

## **RESOLUTION ESTABLISHING A GIFT ANNUITY PROGRAM**

**WHEREAS** securing planned charitable gifts in general and charitable gift annuity contributions in particular is recognized to be of considerable importance to the future of the University of Tennessee's educational, research and public activities,

### **NOW, THEREFORE, BE IT RESOLVED THAT:**

1. The University of Tennessee Foundation (hereinafter "Foundation") is authorized to establish a program for the issuance of immediate and deferred payment charitable gift annuities.
2. The Foundation's gift annuity program shall be conducted in compliance with all applicable requirements of Federal and Tennessee state law including, if relevant, the laws of the states in which the Foundation offers gift annuities.
3. The annuity payout rates offered to donors by the Foundation in connection with gift annuity contributions shall be those suggested from time to time by the American Council on Gift Annuities, although in any given instance a donor may agree to payment of a rate lower than the rate offered by the Foundation.
4. The Foundation shall establish and maintain a gift annuity reserve fund. The Treasurer of the Foundation or the appropriate committee of the Foundation's governing board shall oversee the management of the fund, including the investment of fund assets. The full amount of all gift annuity contributions shall be credited to the fund, along with all earnings on assets attributable to the fund. Disbursements from the fund may be made for the following purposes: to make annuity payments; to pay for the costs associated with investing and managing fund assets and administering the gift annuity program; and to make available to the Foundation and the University of Tennessee for their charitable purposes the amount of fund assets attributable to a particular annuity obligation upon satisfaction of that obligation. Disbursements for any other purposes must be approved by the Foundation's Board of Directors.
5. In managing its gift annuity program, the Foundation may employ agents and advisors to assist with various aspects of operating the program. In particular, the Foundation may delegate to other entities the administration of gift annuities and the investment of gift annuity reserve fund assets.
6. The fair market value of property contributed in exchange for a gift annuity shall be at least \$25,000, regardless of when the first annuity payment will be made and regardless of whether payments will be made to one annuitant or to two annuitants. Exceptions may be

made subject to the prior approval of the Treasurer or appropriate committee of the Foundation's governing board.

7. The Foundation shall accept gift annuity contributions made with property other than cash and publicly-traded securities but only upon prior approval by the Treasurer or the appropriate committee of the Foundation's governing board.

8. The minimum age for annuitants at the time annuity payments commence shall be 60 for immediate and deferred annuities. Exceptions may be made subject to the prior approval of the Treasurer or other appropriate committee of the Foundation's governing board.

9. Annuity payments shall be made quarterly at the end of each calendar quarter. Exceptions may be made subject to the prior approval of the Treasurer or appropriate committee of the Foundation's governing board.

10. The terms of this Resolution may be amended by the Foundation's Board of Directors.

Adopted by the University of Tennessee Foundation on the \_\_\_\_ day of \_\_\_\_\_ 2008.

Attested by:

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