



## **Working with The Community Foundation of Shelby County to establish a Charitable Gift Annuity**

One of the most popular forms of charitable giving is the Charitable Gift Annuity. In its simplest form, the donor transfers cash, securities, or in some cases real estate, to an established charity, such as the Community Foundation. This is done in exchange for a promise of the charity to pay an annuity to the donor and/or other named annuitants in survivorship (i.e. a spouse, a child, a parent, etc.) during their lifetime. This option can assist donors to make not only an outright gift to support his or her favorite charity, but also receive earnings that are often greater than those offered by regular interest-earning accounts.

Donors are also entitled to a charitable deduction for part of the amount contributed for the gift annuity. The annuity payments can be designed to be paid out immediately or at some later date (i.e. at the beginning of retirement, etc.).

Cash and/or marketable securities that are publicly traded may be accepted as consideration for Charitable Gift Annuity contracts and as the applicable gift\*. Other types of assets or property may be accepted as gifts, provided they can be sold or converted to cash within 30 days from date of gift.

In the course of determining the payout vs. deduction amount, the donor provides the Foundation with various confidential information, including a description of the assets to be donated (i.e. cash or stock), the cost basis of the assets, income beneficiary birth dates, etc (see the attached worksheet). Using this information, the Foundation runs a computation which provides information regarding the contribution deduction, annuity payment amount, etc. These calculations are given to the donor to review with his or her tax and legal advisors.

If the donor and the Foundation enter into an annuity contract, income checks, usually quarterly, are sent to the donor by the Community Foundation. Each year, the Foundation's Financial Officer prepares and submits the requisite IRS Forms 1099-R to each individual recipient of annuity payments during the tax year, following current IRS regulations.

After the death of the annuitants, the remainder assets of a Charitable Gift Annuity contract are placed in an endowment fund within the Community Foundation, according to a pre-written agreement with the donor. This endowment contribution is held in perpetuity, invested and the spendable amount is distributed to charitable organizations on an annual basis.

Remainder amounts may be added to an existing charitable fund or, if in excess of the Foundation's fund minimum, may establish a new charitable fund.

An undesignated remainder will be deposited into the Foundation's Founder's Fund which is used to provide grants to Shelby County organizations selected through a competitive grant proposal process.

\*\$10,000 minimum needed to establish a Charitable Gift Annuity with an existing charitable fund as the beneficiary of the remainder.  
\$50,000 minimum needed to establish a Charitable Gift Annuity which intends to establish a new charitable fund as the beneficiary of the remainder.

If you would like additional information regarding the Community Foundation's Charitable Gift Annuity Program, please contact:

**Marian Spicer**

Executive Director

The Community Foundation of Shelby County

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# The Community Foundation of Shelby County Charitable Gift Annuity Worksheet

Information submitted helps create payout and deduction illustrations. Information provided will be treated confidentially.

## Donor Information

Donor 1 Name \_\_\_\_\_ Birth date \_\_\_\_\_

Donor 2 Name \_\_\_\_\_ Birth date \_\_\_\_\_  
(if applicable)

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_ State of legal residency \_\_\_\_\_

Phone (Home) \_\_\_\_\_ (Work or Cell) \_\_\_\_\_ (Cell) \_\_\_\_\_

## General Information

Total gift amount \_\_\_\_\_ (minimum \$25,000)

Cash amount \_\_\_\_\_

Security amount \_\_\_\_\_

If securities, name \_\_\_\_\_ Number of shares \_\_\_\_\_

Owner of securities \_\_\_\_\_ Date securities were purchased \_\_\_\_\_

Are securities held jointly \_\_\_\_ or individually \_\_\_\_

Estimated value of securities \_\_\_\_\_ Cost basis of securities \_\_\_\_\_

Other types of assets to be donated \_\_\_\_\_ Value of these assets \_\_\_\_\_

Annuity type \_\_\_\_ Single-life \_\_\_\_ Two-life

Payment frequency \_\_\_\_ quarterly \_\_\_\_ semi-annual \_\_\_\_ annual

Tax Rate of donor \_\_\_\_\_

Gift date \_\_\_\_\_

Date of first payment \_\_\_\_\_

**Gift Annuity Beneficiaries**

**First Income Beneficiary** Relationship to donor: \_\_\_ Self \_\_\_ Spouse \_\_\_ Other  
(if Self, no additional information is needed)

Name \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_ State of residency \_\_\_\_\_

Preferred Phone (\_\_\_\_) \_\_\_\_\_ Birth date \_\_\_\_\_

**Second Income Beneficiary** (only if applicable) Relationship to donor: \_\_\_ Spouse \_\_\_ Other

Name \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_ State of residency \_\_\_\_\_

Preferred Phone (\_\_\_\_) \_\_\_\_\_ Birth date \_\_\_\_\_