



# National Christian FOUNDATION®

## CHARITABLE GIFT ANNUITY ADMINISTRATIVE SERVICES SUMMARY

In brief, the charitable gift annuity (“CGA”) process consists of 4 phases:

- Phase 1 marketing charitable gift annuities
- Phase 2 educating interested donors
- Phase 3 issuing and implementing the CGA contract
- Phase 4 administering the annuity

National Christian Foundation is pleased to partner with ministries that are equipped to handle and enjoy the donor contact of phases 1 and 2 but would like to “outsource” the “back office” administration (phases 3 and 4) of the CGA. In such a partnership, the respective responsibilities are:

### **MINISTRY RESPONSIBILITIES – “PHASES 1 AND 2”**

- Obtain planned giving software like Crescendo ([www.crescendointeractive.com](http://www.crescendointeractive.com)) or PG Calc ([www.pgcalc.com](http://www.pgcalc.com)) for preparation of presentations and illustrations to its donors.
- Develop any CGA marketing and educational material provided to its donors. Our website offers materials that you may use.
- Identify one person to serve as the primary contact with National Christian Foundation (NCF) regarding the CGA program. This person will be able to use planned giving software and complete the educational process with a prospective donor/annuitant.
- Provide the NCF CGA Application and Disclosure form to the donor who has made a decision to proceed with a CGA and then assist the donor in its completion. Forward the completed CGA Application and contribution to NCF for processing.

### **NATIONAL CHRISTIAN FOUNDATION RESPONSIBILITIES – “PHASES 3 AND 4”**

- Receive the donor’s CGA Application form and contribution.
- Confirm the application and asset(s) contributed for the annuity are acceptable.
- Issue the CGA contract, including schedules and required state specific language.
- Issue receipt declaring tax-deductible portion.
- Forward contract and receipt to donor with cover letter explaining the contract and provide copies to the ministry.
- Invest liquidated asset(s) in CGA Reserve Fund or reinsure with a qualified insurer, and place present value of the future gift in the ministry’s NCF Single Charity Fund.
- Receive periodic funding from the CGA Reserve Fund or the reinsurer and initiate EFT transfers for quarterly, semi-annual, or annual payments to the annuitant(s).
- Prepare and mail Form 1099-R and any necessary supplemental information to the donor annually.
- File CGA registrations and notifications for NCF in those states requiring them.
- File annual reports for NCF in those states requiring them.
- Maintain required deposit reserves for those states requiring them.
- Monitor laws and IRS regulations that pertain to CGAs.
- Meet IRS substantiation requirements for gift annuities.
- Provide notification to the ministry of remainder interest upon death of annuitant (*if* the CGA was not reinsured.)

\*For the donor whose sole interest is in leaving the remainder interest to the ministry, this is accomplished by the ministry establishing a Single Charity Fund with NCF as a “receptacle” for the remainder interest; the ministry subsequently advises distribution of the remainder interest from the Fund. For the donor whose interest is to support the ministry and additional organizations, the donor may establish a Giving Fund (Donor Advised Fund) with the NCF as a “receptacle” of the remainder interest.