

Model Standards of Practice for the Charitable Gift Planner

Preamble

The purpose of this statement is to encourage responsible gift planning by urging the adoption of the following Standards of Practice by all individuals who work in the charitable gift planning process, gift planning officers, fund raising consultants, attorneys, accountants, financial planners, life insurance agents and other financial services professionals (collectively referred to hereafter as "Gift Planners"), and by the institutions that these persons represent.

This statement recognizes that the solicitation, planning and administration of a charitable gift is a complex process involving philanthropic, personal, financial, and tax considerations, and often involves professionals from various disciplines whose goals should include working together to structure a gift that achieves a fair and proper balance between the interests of the donor and the purposes of the charitable institution.

I. Primacy of Philanthropic Motivation

The principal basis for making a charitable gift should be a desire on the part of the donor to support the work of charitable institutions.

II. Explanation of Tax Implications

Congress has provided tax incentives for charitable giving, and the emphasis in this statement on philanthropic motivation in no way minimizes the necessity and appropriateness of a full and accurate explanation by the Gift Planner of those incentives and their implications.

III. Full Disclosure

It is essential to the gift planning process that the role and relationships of all parties involved, including how and by whom each is compensated, be fully disclosed to the donor. A Gift Planner shall not act or purport to act as a representative of any charity without the express knowledge and approval of the charity, and shall not, while employed by the charity, act or purport to act as a representative of the donor, without the express consent of both the charity and the donor.

IV. Compensation

Compensation paid to Gift Planners shall be reasonable and proportionate to the services provided. Payment of finder's fees, commissions or other fees by a donee organization to an independent Gift Planner as a condition for the delivery of a gift is never appropriate. Such payments lead to abusive practices and may violate certain state and federal regulations. Likewise, commission-based compensation for Gift Planners who are employed by a charitable institution is never appropriate.

V. Competence and Professionalism

The Gift Planner should strive to achieve and maintain a high degree of competence in his or her chosen area, and shall advise donors only in areas in which he or she is

professionally qualified. It is a hallmark of professionalism for Gift Planners that they realize when they have reached the limits of their knowledge and expertise, and as a result, should include other professionals in the process. Such relationships should be characterized by courtesy, tact and mutual respect.

VI. Consultation with Independent Advisers

A Gift Planner acting on behalf of a charity shall in all cases strongly encourage the donor to discuss the proposed gift with competent independent legal and tax advisers of the donor's choice.

VII. Consultation with Charities

Although Gift Planners frequently and properly counsel donors concerning specific charitable gifts without the prior knowledge or approval of the donee organization, the Gift Planner, in order to insure that the gift will accomplish the donor's objectives, should encourage the donor early in the gift planning process, to discuss the proposed gift with the charity to whom the gift is to be made. In cases where the donor desires anonymity, the Gift Planner shall endeavor, on behalf of the undisclosed donor, to obtain the charity's input in the gift planning process.

VIII. Description and Representation of Gift

The Gift Planner shall make every effort to assure that the donor receives a full description and an accurate representation of all aspects of any proposed charitable gift plan. The consequences for the charity, the donor and, where applicable, the donor's family, should be apparent, and the assumptions underlying any financial illustrations should be realistic.

IX. Full Compliance

A Gift Planner shall fully comply with and shall encourage other parties in the gift planning process to fully comply with both the letter and spirit of all applicable federal and state laws and regulations.

X. Public Trust

Gift Planners shall, in all dealings with donors, institutions and other professionals, act with fairness, honesty, integrity and openness. Except for compensation received for services, the terms of which have been disclosed to the donor, they shall have no vested interest that could result in personal gain.

Adopted and subscribed to by the National Committee on Planned Giving and the American Council on Gift Annuities, May 7, 1991. Revised April 1999.

The American Council on Gift Annuities actively promotes responsible philanthropy through actuarially sound gift annuity rate recommendations, quality training opportunities, and the advocacy of appropriate consumer protection.

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ACGA
Sponsorship
Invitation

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Promoting Responsible Philanthropy

**AMERICAN
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AMERICAN COUNCIL ON GIFT ANNUITIES

Application for Sponsorship

Sponsorship Benefits

The American Council on Gift Annuities has an organizationally-based membership structure. We ask that one person be named as the contact person from your organization. However, your annual sponsorship of \$100.00 entitles everyone from your organization to the following benefits:

- Anyone from your organization will be entitled to discounted registration fees for our biennial Conference on Gift Annuities
- You will be kept abreast of any changes in gift annuity rates. The Gift Annuity Rates Committee periodically reviews these rates and makes recommendations to the ACGA Board of Directors.
- You will be alerted to proposed legislation that may affect planned giving in general and gift annuities in particular, including changes in state regulation of gift annuities.
- **The Sponsors' Forum:** Our online collection of information just for ACGA sponsors.
- **The Donors' Corner:** Charities that wish to be included in our online list of organizations that offer charitable gift annuities will have the added benefit of a link to their web site from ACGA's.
- Our biannual newsletter will keep you in touch with the latest changes and activities of the Council.
- You will receive advance notification of the Council's biennial Conference on Gift Annuities.
- You will join together with like institutions and organizations to share information regarding gift annuities and other planned gifts.
- **www.acga-web.org** - our web site offers the latest information on gift annuity rates, state regulation of gift annuities, and the activities of the Council.

Organization _____
 Contact Person _____
 Title _____ Certifications _____
 Address _____
 City/State/ZIP _____
 Phone _____ Fax _____
 E-mail _____

Demographic Data: Please check one of the following options to indicate the nature of your organization:

- | | |
|--|---|
| <input type="checkbox"/> Arts Organization | <input type="checkbox"/> Accounting Practice/Firm |
| <input type="checkbox"/> Community Foundation | <input type="checkbox"/> Bank or Trust Company |
| <input type="checkbox"/> Educational Institution | <input type="checkbox"/> Brokerage Firm |
| <input type="checkbox"/> Environmental Organization | <input type="checkbox"/> Consulting Practice/Firm |
| <input type="checkbox"/> Hospital/Health Care Organization | <input type="checkbox"/> Financial Planning Practice/Firm |
| <input type="checkbox"/> Religious Organization | <input type="checkbox"/> Insurance Company/Firm |
| <input type="checkbox"/> Social Service Organization | <input type="checkbox"/> Law Practice/Firm |
| <input type="checkbox"/> Other Nonprofit Organization | <input type="checkbox"/> Other For-profit Business |
- If you work for a nonprofit organization, do you work in a:**
- | | |
|--|--|
| <input type="checkbox"/> Planned Giving Office | <input type="checkbox"/> Business Office |
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To be included in the Donors' Corner series of web links, The American Council on Gift Annuities requires that each charity requesting a link on ACGA's web site signifies its support of the Model Standards of Practice for the Charitable Gift Planner by providing a signature from an officer of the charity:

On behalf of my organization, I certify that I have read and subscribe to the Model Standards of Practice for the Charitable Gift Planner and that I represent a qualified charity with an active gift annuity program. I further certify that all persons with gift planning responsibilities in this organization are aware of and abide by these standards:

Signature _____ Printed Name _____
 Web Site URL: _____ Date _____

Sponsorship fee: \$100.00 one fiscal year
 (Choose one) (July 1 - June 30)
 Special discount!
 \$275.00 for three years

Payment by (circle one): **Check** **VISA** **MasterCard** **AMEX**
 Credit Card Number _____
 Exp. Date _____ Name on Card _____
 Signature _____

Additional Contribution \$ _____

Total Enclosed \$ _____

If paying by credit card, application may be faxed to: (317) 269-6276 If paying by check, please return this application and your check to: **American Council on Gift Annuities**, 233 McCrea Street, Suite 400, Indianapolis, IN 46225-1030