



THE UNIVERSITY AT ALBANY FOUNDATION

Charitable Gift Annuities—Gift Guidelines & Process

The University at Albany Foundation (UAF) offers a charitable gift annuity program for donors interested in life income arrangements and for those colleges and universities within the SUNY system who do not manage or administer their own program. UAF approves the establishment of each gift annuity on a case-by-case basis and is not obligated to accept all inquiries. Visit <http://www.albany.edu/uafoundation/cgap.shtml> and refer to Disclosure Statement.

The Charitable Gift Annuity (CGA)

a. General Description

A charitable gift annuity is a contract between a charity and a donor. The charity agrees to pay the donor (and/or one other person named by the donor) a lifetime annual income in return for a gift of cash or securities. The payment may continue for the life of a second individual, such as a spouse. The annual payment is a fixed sum, the amount of which is based on the size of the gift and the number and ages of the beneficiaries. Upon the death(s) of all beneficiaries, the residuum proceeds go to the SUNY campus as directed by the donor.

Gift annuities issued in New York State shall comply with New York state law and meet the disclosure requirements under the Philanthropy Protection Act of 1995.

b. Guidelines

1. The charitable gift annuity is a contract between The University at Albany Foundation (UAF) and the donor, with an addendum to the contract outlining the designation of the charitable gift annuity proceeds upon its termination. This designation will name the SUNY campus to which the residuum will be directed. Visit <http://www.albany.edu/uafoundation/cgap.shtml> to complete the *Proceeds Instruction Form* as part of the gift annuity contract.
2. UAFoundation will make every effort to ensure the Program is conducted in compliance with applicable federal and state requirements and any noncompliance items identified are addressed in a timely manner.
3. UAFoundation will issue both immediate and deferred gift annuities. The deferred annuities may have either fixed or flexible payment-beginning dates.
4. The annuity rates offered to donors by UAFoundation will not exceed those suggested by the American Council on Gift Annuities (“ACGA”), although in any given instance a donor may agree to a rate lower than the rate offered. When a donor agrees to a lower-than-published rate, this should be documented by an addendum to the gift annuity agreement.

5. The minimum contribution accepted by UAFoundation for a gift annuity under the Program is \$10,000. The individual campus foundation may utilize a higher threshold above this minimum as per their Foundation's Gift Acceptance Policy.
6. Gift annuity payments may be made to one person for life or 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 younger annuitant of a two-life annuity, is 60. There are no exceptions. The individual campus foundation may utilize a higher age threshold as per their Foundation's Gift Acceptance Policy.
8. In the case of a deferred gift annuity within the Program, the minimum age of the annuitant at the time of contract is 40 and if 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 payments begin is 60. There are no exceptions. The individual campus foundation may utilize a higher age threshold above these minimums as per their Foundation's Gift Acceptance Policy.
9. Annuity payments are ordinarily made at the end of each calendar quarter, although at the request of the donor they may be made semi-annually or annually. There will be no monthly payments. Annuity payments may be direct-deposited or sent by check, as directed by the donor. Visit <http://www.albany.edu/uafoundation/cgap.shtml> to complete the CGA Deposit Authorization Form.
10. A gift annuity can only be funded with gifts of cash and liquid marketable securities. UAFoundation will not accept any other consideration to fund a charitable gift annuity.
11. UAFoundation will establish and maintain a gift annuity reserve fund. The UAFoundation shall oversee the management of the fund, including the investment of fund assets. The full amount of all gift annuity contributions shall be deposited in the fund, and all earnings on fund assets shall be credited to the fund. Disbursements from the fund may be made for the following purposes: to make annuity payments; to pay for costs associated with investing and managing fund assets and administering the gift annuity program; and to make the amount of fund assets attributed to a particular annuity obligation upon satisfaction of that obligation. Disbursements for any other purposes must be approved by the UAFoundation Board.
12. The Investment Sub-committee of the UAFoundation Board will provide oversight of 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 ACGA suggested rates are currently based and (2) minimizing investment risk and volatility.

13. In managing the Program, UAFoundation may employ agents and advisors to assist with various aspects of operating the program. In particular, UAFoundation may delegate to other entities the administration of gift annuities and the investment of assets held in the gift annuity reserve fund(s). The UAFoundation reserves the right to change the agents and/or advisors. Currently, UAFoundation employs KeyBank National Association (“Key”) for such services. Key provides a variety of services including: Tax reporting to Donor (1099’s); Annuity Payments (quarterly check or ACH deposit); Gift Reserve, FASB and Market Value Reports for individual campuses upon request.
14. UAFoundation 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 UAFoundation by reducing the amount distributed to the campus at the conclusion of the annuity contract.
15. 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.
16. UAF will not establish gift annuities in California.

The Process

Do you have a prospect who might want information on a CGA?

- UAF can prepare a basic gift illustration for a SUNY gift officer to present to their donor.
- Visit <http://www.albany.edu/uafoundation/cgap.shtml> to complete a *Request for Gift Annuity Illustration*.
- E-mail the completed form to Lori Matt-Murphy, Associate Vice President, Planned Giving at lmatt-murphy@albany.edu. Please allow at least one week for response.
- Share the illustration with your prospect and explain all the benefits of this type of gift.

What are the steps if your prospect wants to move forward with a CGA?

- UAF is responsible for preparing the Gift Annuity contract.
- To ensure we have all the pertinent information, visit <http://www.albany.edu/uafoundation/cgap.shtml> to complete the *Donor Information Sheet*.
- E-mail the completed form to Lori Matt-Murphy, Associate Vice President, Planned Giving at lmatt-murphy@albany.edu. Please allow at least one week for contract to be prepared.
- UAF will prepare Gift Annuity contracts in duplicate and send to the Gift Officer. The Gift Officer must:
 - a. Secure signature(s) of donor(s).
 - b. Collect funds for the gift.

- i. Checks can be made payable to The University at Albany Foundation.
 - ii. Appreciated securities can be electronically transferred to the Foundation's account at KeyBank. Account information will be provided upon request.
 - c. Obtain copies of driver's licenses for all beneficiaries as proof of age.
 - d. Return all items to Lori Matt-Murphy to execute remaining required signatures on contract.
- Once fully completed, UAF will return one (1) original document and one copy of the document to the Gift Officer who shall hold the copy for their organization's records and give the remaining original to the donor for their records. UAF will keep the 2nd original for their records.
 - UAF will ensure that the donor receives a tax acknowledgment letter. This letter will confirm receipt of gift to the donor and outline the donor's final taxation of the gift annuity.
 - UAF will oversee the investment of the gift annuity funds, the disbursement of annuity payments to each beneficiary, and send tax forms (1099's) to donors at year end.
 - UAF does not currently charge fees to administer the gift annuity funds to cover administrative costs, investment management fees, accounting costs, or fees for state and federal tax compliance.

Who do I contact at the University at Albany Foundation?

For CGA illustrations, contracts, or general information:

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For investments, fees, management of funds, contact:

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