A minimum of $20,000 is needed to establish a gift annuity within the FIU Foundation. Payments to donors of gift annuities will be made on a quarterly basis (March, June, September, and December). Once the donor of a gift annuity passes away, if the annuity is to become an endowment (as stipulated in the gift agreement), then all endowment policies will be applied to the annuity. As such, if the balance of a gift annuity is less than $25,000 at the time the donor passes away, the funds will be combined within an existing general endowment account with a similar purpose. This should be stipulated in all annuity gift agreements.

Funds received from gift annuities are invested separately from all other Foundation funds, as required by the laws governing the State of Florida. Earnings/losses made on gift annuities are pooled (separately from earnings/losses made on all other investments), and at the end of each quarter, each gift annuity receives its pro-rated percentage of the pool’s total investment earnings/losses (including interest and appreciation).

Investing Endowed Funds and Use of Earnings Policy
Florida Statute, Chapter 627.481, Requirements for Certain Annuity Agreements

This policy was approved by the Foundation’s Board of Directors on June 5, 2002.
DEFINITION (R)
Gift Annuity- is a contract under which a charity, in return for a transfer of cash, marketable securities or other assets, agrees to pay a fixed amount of money to the donor (annuitant) during his/her lifetime. The payments are fixed and unchanged for the term of the contract. A portion of the payments to the annuitant are considered a partial tax-free return of the donor’s gift, which is spread in equal payments over the life expectancy of the annuitant. An annuity is backed by the charity’s entire assets, not just by the property contributed.

RESPONSIBILITIES (O)

*R = Required    *O = Optional