



## MEMORANDUM OF UNDERSTANDING FOR CATHOLIC GIFT ANNUITY PROGRAM

\_\_\_\_\_ (“Diocese”) and the Catholic Church Extension Society of the United States of America (“Catholic Extension Society”) wish to memorialize their mutual expectations regarding the Catholic Gift Annuity program. This program, administered by Catholic Extension Society, is an effective Planned Giving tool that supports the Diocese’s overall fundraising efforts.

Catholic Extension Society has been issuing Charitable Gift Annuities to its donors since 1912 and currently administers over 2,000 contracts. The Catholic Gift Annuity program will benefit the Diocese by offering Charitable Gift Annuities that will be issued, administered and pooled with Catholic Extension Society’s annuities.

Catholic Extension Society agrees to administer the Catholic Gift Annuity program by:

- Providing appropriate marketing materials communicating the benefits of a Catholic Gift Annuity.
- Creating all paperwork required for establishing a Catholic Gift Annuity and providing it to the fundraiser or directly to a potential donor.
- Administering the Catholic Gift Annuity, which includes processing the gift, distributing payments, providing annual 1099R forms, and terminating the annuity upon donor’s death.
- Investing the principal of annuity in a prudently managed pool that maintains appropriate reserve levels.
- Providing appropriate reports on a quarterly and annual basis to the Diocese.
- Informing the primary contact at the Diocese of any relevant communications with annuitant.
- Complying with all applicable federal, state and local rules and regulations related to the administration of the Catholic Gift Annuity program, to the extent Catholic Extension Society determines that such compliance is reasonable and appropriate.

Diocese agrees to promote the Catholic Gift Annuity by:

- Distributing marketing materials either in the format provided by Catholic Extension Society or customized by the Diocese (at Diocese’s expense) and approved by Catholic Extension Society.
- Adequately training fundraisers (with Catholic Extension Society’s assistance) on how to incorporate the Catholic Gift Annuity into Planned Giving discussions with potential donors.
- Allowing Catholic Extension Society to retain 10% of the residuum at the termination of the annuity for the purpose of maintaining a reserve for administering any annuities that may have negative balances.