



## Oklahoma City Community Foundation Planned Giving Guidelines

The Oklahoma City Community Foundation actively works with donors to facilitate their planned giving goals and objectives. The Community Foundation provides a simple, flexible and efficient way to make a charitable gift or bequest.

A fund agreement for a personal charitable fund at the Community Foundation is an integral component of donors' planned giving strategies. The fund agreement sets forth the donors' intentions for the fund. The fund agreement can provide for earnings from the fund to be used in a field of interest, such as health, education or the arts, or to be used to create a donor-advised fund or personal charitable fund. With a donor-advised fund or personal charitable fund, the donor or his designated representative provides suggestions of charitable purposes and causes to receive the annual distributions from the fund.

The donor's personal charitable fund at the Community Foundation can be the beneficiary of the donor's planned giving vehicle, such as a charitable gift annuity, a charitable remainder trust or a charitable lead trust. If the donor's charitable goals or interests change, the donor only needs to change his personal charitable fund agreement. The legal document setting forth the charitable gift annuity, charitable remainder trust or charitable lead trust remains unchanged.

To facilitate with the implementation of donors' planned giving goals and objectives, the following policies have been adopted by the Trustees regarding the establishment and operation of planned giving vehicles.

### *Charitable Gift Annuities*

A charitable gift annuity contract can be established with the Oklahoma City Community Foundation with a minimum contribution of \$20,000. The initial contribution may come from one donor or several donors. The initial contribution may be funded with cash or property. Charitable gift annuity contracts funded with property are reviewed and accepted on a case by case basis.

The charitable gift annuity contract may be payable for no more than two lives. At the time the contract is established, the younger of the two annuitants must be at least age 55.

The Community Foundation uses the American Council on Gift Annuities rates for their charitable gift annuity contracts. The annuity payments on a contract will be made no more frequently than quarterly.

A charitable gift annuity contract with the Community Foundation is a contract between the Community Foundation and the annuitant. The annuity contract developed by the Community Foundation's counsel may be used. The annuitant should seek outside counsel for determining the income, gift and estate tax consequences of the annuity contract.

The Community Foundation charges an annual administrative fee of 1 (one) percent of the fair

market value of the annuity contract. This fee is taken from the contract fund.

The Community Foundation will separately account for each charitable gift annuity contract so that the value of the remainder interest can be accurately determined upon termination of the contract. If a specific fund or charitable purpose is the specific beneficiary of the charitable gift annuity contract, the amount distributable to that fund will be the fair market value of the contract on termination.

### *Charitable Remainder Trust with the Community Foundation as Trustee*

The Oklahoma City Community Foundation will work with donors and their independent counsel to establish and implement a charitable remainder trust. The Community Foundation can either be just the remainder beneficiary of a charitable trust or both the trustee and remainder beneficiary of a charitable trust. In order for the Community Foundation to be the trustee of a charitable remainder trust, the following guidelines must be met:

The charitable remainder trust must be funded with an initial minimum contribution of \$100,000. The initial contribution may be funded with cash or property. Charitable remainder trusts funded with property are reviewed and accepted on a case by case basis.

The Community Foundation, its component funds or its supporting organizations (IRC section 509(a)(3) organizations) must be the remainder beneficiary of the charitable remainder trust. At the time of funding, the estimated remainder portion must be estimated to be at least 50 percent of the trust assets or \$100,000.

For charitable remainder trusts established for a term of life, the youngest of the beneficiaries must be at least age 55 at time of distribution.

The income distributions from the trust can be made no more frequently than quarterly.

The remainder trust document used maybe the standard trust document developed by the Community Foundation's counsel. If the donor uses outside counsel to draft the remainder trust document, the Community Foundation's counsel shall review the document prior to its execution. The donor should seek outside counsel for consultation and review of the remainder trust document and determination of the income, gift and estate tax consequences of the charitable remainder trust.

The charitable remainder trust must comply with all relevant sections of the Internal Revenue Code and the Regulations thereunder. The charitable remainder trust document must contain a provision permitting subsequent revisions to the trust agreement as required by the Internal Revenue Code and Regulations thereunder.

The Community Foundation charges an annual administrative fee of 1 (one) percent of the fair market value of the trust assets plus the tax return preparation costs. The fee is to be paid from the trust assets. The fee may be reduced to 0.5 percent if the charitable remainder is left to unrestricted funds at the Community Foundation.

## *Charitable Lead Trust with the Community Foundation as Trustee*

The Oklahoma City Community Foundation will work with donors and their independent counsel to establish and implement a charitable lead trust. In order for the Community Foundation to be the trustee of a charitable lead trust, the following guidelines must be met:

The charitable lead trust must be funded with an initial minimum contribution of \$500,000. The initial contribution may be funded with cash or property. Charitable lead trusts funded with property are reviewed and accepted on a case by case basis.

Fifty percent of the lead trust charitable distributions must go to permanent funds at the Community Foundation. The remaining balance can be distributed through a Community Foundation escrow account.

The Community Foundation's counsel shall review the charitable lead trust document prior to its execution. The donor should seek outside counsel for drafting and review of the charitable lead trust document and the determination of the income, gift and estate tax consequences of the charitable lead trust.

The charitable lead trust must comply with all relevant sections of the Internal Revenue Code and the Regulations thereunder. The charitable lead trust document must contain a provision permitting subsequent revisions to the trust agreement as required by the Internal Revenue Code and Regulations thereunder.

The Community Foundation charges an annual administrative fee of 1 (one) percent of the fair market value of the trust assets plus the tax return preparation costs. The fee is to be paid from the trust assets. The fee may be reduced to 0.5 percent if all charitable distributions are to unrestricted funds at the Community Foundation