



THE UNIVERSITY AT ALBANY FOUNDATION

Frequently Asked Questions

Q: Why is University at Albany Foundation (UAF) offering to manage the Charitable Gift Annuity Program?

A: UAF has a well-established Charitable Gift Annuity program with the processes in place and appropriate funds set up. UAF had been chosen by the SUNY Research Foundation to manage the program.

Q: What is Foundation's management fee to administer this program?

A: UAF does not charge a management fee to administer this program. The Program is offered as a service to all other SUNY-related institutions.

Q: What happens if the individual outlives the value of the annuity?

A: Gift annuity programs will have some annuity contracts that will 'run dry' of available funds prior to the end of the annuitant's life. (In other words, the balance in the assets to support the related payout will be fully expended and the account will reach zero before the death of the sole or surviving annuitant.) As the related payments must continue for the life of the annuitant(s) [College Foundation] will be required to fund these payments over the remaining term of the annuity contract. It is the obligation of [College Foundation] to prepay to UAFoundation the annual annuity amounts.

Q: What are the programs investment management fees?

A: UAF does not currently charge a management fee for each gift annuity; UAF reserves the right in the future to charge a fee that would be calculated on the annuity's quarterly fair market value based on an annual rate. Fees would be paid to UAF by reducing the amount distributed to the campus at the conclusion of the annuity contract.



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Q: How is a Charitable Gift Annuity included in Fundraising or Campaign reporting?

A: Per the University at Albany Campaign Credit Policy, when producing annual and campaign fundraising reports, a CGA is counted in the Planned Giving category at Face Value. A CGA is dated using the date the funds were received. The contribution is counted in the appropriate campaign or annual fund report according to this date.

Q: How are Charitable Gift Annuity contributions reported externally?

A: UAlbany reports fundraising activity on an annual basis to the Voluntary Support of Education (VSE) survey administered by CASE. Charitable Gift Annuity contributions are reported as Deferred Giving in Section 3c of the survey along with Charitable Remainder Trusts, Pooled Income Funds and Remainder Investment in Property contributions. CGAs are reported at both present and face value. Two separate overall giving totals are produced in section 3d; one of these counts present value and one counts face value of Deferred Gifts.

Q: How is investment income handled?

A: Fundraising reports only consider the present value (charitable deduction at time of agreement) and face value (amount of the asset donated to create the CGA) of a CGA. Fundraising reports do not consider investment gain or loss realized by the Foundation. Fundraising reports also do not consider any CGA residuum realized by the Foundation after the donor passes. These amounts are not entered into the advancement database.

Q: Charitable Gift Annuity vs. Deferred Gift Annuity?

A: UAlbany's advancement database is able to distinguish between an immediate CGA and a Deferred CGA. Both are booked in the same fashion, and Deferred Gift Annuities are reported in the same way. Deferring a CGA payout has the effect of increasing the charitable deduction and therefore the present value is reported.