

## ***Gift Annuity Disclosure Statement***

**Thank you for your interest in supporting the ministry of the Billy Graham Evangelistic Association (BGEA) through a charitable gift annuity.** Detailed information about your payments and tax information will be included with your certificate.

The charitable gift annuities described in this publication are issued and administered by The Cross Fund, a nonprofit corporation that is a subsidiary of BGEA and which exists to support its mission.

A gift annuity agreement is simultaneously a charitable gift and a commitment for fixed payments to the annuitant(s) for life. An annuity contract is non-assignable.

BGEA was originally established in 1950. The responsibility for governing the organization, and The Cross Fund, is vested in a Board of Directors comprised of fifteen persons who are recommended by a Nominating Committee and approved by the Board of Directors.

The Cross Fund is recognized as tax exempt by the Internal Revenue Service. Gifts to fund a charitable gift annuity with The Cross Fund generally qualify for a charitable contribution deduction based on the present value of the gift portion, using IRS tables.

The Cross Fund Gift Annuity Fund is a segregated fund set aside for the purpose of making annuity payments to annuitants. All assets in the fund are held in trust by The Cross Fund and are designated for payment to annuitants as established in their Gift Annuity Agreement. Annuity payments are a general obligation of, and are backed by the full faith and credit of The Cross Fund and BGEA. Based on their right to receive annuity payments, annuitants have first claim to the fund's assets.

The Gift Annuity Fund is exempt from the registration requirements of the federal securities laws pursuant to an exemption contained in the Philanthropy Protection Act of 1995 (P.L. 104-62). This information is provided to you in accordance with the requirements of that Act. Annuity payments will be reported on Form 1099R each year to the annuitant and the IRS as required by law and determined by relevant facts of each case.

The objective of the Fund is preservation of principal and total return, in that order of priority, while investing at least 60 percent of the fund in U.S. Government and Corporate fixed income securities. Sixty-five percent (65%) of the fixed income securities must be rated in one of the four highest classifications by Moody's or Standard & Poor's. The balance of the Fund is invested in equities, mutual funds, exchange traded funds, or cash equivalents.

## ***Gift Annuity Disclosure Statement cont'd***

The amount you give to The Cross Fund at the time you enter the annuity agreement is deposited by The Cross Fund in a custodial account. At present, that custodial account holds all of the funds needed to maintain the annuity program. A portion of those amounts may be commingled with endowment and other funds of BGEA. Investments are managed as determined by The Cross Fund and its investment managers. The managers are compensated out of the assets of the Fund. Fee information is available on request.

Each year a consulting actuary gives The Cross Fund a statement indicating the amount it must maintain as a reserve. That reserve is established to ensure a sufficient amount of money in the Gift Annuity Fund to continue payments to all of the annuitants during their expected lifetimes. The Cross Fund will maintain the security of the Gift Annuity Fund by retaining an amount equal to the amount required by the most restrictive state regulations, plus the total of all amounts received by The Cross Fund for new gift annuities since the date the reserve requirement was last computed. Amounts that may be transferred out of the Gift Annuity Fund are primarily used for the general ministry activities of BGEA.

BGEA and The Cross Fund do not, without your authorization, disclose your information to anyone other than its agents, except as required by law.

**Annuities issued to California residents are subject to regulation by the State of California. They are not insured or guaranteed by an insurance company or backed in any way by the California Life and Health Insurance Guarantee Association or any other state department or agency.**

This information about charitable gift annuities is provided as an educational service. **THIS IS NOT LEGAL ADVICE. ANY PROSPECTIVE DONOR SHOULD SEEK THE ADVICE OF A QUALIFIED ESTATE AND/OR TAX PROFESSIONAL TO DETERMINE THE CONSEQUENCES OF HIS OR HER GIFT.**