
Charitable Gift Annuity Program Overview

The Community Foundation of Tampa Bay ('the Foundation,' 'CFTB') administers a Charitable Gift Annuity Program for the benefit of donors and the charitable organizations they support in our region, including the Community Foundation. This document is intended to provide general information about our charitable gift annuity program. It is not intended to provide legal or tax advice. The Community Foundation recommends that prospective donors consult with their tax advisors and other financial professionals prior to making a gift.

- ❖ With a charitable gift of cash and/or marketable securities, a donor enters into a simple and irrevocable contract with the Foundation in exchange for fixed annuity payments for one or two lifetimes to annuitant(s) named by the donor.
- ❖ The amount of the payment is based on the age of the annuitant(s) at the time of the gift in accordance with the rates recommended by the American Council on Gift Annuities (ACGA).
- ❖ Upon the death of the annuitant(s), the annuity remainder amount may be allocated to CFTB or may be used to establish a permanent endowment for another organization of their choosing. A fund agreement detailing these intentions shall be completed in conjunction with the gift annuity contract.
- ❖ A charitable gift annuity is not an investment and differs from a commercial annuity. Its lower rates allow for a portion of the gift (the remainder) to be used for charitable purposes.
- ❖ From the time the annuity agreement is signed by the donor, the annual amount and the frequency of the payments are both fixed, and the annuity payments may not be assigned except to CFTB.
- ❖ Charitable gift annuities are designed under federal tax code to qualify for income tax charitable deductions. By making a charitable gift, you are likely to be eligible for a current federal income tax charitable deduction (if you itemize your deductions), and a portion of the annuity payments will be tax-free return of principal. You may also be eligible for gift and estate tax deductions.

Financial Assets and Governance of the Community Foundation

Annuity payments are a general obligation of the Community Foundation of Tampa Bay, Inc., and are backed by all of our assets. As of December 31, 2014 our total invested assets exceeded \$185 million. These assets are prudently invested and professionally managed in a diversified portfolio of stocks, bonds, mutual funds, and federal obligations. The Foundation also maintains a segregated gift annuity reserve fund valued at more than \$2.6 million, also as of December 31, 2014, that is invested in accordance with the laws of the State of Florida.

Common investment funds managed by our organization are exempt from registration requirements of the federal securities law, pursuant to the exemption for collective investment funds and similar funds maintained by charitable organizations under the Philanthropy Protection Act of 1995 (P.L. 104-62). Information in this statement is provided to donors and prospective donors in accordance with the requirements of that Act.

The Community Foundation of Tampa Bay, Inc. was established in November of 1989 and held its first Board meeting in March of 1990. Responsibility for governing the organization is vested in a volunteer Board of Trustees comprised of business and civic leaders elected to three-year terms.

Definitions

Date of Gift: For cash, it is the postmark for a check mailed to the Foundation or the date a check is given to the Foundation.
For wired funds, it is the date received by the Foundation.
For securities, it is the date such securities are posted to a Foundation account.

Acknowledgment:

CFTB acknowledges annuity gifts by providing

- a gift annuity illustration as of the date of receipt of the gift
- a signed gift annuity contract (agreement)
- a gift acknowledgment letter summarizing the details of the gift annuity illustration
- this Disclosure Statement

American Council on Gift Annuities (ACGA): the 25-member organization responsible for determining gift annuity rates. Because a gift annuity is a charitable arrangement designed to provide a significant gift for the Foundation or an agency endowment fund administered by the Foundation, these gift annuity rates are lower than those offered by commercial annuities.

Policies

1. The minimum gift for establishing a gift annuity is \$25,000.
2. The maximum gift for establishing a gift annuity is \$1 million. Amounts above \$1 million will be considered on a case-by-case basis.
3. Payments are available monthly, quarterly, semi-annually, or annually (in December). Direct deposits are available and are encouraged.
4. Annuity payments are not transferable.
5. The minimum age for an immediate gift annuity is 65.
6. Two life income beneficiaries are possible, but no more than two, including two lives in succession and joint lives with rights-of-survivorship annuity agreements.
7. The ultimate beneficiary of CFTB gift annuities shall be CFTB to support the mission of the Foundation in the community (either for operating expenses or for its Community Impact Fund which allows for grant making based on compelling community needs) or to establish a permanent endowment fund to benefit a specific charitable organization. If the value of the charitable remainder does not meet the current fund minimum, then the charitable remainder shall automatically revert to the Community Impact Fund. NOTE: This fund minimum is waived as a service to charitable organizations that currently have endowment funds managed by the Foundation.
8. Contributions to establish a gift annuity may include cash and securities that are readily liquidated.
9. CFTB encourages other nonprofit organizations whose endowments it manages to market charitable gift annuities for their benefit with the understanding that the gift remainder becomes a permanently endowed fund managed by the Foundation for the benefit of the referring organization. This establishes a named fund designated for the organization's benefit provided that the organization currently has an endowment fund managed by CFTB.

Vetted by Counsel February 16, 2011