerns and/or areas of emphasis within those requirements change more often.



Once approval has been received, take note of ongoing filing requirements.

Create a system that flags which states have such a requirement, when they are due, and how they are to be submitted. If a filing portal is used, the state will provide information on setting up your account. Complete that process at that time – don't wait until you're trying to get your first filing submitted.

Annual Filing:



Read (or reread) the instructions, particularly for the more detailed filings.

Don't just intuit how it seems things should be reported on the form. If you've submitted filings previously, be prepared that variances from the instructions that may have been accepted in the past might "out of the blue" prompt comment and requests for revision.



As with initial registrations, information may be needed from different departments in order to complete the filings.

Create an internal checklist for what is needed and from whom; review and update annually as part of the filing process, taking into account changes in staff, financial institution holding reserves, and/or questions that may have come from the state. Whoever is coordinating the process may want to give advance notice to applicable people as the reporting time approaches.



As applicable, and before the end of the reporting period, check that the reserve fund is adequately funded and (for CA and FL) appropriately invested.

This allows for any necessary adjustments to be made prior to the period end, rather than after the fact.



Pay attention to emails/announcements sent out by the states.

Yes, sometimes you'll receive one that's not applicable to CGA issuers, but sometimes it will provide pertinent info on a change in form or process.



Document submission vs. renewal fees.

The actual substantive reporting may be due on a fixed date for all organizations or a certain number of days after fiscal year end. Some states may require supplemental information – such as an audited financial statement or Form 990 – at other points in the year. Renewal fees may be connected to the substantive reporting, or they may have their own set due date. Be sure to set tickle dates for all components of the filings and renewals.

CGA State Registration



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Need help with your gift annuity state registrations and annual filings? Schedule a conversation with us to see how PG Calc can help.

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