

# CFRE Practice Test Questions and Answers

## 1. What is a 'planned gift'?

- A) A gift that is budgeted in the organization's annual plan
- B) A charitable contribution arranged in advance through legal or financial vehicles, often fulfilled through the donor's estate
- C) A gift scheduled to be paid in installments over time
- D) A gift from a foundation that is planned in a grant cycle

## 2. What is a 'gift annuity'?

- A) An insurance product that donates to charity at death
- B) A contract where a donor transfers assets to a charity in exchange for fixed income payments for life, with the remainder benefiting the charity
- C) An annuity fund managed by the government for charitable purposes
- D) A pooled investment fund open only to nonprofit organizations

## 3. A 'development audit' is BEST used to:

- A) Determine donor tax deduction eligibility
- B) Evaluate the effectiveness, efficiency, and alignment of a fundraising program with organizational goals
- C) Review the financial statements for accuracy
- D) Assess social media marketing performance

## 4. A present made in any of the following ways:

- A) unrestricted gift
- B) charitable deferred gifts
- C) charitable contribution
- D) designated gift

**Answers: 1-B 2-B 3-B 4-B**

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