

WAYS TO GIVE:

DEFERRED GIFTS



The Foundation will accept all of the following deferred gifts with prior approval and consultation of the Gift Review Committee:

- Charitable gift annuities
- Deferred gift annuities
- Charitable remainder trusts
- Bequests

CHARITABLE GIFT ANNUITIES A gift Annuity (also known as a “charitable Gift Annuity” or “CGA”) is a CONTRACT (NOT a “trust”), under which a charity, in return for a transfer of cash, marketable securities or other property, agrees to pay a fixed sum of money (payments) for a period measured only by one or two lives (not a term of years).

1. The minimum gift accepted to establish a charitable gift annuity is \$5,000.
2. The Foundation will use the currently suggested “uniform gift annuity rates” of the American Council on Gift Annuities (ACGA). The Foundation shall target for a remainderment of at least 40% of the net present value of the future remainder.

DEFERRED GIFT ANNUITIES A gift of property in exchange for a stream of income for life, beginning at some point in the future, typically at least one year after the gift has been made. As with charitable gift annuities, the Foundation receives the remainder at the end of the period of one or two lives.

1. Younger donors generally can expect higher rates of interest because of the greater length of time between the date of the gift and the initial payment of income.
2. The minimum gift accepted to establish a deferred gift annuity is \$5,000.



FOR MORE INFORMATION:

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WAYS TO GIVE:

DEFERRED GIFTS (CONT.)

CHARITABLE REMAINDER TRUSTS Trusts can be set up to pay either a fixed, guaranteed dollar amount (annuity trust), or a set percentage of the value of the trust's assets (unitrust). Upon death of the beneficiaries or termination of the trust term, any remaining trust corpus transfers to the Foundation. The Charitable Unitrust income is based on a fixed percentage of the fair market value of the trust, revalued annually. Income will vary from year to year. The Charitable Annuity Trust income is based on a fixed dollar amount. Annual income will remain fixed for the life of the trust.

1. The minimum to establish a charitable remainder trust administered by the Foundation is \$50,000.
2. Investment of a charitable remainder trust shall be determined by the fiduciary agent hired to manage the trust. No representations shall be made by any employee of the Foundation or person acting on behalf of the Foundation as to the management or investment of such charitable remainder trust. Trust management fees shall be paid by the trust.
3. The payout rate of a charitable remainder trust shall be determined in consultation with the donor and Alpha Gamma Rho Foundation Gift Review Committee and its investment advisor. The payout rate shall be negotiated between the donor and the Foundation and shall reflect the number of beneficiaries, their ages, and the size of the trust. The Foundation shall target an expected remainderment of at least 405% of the net present value of the future remainder.

BEQUESTS A bequest is a testamentary gift made by will.

1. Assets transferred through bequest shall be liquidated and the proceeds made available for the intended purpose of the gift, unless granted an exemption by the Gifts Review Committee. Gifts that appear to require more cost than benefit shall be discouraged or may be rejected by the Foundation.
2. Donors who have indicated that they have made a bequest to the Foundation are encouraged to disclose, in writing or by copy of the will, the relevant clause that benefits the Foundation for recognition and stewardship.
3. Endowed funds enable permanent support to one or more specific programs of the Foundation. The principal of an endowed gift is left intact. Only the income earned from investing the principal is used for program support as specified by the donor.

The Foundation will accept restricted endowment gifts (for example, a scholarship for members of a particular chapter). All endowment accounts will be managed for the long-term support of the intended purpose. However, if circumstances arise that the proposed purpose is no longer practical or invalid, the Board of Directors reserve the right to redirect use of the endowment to most closely represent the donor's original intent.



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