

# CHARITABLE GIFT ANNUITIES

## Engagement Agreement

THIS ENGAGEMENT AGREEMENT (this "Agreement") is made and entered into with an intended effective date of \_\_\_\_\_, 2025, by and between **NATIONAL CHRISTIAN CHARITABLE FOUNDATION, INC.**, a Georgia non-profit corporation and tax-exempt organization classified as a public charity pursuant to Sections 501(c)(3) and 509(a)(1) of the Internal Revenue Code of 1986, d/b/a, "National Christian Foundation" (hereinafter referred to as the "Foundation"), and **[NAME OF MINISTRY]**, a \_\_\_\_\_ non-profit corporation and tax-exempt organization classified as a public charity (the "Ministry").

### RECITALS:

- A. The Ministry desires to have the Foundation, based upon its expertise and experience in the field, issue charitable gift annuities (referred to in this Agreement in the singular as "Annuity," and in the plural, as "Annuities"), to individual residents of the United States of America that are recommended by the Ministry to the Foundation (such individuals being hereinafter referred to as "Donors");
- B. Any such Annuities issued to Donors will be evidenced by written charitable gift annuity agreements entered into by and between the Foundation and such Donor(s), the terms of which may provide for a financial benefit to the Ministry;
- C. The Foundation is willing to issue Annuities to and for the benefit of those Donors whose circumstances meet the criteria established by the Foundation for the issuance of charitable gift annuities, from time to time; and
- D. As an inducement to the Foundation to issue Annuities that may benefit the Ministry, the Ministry agrees to provide the covenants, representations and warranties as set forth herein.

### NOW, THEREFORE, the Ministry and the Foundation agree as follows:

1. **Gift Annuity Agreements.** The Foundation will enter into such charitable gift annuity agreements (the "Gift Annuity Agreements"), and issue such Annuities, as the Foundation deems appropriate and as based upon the specific life circumstances of each potential Donor. Nothing contained in this Agreement or any other verbal or written communications from the Foundation to the Ministry, shall be deemed as creating an obligation on the part of the Foundation to issue any specific Annuities to any specific Donor(s) who do not meet the Foundation's criteria, as determined by the Foundation in its sole and absolute discretion.
2. **Ministry Fund.** The Ministry will establish a Single Charity Fund (the "Ministry Fund") with the Foundation in accordance with the Policies and Guidelines of the Foundation. The Ministry Fund will be used to receive, hold, invest and distribute the future proceeds of the gift portion of any Annuities or, if reinsured, the present value of the otherwise-anticipated future proceeds of such gift portion. At the recommendation of such persons designated in writing by a duly authorized representative of the Ministry, cash proceeds held by the Foundation in such Ministry Fund may be distributed to the Ministry or invested in an investment portfolio selected by the Ministry. Nothing contained in this Agreement or any other verbal or written communications from the Foundation to the Ministry, shall be construed as a guarantee by the Foundation that the assets held in any such Ministry Fund will (i) maintain its original value, (ii) increase in value, (iii) not diminish in value, or (iv) earn a specified rate of return.
3. **Reinsurance.** The Foundation may elect, in its sole and absolute discretion, and with or without notice to, or approval of, the Ministry, to reinsure with one or more commercial insurance companies, all or any

portion of the liabilities of the Foundation created by its issuance of any such Annuities. The election by the Foundation to reinsure such liabilities may enable the Foundation to distribute to the Ministry Fund a portion of the anticipated future proceeds from such Annuities prior to the termination of the applicable Gift Annuity Agreements, and the amount of such anticipated future proceeds may be determined by the Foundation by calculating the present value (at the time of such election by the Foundation) of the estimated future remainder of such Annuity. Such present value shall be calculated using the most recent assumptions promulgated by the American Council on Gift Annuities, which currently are as follows: 1) a 50-50 blend of the 2012 Individual Annuity Reserving Table male and female mortality with no age setback with a 1% annual mortality improvement, will be utilized to determine life expectancy; 2) an assumed investment return of 6.75%; and 3) an assumed future charitable remainder value (residuum) of 50% of the original fair market value of the original funding value used for the Gift Annuity Agreement. After deducting the actual reinsurance cost and after credit to Ministry Fund of the future gift's present value, the Foundation may elect to retain the net remaining balance.

4. **Representations and Warranties of Ministry.** The Ministry hereby represents and warrants to the Foundation as follows:
  - 4.1. **Formation and Authorization to Do Business.** The Ministry is (i) duly organized, in good standing and validly existing as a non-profit corporation under the laws of the State of \_\_\_\_\_, (ii) a tax-exempt organization classified as a public charity pursuant to Sections 501(c)(3) and 509(a)(1) of the Code, and (iii) has in good standing all requisite authorizations, licenses and permits necessary to conduct its non-profit activities and fulfill its tax-exempt purposes.
  - 4.2. **Execution, Delivery and Enforceability.** The Ministry has the full legal right, power and authority required to enter into, execute and deliver this Agreement, and to perform fully its obligations hereunder. This Agreement has been duly authorized, executed and delivered by an authorized officer of the Ministry, and is the legal, valid and binding obligation of the Ministry enforceable against the Ministry in accordance with the terms hereof.
5. **Affirmative Covenants of the Ministry.** The Ministry covenants to, and agrees with, the Foundation as follows:
  - 5.1. **Tax-Exempt Status.** So long as this Agreement shall be in effect, the Ministry shall continually maintain its status as a tax-exempt organization, and its classification as a "public charity" pursuant to the requirements of Sections 501(c)(3) and 509(a)(1) of the Code, and the rules and regulations of the Internal Revenue Service (the "IRS") promulgated thereunder.
  - 5.2. **Tax-Exempt Activities.** So long as this Agreement shall be in effect, the Ministry shall conduct all of its activities and operations, and use the charitable gift portion of any Annuities distributed to the Ministry, or, if reinsured, use the present value of the otherwise-anticipated future proceeds of such gift portion, in a manner that:
    - 5.2.1. complies with all applicable state and federal laws;
    - 5.2.2. will not cause a termination of, or the commencement of a proceeding seeking to terminate, the Ministry's status as a tax-exempt organization pursuant to Sections 501(c)(3) and 509(a)(1) of the Code, and the rules and regulations of the IRS promulgated thereunder; and
    - 5.2.3. will not result in any change to, or the commencement of any proceedings seeking to change, the Ministry's classification as a public charity pursuant to Sections 501(c)(3) and 509(a)(3) of the Code, and the rules and regulations of the IRS promulgated thereunder.
  - 5.3. **Tax-Exempt Purposes.** So long as this Agreement shall be in effect, the Ministry shall continue to be organized, and use the charitable gift portion of any Annuities distributed to the Ministry, or, if reinsured, the present value of the otherwise-anticipated future proceeds of such gift portion, exclusively for any one or more of the following purposes:
    - 5.3.1. religious, charitable, educational, literary and scientific purposes, including the operation of Christian churches, schools, colleges, universities and seminaries;
    - 5.3.2. Christian missionary organizations, evangelistic ministries, and other religious ministries;
    - 5.3.3. Christian public forums or panels, public lectures or similar programs;
    - 5.3.4. museums, fine art institutions and other educational organizations or functions;
    - 5.3.5. the advancement of the principles of the Christian religion;

- 5.3.6. the advancement of Christian education;
  - 5.3.7. the advancement of science;
  - 5.3.8. the relief of the poor or distressed or underprivileged;
  - 5.3.9. the defense of human and civil rights secured by law;
  - 5.3.10. the combating of community deterioration;
  - 5.3.11. the erection or maintenance of public monuments or buildings;
  - 5.3.12. the lessening of the burdens of government;
  - 5.3.13. the obtaining of scientific information to be made available to those of the general public interested in such information;
  - 5.3.14. the aiding of the discovery of cures for diseases; or
  - 5.3.15. organizations exempt from taxation under Section 501(c)(3) of the Internal Revenue Code (or the corresponding provision of any future United States internal revenue law).
- 5.4. **Compliance With Foundation Policies and Applicable Law.** The Ministry shall (i) comply with all policies and procedures established by the Foundation, from time to time, relating to the issuance and administration of charitable gift annuities including but not limited to the written approval from the Foundation of all charitable gift annuity marketing material; (ii) comply with all laws, rules and regulations established by any state and federal governmental authorities, relating to the issuance and administration of charitable gift annuities; and (iii) provide to each Donor truthful and accurate disclosures of all material information relating to the issuance and administration of the Annuity for each applicable Donor.
6. **Negative Covenants of the Ministry.** The Ministry covenants to and agrees with the Foundation that it will not, so long as this Agreement shall be in effect:
- 6.1. **No Private Benefit or Profit.**
    - 6.1.1. Conduct any of its operations or activities, or solicit or accept any contributions of property of any kind whatsoever, in a manner that would constitute a “private benefit” or be deemed to be “private inurement” pursuant to the applicable provisions of the Code and rules and regulations promulgated thereunder, or lead to the commencement of any proceeding to apply the “Intermediate Sanction” rules under the Code to the Ministry, any Ministry Representative, or any “disqualified person” (as defined in the Code) of the Ministry, nor carry on any activity for its own profit, or for the profit of any Ministry Representative, disqualified person, or other person; or
    - 6.1.2. permit more than an insubstantial part of its activities to be not in furtherance of its exempt purposes; or
    - 6.1.3. engage directly or indirectly in any other activity that would invalidate its status as an organization exempt from federal income tax and described in Section 501(c)(3) of the Code and the rules and regulations promulgated thereunder, or the corresponding provision or provisions of any subsequent United States Internal Revenue law or laws.
  - 6.2. **Impermissible Use of Proceeds.** Allow any part of the proceeds from the sale, rental or other use of property used by the Ministry, or its assigns, for any of the following purposes:
    - 6.2.1. to attempt to influence legislation or the outcome of any specific public election;
    - 6.2.2. to carry on, directly or indirectly, any voter registration drive;
    - 6.2.3. to make grants to individuals or to other organizations, which do not comply with the requirements of Section 4945(d)(3) or (4); or
    - 6.2.4. undertake any activities for a non-charitable purpose.
  - 6.3. **Misrepresentations to Donors.** Misrepresent to any Donor(s):
    - 6.3.1. the benefits of purchasing a charitable gift annuity;
    - 6.3.2. the process of applying for, and the issuance of, a charitable gift annuity issued by the Foundation;

- 6.3.3. the tax benefits to Donors of procuring a charitable gift annuity from the Foundation, including, but not limited to, the deductibility of a portion of the amounts paid to the Foundation for the issuance of an Annuity;
- 6.3.4. the payout rate of an Annuity issued by the Foundation; or
- 6.3.5. the present value of an Annuity issued by the Foundation.

- 7. **Breach of Ministry’s Representations, Warranties, Covenants or Agreements.** In the event of the occurrence of a breach of any of the Ministry’s representations, warranties, covenants or agreements contained in this Agreement, the Foundation may refrain from distributing to the Ministry, all or any portion of the net proceeds deriving from proceeds of the gift portion of any Annuities or, if reinsured, the present value of the otherwise-anticipated future proceeds of such gift portion, and may distribute such net proceeds to any other tax exempt organization whose tax-exempt purposes are not, in any manner, antithetical to the tax-exempt purposes of the Foundation.
- 8. **Reimbursement of Expenses.** The Ministry covenants and agrees with the Foundation that the Ministry will reimburse to the Foundation any and all expenses and/or liabilities incurred and/or paid by the Foundation in connection with its ownership, management, leasing, renting and/or sale of any Ministry property. Such reimbursement by the Ministry to Foundation shall be made within twenty (20) business days of Foundation’s delivery to the Ministry of a written request for such reimbursement, which written request shall include copies of any invoices, billing statements, instruments or other documents evidencing and accounting for the amount of, and the basis for, such reimbursements. To the extent that any reimbursable expenses are not paid by the Ministry to the Foundation, the Foundation may reimburse itself from future proceeds of the gift portion of any Annuities or, if reinsured, the present value of the otherwise-anticipated future proceeds of such gift portion. Notwithstanding the foregoing, this Paragraph 8 shall not be applicable to Annuities that solely involve a transfer of property that is cash or marketable securities.
- 9. **Arbitration.** The Foundation and the Ministry agree that any dispute related to this agreement is to be resolved by binding arbitration in accordance with the rules of the Institute for Christian Conciliation.
- 10. **Governing Law.** This Agreement shall be governed by and interpreted in accordance with the laws of the State of Georgia.

This Agreement is executed and delivered by the duly authorized representatives of the Foundation and the Ministry, this \_\_\_\_\_ day of \_\_\_\_\_, 2025.

**NATIONAL CHRISTIAN CHARITABLE FOUNDATION, INC.**

**[NAME OF MINISTRY]**

By: \_\_\_\_\_

By: \_\_\_\_\_