

## A Partnership Program to Offer Gift Annuities to Your Donors



THE  
Vermont  
Community  
Foundation

The Vermont Community Foundation offers nonprofit organizations that have a reserve or endowment fund with us a turn-key planned giving program, and our staff will work with you and your donors to arrange any of these gift vehicles. The program requires no upfront investment, additional staff training, or organizational liability. We handle all of the administrative and tax reporting details for you.

To participate in our partnership program, nonprofits must have their principal offices located in the state of Vermont and must be willing to adhere to the guidelines which we have developed for this program.

### **Who is eligible for a charitable gift annuity (CGA)?**

For a regular CGA – the youngest beneficiary must be at least age 60.

For a Deferred Payment CGA – the youngest beneficiary must be at least age 21.

### **What is the minimum gift amount?**

\$25,000 with a choice of quarterly or annual payments.

### **How can a charitable gift annuity be funded?**

Gift annuities can be funded with cash or marketable securities.

### **What rate schedule is to be used?**

The rates suggested by the American Council on Gift Annuities are the maximum rates available, except in special circumstances. Lower rates are acceptable if agreed to by the Vermont Community Foundation and the donor.

### **How frequently will the Community Foundation make payments to annuitants?**

Quarterly is the preferred frequency. An annual payment is the alternative.

### **When will payments be made?**

Quarterly payments will be made at the end of February, May, August, and November. Annual payments will be made at the end of August.

CONTACT US: Jane Kimble | [jkimble@vermontcf.org](mailto:jkimble@vermontcf.org) | 802-388-3355 ext. 286

### **How will the gift annuity be invested?**

The Vermont Community Foundation works with TIAA Kaspick as an investment manager. TIAA Kaspick manages one of the largest portfolios of planned gifts in the country. The firm is recognized nationally for the quality of its services and for bringing to planned gifts the sophisticated portfolio management strategies used today by leading endowments. We can provide you with additional information for specific investment pools upon request.

### **Who will provide tax information to the donor, annuitant and the IRS?**

Tax information (such as 1099-R forms) will be prepared and distributed by TIAA Kaspick on behalf of the Vermont Community Foundation.

### **What is the process used to purchase a gift annuity?**

1. An application form must be completed and signed by the donor.
2. The disclosure statement on the reverse of the application form must be noted.
3. The donor must be made aware of the latest Vermont Community Foundation financial report.
4. The annuity agreement will be signed by both the Vermont Community Foundation and the donor.
5. The Vermont Community Foundation will provide the donor with a packet of information with suggestions on how to report the gift on the donor's income tax return.

### **What fee will be charged to administer gift annuities?**

An annual fee of 78 basis points (0.78%) of the account value is charged against each annuity account. This fee is a combination of gift administration fee and the Vermont Community Foundation supporting fee.

### **What fee will be charged for investment management?**

The annual investment management fee is approximately 1.13%.

### **What is the Community Foundation procedure when the annuitant dies?**

After the death of the last annuitant for a gift annuity issued on behalf of a nonprofit organization, the Community Foundation will add the remainder of the annuity to an existing designated fund or create a new one that benefits the nonprofit organization. The nonprofit will then receive an annual distribution from the fund in accordance with the Community Foundation's regular distribution policies.

**CONTACT US:** Jane Kimble | [jkimble@vermontcf.org](mailto:jkimble@vermontcf.org) | 802-388-3355 ext. 286