

COMMONWEALTH CHARITABLE FUND



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COMMONWEALTH CHARITABLE FUND

The Commonwealth Charitable Fund (CCF) is a donor-advised fund (DAF) program offered by Renaissance Charitable Foundation Inc. (Foundation). The Foundation is a public charity described in 501(c)(3), 509(a)(1), 170(b)(1)(A)(vi), and 4966(d)(1) of the Internal Revenue Code of 1986 (the Code), as amended. CCF offers donors the opportunity to make immediately deductible charitable contributions while retaining some influence over the charitable purposes for which those contributions are ultimately used. The Foundation becomes the exclusive legal owner of the funds and assets in CCF. Accordingly, this brochure refers to contributions by donors for the purpose of establishing or adding to DAFs within CCF as contributions made to the Foundation.

Donors retain the authority to make nonbinding, advisory grant recommendations to the Foundation at any time regarding the charities they want to benefit from their contributions. The Foundation retains the exclusive discretion as to whether, and to whom, to make a grant in accordance with applicable IRS regulations.

Assets held in the various DAFs within CCF are invested and professionally managed, offering the potential for contributions to grow and ultimately result in larger charitable gifts. A donor may recommend the initial investment advisor for the DAF. These recommendations are advisory only and are subject to review and approval by the Foundation pursuant to its established Investment Policy Statement, which is available at cfndaf.donorfirstx.com.

CCF OFFERS NUMEROUS ADVANTAGES TO THE DONOR, INCLUDING:

- The donor may claim an immediate income tax charitable deduction for contributions made to and accepted by the Foundation.
- The donor may contribute appreciated assets, thereby avoiding capital gains.
- The donor can make grant recommendations to support public charities based on the value of the DAF.
- The donor may recommend grants to multiple charities.
- The donor may request anonymity in connection with recommended charitable grants from a DAF.
- No tax reporting is required by the donor.
- Donated assets may appreciate in value after their transfer to the Foundation.
- The donor may recommend an investment advisor to manage the assets in a DAF.
- CCF represents a cost-effective alternative to creating a private foundation.improper usage of a Fund (e.g., usage for any purpose inconsistent with the purposes and programs described in §§170(c)(2)(B) and 501(c)(3) of the Code).

The Foundation monitors the ongoing operations of the CCF program and will investigate any apparent improper usage of a fund (e.g., usage for any purpose inconsistent with the purposes and programs described in 170(c)(2)(B) and 501(c)(3) of the Code).

DONOR-ADVISED FUNDS

DAFs are charitable giving vehicles described in §4966 of the Code. A donor contributes cash or other approved assets to a segregated fund maintained by the Foundation from which the grant advisor may make recommendations for grants (distributions) to charities at any time. All grant recommendations are subject to approval by the Foundation, which retains exclusive legal control and discretion in accordance with applicable IRS regulations.

The CCF program enables individual DAFs to operate efficiently, and at minimal cost, while still allowing for great flexibility in investment options. CCF maintains a segregated account for each fund that reflects contributions, investment returns, and grants made.

DEFINITIONS

DONOR

A Donor is identified as follows and has the following rights

- Makes the first contribution to the Fund;
- Is identified as the donor on the DAF application
- Can recommend the initial investment advisor
- Can be or appoint the initial grant advisor.

For most donors, the two most important benefits are being eligible to claim an income tax charitable deduction for gifts to the fund and serving as the grant advisor. Any person or entity may be a donor with respect to a DAF, including family members, corporations, partnerships and trusts.

NON-VESTED DONORS

A nonvested donor contributes to the fund and receives an income, gift, and/or estate tax charitable deduction for such contributions but has no continuing rights with respect to the fund. Any person or entity may be a nonvested donor with respect to a DAF, including family members, corporations, partnerships, and trusts.

GRANT ADVISORS

The donor appoints the initial grant advisor, allowing the following rights with respect to the fund:

- Can make grant recommendations for all or part of the Fund;
- Can make grant recommendations both during lifetime and through a written instrument at death;
- Can make grant recommendations, subject to any restrictions, on grant recommending authority imposed by the Foundation's policies, the Fund Agreement or the person who appointed the Grant Advisor;
- Can make investment recommendations;
- Can name successor Grant Advisors while living or through a written instrument at death; and
- Receives quarterly reports from the Foundation, which depict the contribution, grant, and investment activity of the fund

SUCCESSOR GRANT ADVISORS

Successor grant advisors have no rights until they succeed the prior grant advisor. Upon the resignation or death of a current grant advisor, the successor acquires all of the rights of the prior grant advisor.

CREATIVE IDEAS FOR DAFs

ENDOWMENT DAF: Build a pool of assets for future grants to charities;

PROCRASTINATOR DAF: Claim a charitable deduction today and make grants in future years

CHALLENGE GRANT DAF: Match the charitable gifts by other donors

ALBATROSS FOUNDATION DAF: Reduce headache by converting a family foundation to a DAF

GRANDCHILD DAF: Grandparents and grandchildren are co-Grant Advisors to help the grandparents leave a legacy

WEDDING, FUNERAL OR GRADUATION DAF: Instead of flowers or other gifts, create a permanent DAF In someone's honor

FLIP DAF: At the donor's death, the DAF "flips" or converts to support three or four named charities with perpetual annual grants.

CHARITY ENDOWMENT FUND: Gifts from multiple donor sources are combined to make one annual grant to a specific charity.

DONORS AND CONTRIBUTIONS

ELIGIBLE DONORS

The Foundation accepts charitable contributions from individuals, companies, trusts, estates, and other entities. Contributions other than cash or publicly traded securities require review and approval by the Foundation's officers.

INITIAL CONTRIBUTIONS

All initial contributions to a fund must be accompanied by a completed DAF application. The initial contribution must have a minimum fair market value of \$5,000. Unless otherwise indicated, the first donor listed in the application will receive written confirmation of the contribution and is deemed to be the primary grant advisor. After the Foundation accepts the contribution, it may liquidate and reinvest any or all contributions. Any contribution that is not accepted will be returned.

TYPES OF CONTRIBUTIONS

Donors may contribute a wide variety of gifts, including cash, mutual funds, publicly traded stocks, bonds, ETFs, real estate, closely held business interests, harvested crops, IRAs, life insurance, collections, art, savings bonds, annuity contracts, and business inventory.

Donors make most gifts by mailing a check to the Foundation or by authorizing their financial advisor to transfer shares in a company, mutual fund, or ETF to one of the Foundation's many brokerage accounts. Some gifts require the Foundation to conduct additional due diligence before the donor transfers ownership to confirm the contribution will help achieve the donor's goals and permit the Foundation to remain compliant.

For information on contributions of nonliquid assets, please call one of the Foundation's charitable giving consultants at (888) 487-8490

ADDITIONAL CONTRIBUTIONS

Additional contributions to the Foundation of \$250 or more may be made at any time by any person and must be accompanied by a completed Additional Contribution Form. Most contributions are made directly into a brokerage account established in the name of the Foundation and are accounted for within CCF by using the fund's segregated account. After the Foundation accepts the contribution, it may liquidate and reinvest any or all additional contributions. As with an initial contribution, the Foundation will send to each donor written acknowledgment of each additional contribution to substantiate the donor's charitable deduction. Any contribution that is not accepted will be returned.

TESTAMENTARY GIFTS AND GIFTS FROM TRUSTS

You may name your DAF as the beneficiary of a bequest of cash, securities, mutual funds, or IRA assets. Additionally, you may name your DAF as the beneficiary of a charitable remainder trust, charitable lead trust, or life insurance policy. A successor grant advisor must be chosen for all testamentary and trust gifts. If no grant advisor is designated for a fund, the Foundation will make annual grants to charities from the fund equal to 4 percent of the its annual value. Please be sure to call the Foundation at 888.487.8490 and contact your tax and legal advisor before establishing any testamentary gift.

CONTRIBUTIONS ARE IRREVOCABLE

Once the Foundation accepts a contribution, the gift is irrevocable and may not be refunded. All accepted gifts become the exclusive legal property of the Foundation.

WEBSITE

Grant advisors and investment advisors may review DAF information, including prior contributions, as well as inform the Foundation of prospective contributions, at the password-protected, secure portal: cfndaf.donorfirstx.com.

PROCESS FOR INVESTING CONTRIBUTED ASSETS

Investment Recommendations

The Foundation will consider investment recommendations made by the donor and the donor's investment advisor. Each fund must have an investment advisor managing its

Cash:

The net proceeds of cash contributed to the Foundation will be invested in accordance with the investment policy.

Publicly-Traded Securities

Securities—including mutual funds—accepted by the Foundation may either be held or sold in accordance with the investment policy. After the Foundation sells contributed securities, it invests the net proceeds in suitable investments.

Closely-Held Business Interests

The Foundation is required by law to sell most interests in a closely held business within five years after the contribution is made. Often, the donor's family or the business will purchase the shares. After the Foundation sells the business interest, it invests the net proceeds in suitable investments.

Real Estate and Other Non-Liquid Assets

nonliquid assets accepted by the Foundation may either be held or sold in order to comply with the investment policy. Donors and their investment advisors can recommend specialists to assist with the sale as appropriate. The net proceeds of the sale of nonliquid assets sold by the Foundation will be invested in suitable investments in

TYPICAL ASSETS USED TO FUND YOUR DAF

- Cash
- Stocks
- Bequests
- Mutual funds
- Real estate
- Trust interests
- Closely held businesses
- IRAs
- Life insurance

accordance with the investment policy. If the grant advisor does not recommend an approved investment advisor to manage the assets, the Foundation will appoint an investment advisor to invest the funds in accordance with the investment policy.

LIQUIDATION POLICY FOR CONTRIBUTED ASSETS

The Foundation will determine the timing and execution of a sales strategy for any asset, including a contributed asset, and reserves the right to sell at any time. Generally, the Foundation liquidates contributed assets only after associating a contribution with its donor. Some assets, such as large positions and shares traded on a foreign exchange, may take multiple trading days to liquidate. At its sole discretion, the Foundation may engage a third-party broker or a trading desk to determine and execute a selling strategy. Any costs, including commissions incurred in managing or liquidating an asset, will be paid from the sale proceeds. Market fluctuations and costs to liquidate an asset may cause the net liquidation proceeds of a contributed asset to be worth more or less than the value of the contribution to the DAF.

TAX CONSIDERATIONS

CHARITABLE DEDUCTION (CONSULT YOUR TAX ADVISOR)

Donors may claim an income tax charitable deduction for gifts to the Foundation on the date that the contribution is made. Donors are encouraged to consult with their legal or tax advisors to review their personal situation; however, contributions of the following assets are usually treated as noted below. Deductibility will depend in part upon the type of asset contributed.

Cash

The donor may deduct the amount of cash contribution accepted by the Foundation.

Publicly-Traded Securities

If held for more than one year by the donor, the donor may deduct the average of the high and low prices reported on the date the contribution is made. For open-end mutual fund shares held for more than one year, the donor may deduct the net asset value on the date the contribution is completed. For securities or mutual funds held for one year or less, the donor may deduct the smaller of the cost basis or fair market value on the contribution date.

Closely-Held Business Interests

For securities that cannot be freely traded on an exchange on the contribution date and have been held for more than one year by the donor, the donor may deduct the fair market value on the date the contribution is made. For such securities held for one year or less, the deduction is the smaller of the cost basis or fair market value on the contribution date. The IRS requires a qualified appraisal for any contribution of a closely held business interest for which you will claim a deduction of more than \$10,000. For gifts over \$500,000, the qualified appraisal must be included with the donor's tax return and any subsequent return to which the deduction is carried over. **Please note:** Gifts of a closely held business interest require review by the Foundation prior to contribution.

Real Estate

If held for more than one year by the donor, the donor may deduct the fair market value on the date the contribution is made to the Foundation. For real estate held less than one year, the deduction is the smaller of the cost basis or fair market value on the contribution date. The IRS requires a qualified appraisal for the contribution of most nonliquid assets for which you will claim a deduction of more than \$5,000. For gifts more than \$500,000, the qualified appraisal must be included with the donor's tax return and any subsequent return to which the deduction is carried over. **Please note:** Gifts of real estate require review by the Foundation prior to contribution.

OTHER DEDUCTION LIMITATIONS

Individual donors may claim an itemized income tax charitable deduction for cash contributions to the Foundation up to 60 percent of the donor's adjusted gross income (AGI) in the tax year in which the contribution is made. Depending on whether the Donor makes and/or claims other charitable contribution deductions, cash contributions may only be eligible for a federal income tax deduction of up to 50% of the Donor's AGI. Deductions for contributions of appreciated assets held for more than one year are limited to 30 percent of AGI. Any excess amount may be carried forward and deducted by the donor during the five-year period after the year of contribution.

A donor's ability to benefit from a deduction may be subject to certain IRS limitations. Please seek legal or tax advice to determine your ability to benefit from your contribution.

The ability of entities (e.g., partnerships, trusts, corporations, LLCs) to claim an income tax charitable deduction may vary. Please consult with the entity's legal or tax advisors to determine the ability to claim a charitable deduction.

ESTATE INCLUSION

Contributions to the Foundation and any earnings related to contributions are not part of the donor's taxable estate and are not subject to probate. Amounts contributed while a donor is alive should not be included in the taxable estate.

TAX TREATMENT OF INVESTMENT INCOME

Investment income earned by a fund is income of the Foundation. Because the DAF's assets belong to the Foundation and not to the donor, this income is not taxed to the donor, and the donor is not eligible to claim an additional charitable deduction for that income. Such income is reflected in the segregated account balance of the individual DAF. In the rare situation that a DAF generates unrelated business taxable income, the Foundation will be required to pay unrelated business income tax. The Foundation will assess the amount of such tax against the fund's assets.

GRANTS TO CHARITABLE ORGANIZATIONS

When the Foundation makes grants to charities, it distributes cash belonging to the Foundation. Donors may not claim additional charitable deductions when the Foundation pays a grant to a charity.

INVESTMENTS

Once a DAF has been created upon a donor's contribution, the grant advisor may recommend an investment advisor to oversee the assets in the fund. Final and exclusive authority to select and retain the investment manager and to make investment decisions rests with the Foundation, however. All investment managers must sign and abide by the Foundation's Investment Policy Statement. If a grant advisor does not recommend a qualified investment manager, the Foundation will appoint one.

INVESTMENTS

Once a Donor-Advised Fund has been created upon a Donor's contribution to the Foundation, the Grant Advisor may recommend a financial advisor to Assist the foundation. However, final and exclusive authority to select and retain the financial manager and to make investment decisions rests with the Foundation. If a Donor or Grant Advisor provides the Foundation with the name of a Financial Advisor, the Foundation will consider that as explicit authorization to share with such Financial Advisor any information relating to the RCF Giving Fund.

Generally, each DAF will hold enough cash to cover anticipated near-term grants and other distributions.

It is recommended each account hold enough cash to cover grants for the following 18 months, plus an additional 1% of the account balance.

While the available investment options will change from time to time, the Foundation's investments will be selected from the following:

YOUR DAF ALLOWS YOU TO

- Claim an immediate tax deduction
- Contribute a wide range of assets
- Avoid capital gains
- Invest in the most flexible investment options
- Recommend an investment advisor to manage the assets in the fund
- Involve heirs
- Build an endowment
- Recommend grants to qualified charities

GRANT MAKING

Historically, charitable grants have often been made in response to requests from friends or associates, or out of an awareness of a pressing social issue or organizational need. Today, individuals are voicing an increasing desire to be proactive in directing their philanthropic choices. This sentiment has increased the popularity of DAFs, which provide a good “fit” with the entrepreneurial spirit that many individuals have displayed in accumulating personal wealth.

The Foundation offers valuable information and tools to assist you in making informed philanthropic decisions. Grant advisors may recommend gifts to favorite charities, an alma mater, local libraries, and to all other qualified charitable organizations.

GRANT RECOMMENDATIONS

Grant advisors may use the foundation’s password-protected secure portal: cfndaf.donorfirstx.com to recommend qualified charitable organizations to receive grants from the Foundation. Additionally, grant advisors and investment advisors may research potential grant recipients, enter grant recommendations, and see their fund’s prior grants on the same portal.

Grant recommendations are advisory only and are subject to review and approval by the Foundation, which retains exclusive legal control and discretion over all grants made from its DAFs. The Foundation will generally honor a grant advisor’s recommendation, however. All grants are subject to the Foundation’s policies and procedures. If the Foundation does not adopt a recommendation, or if a recommended organization no longer qualifies when the grant is to be made through the Foundation, it will attempt to notify the grant advisor and obtain a recommendation for a grant to an alternative charitable organization.

If the Foundation approves a grant recommendation, it will issue a check payable to the recommended organization. A letter accompanying the grant will acknowledge the fund and the grant advisor’s involvement unless the grant advisor wishes to remain anonymous. Grant recommendations will be processed as soon as possible, generally within two weeks after receipt by the Foundation.

MULTIPLE RECOMMENDATIONS

Grant recommendations will be processed in the order in which they are received. In the event that multiple authorized individuals make simultaneous grant recommendations that exceed the amount remaining in the Fund, the Foundation will attempt to contact the Grant Advisors to inform them of the overlapping requests and offer them the opportunity to agree on a recommendation. If the Grant Advisors are not available or an agreement cannot be reached, the Foundation will evaluate the grant recommendations and award grants as it feels appropriate.

GRANT-MAKING FLEXIBILITY

- Make grants to public charities anywhere in the U.S.
- Make grants anonymously if you wish
- Make repeating grants
- Name successor grant advisors

NAMING GRANT ADVISORS

Once the donor has appointed the initial grant advisor, the grant advisor may name a successor for the fund. Any such appointment must be submitted in writing to the Foundation and is effective when the Foundation records the designation.

PRIMARY GRANT ADVISOR

If there are multiple grant advisors to a fund, one person must be designated as the primary. Only the primary grant advisor will receive reports from the Foundation. All have the right to appoint a successor to assume their rights as a grant advisor upon their resignation or death. All grant advisors may log in to the Foundation's portal (cfndaf.donorfirstx.com) to view the fund's current balance, investment holdings, historical grant and contribution activity, and quarterly summary statements.

GRANT RECIPIENTS

Grants may be made to charities located anywhere in the United States that are recognized by the IRS as publicly supported charities. Grants may also be made to some foreign organizations provided the organization agrees (in written contact prepared by the foundation) to use the money for charitable purposes, to track and report use of the grant, and to return any money improperly spent. Grants may not be made to a private nonoperating foundation, to individuals or to a disqualified Supporting Organization. Additionally, grants may not be used to pay for membership fees, dues, tuition, benefit tickets, or goods bought at auctions, nor may they be used to fulfill certain preexisting binding pledges to a charitable organization.

Grants often are used to create a naming or recognition opportunity at a charity. The Foundation encourages these grants. The two keys to avoiding problem grants are to ensure that the grant from the DAF does not fulfill a grant advisor's binding obligation with that charity and to ensure that the grant advisor does not receive an impermissible benefit from the grant, such as member benefits that have a value attached (e.g., books, CDs, DVDs, dinners, discounts at the charity's store, higher priority to purchase tickets, free parking at events, etc.).

MINIMUM AMOUNT FOR GRANTS

The minimum grant amount is \$250. If the amount of a grant recommendation exceeds the balance of a fund, the Foundation will make such grant (if approved) in an amount not to exceed the remaining balance after current expenses, if any, have been paid.

MINIMUM GRANT ACTIVITY

There are no minimum grant distribution requirements at this time. Some DAFs are designed to make grants every year. Other DAFs are designed to make no grants for several years.

Depending on its design, if a fund does not receive a contribution or make a grant distribution for three years, it will be considered dormant. The Foundation will attempt to reach a dormant fund's grant advisor and any successor to reactivate the fund. If no grant advisor or successor is available and the fund remains dormant, the Foundation may make annual grants to qualified charities from the dormant fund in accordance with the fund's grant history and the Foundation's procedures.

The Foundation reserves the right to change this policy at any time to conform to IRS regulations or other applicable rules.

RECORD KEEPING AND REPORTING

The Foundation's policy is to provide written confirmation of contributions to every donor after each contribution. Contribution confirmations serve as receipts and should be kept with the donor's tax records for IRS reporting. Donors should consult with their tax advisor before claiming any deduction in connection with a contribution. For gifts of property valued at \$500 or more, the donor must complete IRS Form 8283 and file it with federal income tax returns. For contributions of an unmarketable asset to the Foundation, the Foundation will complete the "Donee Acknowledgment" section of an IRS Form 8283.

The Foundation will send quarterly statements to the current grant advisor reflecting all contributions received, grants made, and current investment holdings for the current year. Each report will document activity for the calendar year through the end of the quarter. Reports will show:

CURRENT QUARTER FIGURES, INCLUDING

- Beginning and ending asset values
- Total contributions received during the year
- Total grants paid to charities during the year

DETAILS OF CONTRIBUTIONS RECEIVED DURING THE CURRENT QUARTER INCLUDING:

- The amount of each contribution
- The date on which the Foundation received each contribution
- The asset contributed

DETAILS OF GRANTS PAID DURING THE CURRENT QUARTER, INCLUDING:

- The name of each recipient charity
- The amount paid to each charity
- The date on which each grant was paid

WEBSITE

The Foundation maintains the following secure, password-protected portal: cfndaf.donorfirstx.com. On this portal, grant advisors and investment advisors may review the fund's contributions and grants, research potential grant recipients, recommend a new grant, view quarterly statements, view grants letters mailed to charities, view and download tax deduction letters for contributions, and view the current investment holdings.

SERVICE PROVIDER

The Foundation has retained RenPSG of Indianapolis, Indiana, to perform certain accounting and administrative functions.

FEES AND CHARGES

Each DAF is subject to annual administration fees that are assessed quarterly. The assets in each DAF are typically invested in marketable securities and may also be charged a fee for investment.

The Foundation reserves the right to charge additional fees for extraordinary or special services. Nonexclusive examples of extraordinary and special services include grants to foreign organizations; grants to supporting organizations described in §509(a)(3) of the Code; grants to organizations that have not yet obtained an IRS letter clarifying their §509(a) status; and if the fund (with or without prior Foundation approval) engages in fundraising activity or produces an event such as a golf tournament. **No fund, donor, or grant advisor is permitted to solicit contributions without specific prior written authorization from the president of the Foundation.**

MINIMUM DAF BALANCE

The minimum DAF balance is \$2,000.

SUCCESSOR GRANT ADVISOR OPTIONS

The initial grant advisor may select any person, including a spouse, child, another descendant, heir, or representative as successor. Upon a grant advisor's resignation or death, his or her rights and duties (including the rights to make grant recommendations, view DAF information online and receive quarterly statements) will transfer to the successor.

In the case of resignation, the original grant advisor must send to the Foundation a signed letter of resignation. If no successor has been named prior to sending a letter of resignation or if the grant advisor wishes to change the named successor, an Account Information Change Form naming the successor must accompany the letter. If the grant advisor dies, the successor must provide to the foundation written notification and sufficient proof of the death, whereupon the successor will assume the role of grant advisor. If the successor is a minor, the Foundation reserves the right to require that grant recommendations be made by the minor's legal guardian. A successor may also appoint his or her own successor.

RECOMMENDING A CHARITY AS BENEFICIARY

Rather than choosing a person to succeed him or her at death, a grant advisor may recommend (subject to review and approval by the Foundation) that one or more qualified charitable organizations receive annual grants from the remaining assets in the fund. Such grants will continue so long as there are assets. Each grant will be accompanied by a letter that references the grant advisor and the fund name.

Example

Making annual grants to the local zoo and her house of worship. Mary requested that the grants be paid each year on her birthday as her special gift to these charities that held deep meaning in her life.

Please call the Foundation at 888.487.8490 to discuss several alternatives and variations that may appeal to you.

NO SUCCESSOR NAMED

If no successor or charitable organization is designated, then, upon notification of the death or resignation of that grant advisor, the Foundation will make annual grants to one or more qualified charitable organizations from the remaining assets in the DAF. Distributions are granted at the sole discretion of the Foundation in accordance with applicable regulations and the Foundation's policies and procedures.

GETTING STARTED

ESTABLISHING YOUR COMMONWEALTH FINANCIAL NETWORK® DONOR-ADVISED FUND

To establish a DAF, complete an application. On the application, the donor(s) will be asked to name the fund. Typically, donors choose a name in honor of themselves, their family, a relative, a friend, or a cause that is important to them. The donor's financial advisor may open a brokerage or mutual fund account for the DAF (using the Foundation's name and EIN). **The donor or the financial advisor must initiate the transfer of cash and/or securities into the account.**

Please contact the Foundation for information needed to complete investment account applications. Mail the DAF application along with any investment account applications to Renaissance Charitable Foundation Inc. at 8888 Keystone Crossing Suite 1222 Indianapolis, IN 46240, or fax to 877.222.1829.

Once the Foundation approves the donation, the donor (or his or her investment advisor, if desired) will receive further communications and instructions. Contributions that are not approved will be returned.

EXAMPLES OF DONOR-ADVISED FUND STRATEGIES

- A married couple with an adjusted gross income of \$200,000 and a total net worth near \$2 million wish to lower their tax burden while benefiting their favorite charities. Establishing a DAF with \$50,000 of appreciated securities allows them to claim a \$50,000 income tax charitable deduction and avoid state and federal capital gain taxes when the DAF sells the securities. They are now able to recommend grants to charities from the newly formed DAF while benefiting from a tax savings of more than \$20,000.
- A retired teacher wishes to create and fund a college scholarship program to assist students at the high school where she taught. After consulting with the school, she creates a scholarship fund with the Foundation by contributing the first of a series of \$10,000 annual gifts to the fund. Each year, she recommends that the Foundation make a grant from the scholarship fund. She now can claim an income tax charitable deduction for each other gifts to the fund and, because the scholarship carries her name, ensures her legacy as an educator.
- A married couple with an adjusted gross income of \$85,000 and a net worth of \$1 million, including a highly appreciated \$150,000 rental home, wish to sell the rental home to benefit a local children's museum. By transferring the real estate, along with a \$10,000 mutual fund to cover anticipated holding costs and expenses, to the Foundation and allowing the Foundation to sell the property tax free, the net sale proceeds will create a \$150,000 DAF, from which they can now make quarterly grant recommendations to the children's museum. The couple thereby completely avoids capital gains taxes, receives an income tax charitable deduction for transferring the property and mutual fund to the Foundation, and will benefit the children's museum in perpetuity.

These examples are hypothetical and for educational use only. The situations, tax rates, or return numbers do not represent any actual clients or investments. There is no assurance that the rates depicted can or will be achieved. Actual results will vary. Please consult with legal and tax counsel about the suitability of these plans before proceeding.

STATE DISCLOSURES

A copy of the current financial statement of Renaissance Charitable Foundation Inc. is available by writing **8888 Keystone Crossing, Suite 1222, Indianapolis, IN 46240**, or by calling **(866) 803-0389**. Renaissance Charitable Foundation Inc. is registered to solicit contributions in every state where such registration is required, including the District of Columbia. The following disclosure notices are required by state laws:

Florida: A COPY OF THE OFFICIAL REGISTRATION AND FINANCIAL INFORMATION FOR RENAISSANCE CHARITABLE FOUNDATION INC. (REGISTRATION NO. CH13085), MAY BE OBTAINED FROM THE DIVISION OF CONSUMER SERVICES BY CALLING (800) 435-7352 OR VISITING THEIR WEBSITE WWW.800HELPFLA.COM. REGISTRATION DOES NOT IMPLY ENDORSEMENT, APPROVAL, OR RECOMMENDATION BY THE STATE.

Georgia: A full and fair description of the programs and financial statement summary of Renaissance Charitable Foundation Inc. is available upon request at the office and phone number indicated above.

Maryland: Documents and information submitted under the Maryland Solicitations Act are also available, for the cost of postage and copies, from the Secretary of State, State House, Annapolis, MD 21401, or (410) 974-5534.

Michigan: MICS No. 25719.

Mississippi: The official registration and financial information of Renaissance Charitable Foundation Inc. may be obtained from the Mississippi Secretary of State's office by calling (888) 236-6167. Registration by the Secretary of State does not imply endorsement.

New Jersey: INFORMATION FILED WITH THE ATTORNEY GENERAL CONCERNING THIS CHARITABLE SOLICITATION AND THE PERCENTAGE OF CONTRIBUTIONS RECEIVED BY THE CHARITY DURING THE LAST REPORTING PERIOD THAT WERE DEDICATED TO THE CHARITABLE PURPOSE MAY BE OBTAINED FROM THE ATTORNEY GENERAL OF THE STATE OF NEW JERSEY BY CALLING (973) 504-6215 AND IS AVAILABLE ON THE INTERNET AT <http://www.state.nj.us/lps/ca/charity/chardir.htm>. REGISTRATION WITH THE ATTORNEY GENERAL DOES NOT IMPLY ENDORSEMENT.

New York: Upon request, a copy of the latest annual report can be obtained from the organization or from the Office of the Attorney General by writing to the Charities Bureau at 120 Broadway, New York, NY 10271.

North Carolina: Financial information about this organization and a copy of its license are available from the State Solicitation Licensing Branch at (888) 830-4989 or (919) 807-2214. The license is not an endorsement by the State.

Pennsylvania: The official registration and financial information of Renaissance Charitable Foundation Inc. may be obtained from the Pennsylvania Department of State by calling (800) 732-0999. Registration does not imply endorsement.

Virginia: Financial statements are available from the Virginia Department of Agriculture and Consumer Services, 102 Governor Street, Richmond, VA 23219.

Washington: Renaissance Charitable Foundation Inc. is registered with Washington State's Charities Program as required by law and additional information is available by calling (800) 332-4483 or visiting www.sos.wa.gov/charities, or on file at Charities Division, Office of the Secretary of State, State of Washington, Olympia, WA 98504.

West Virginia: Residents may obtain a summary of the registration and financial documents from: Secretary of State, State Capitol, Charleston, WV 25305.

Wisconsin: A financial statement of the charitable organization disclosing assets, liabilities, fund balances, revenue, and expenses for the preceding fiscal year will be provided to any person upon request.

REGISTRATION IN A STATE DOES NOT IMPLY ENDORSEMENT, APPROVAL, OR RECOMMENDATION OF RENAISSANCE CHARITABLE FOUNDATION INC. BY THE STATE.

The Commonwealth Charitable Fund is offered through Renaissance Charitable Foundation. Visit cfndaf.donorfirstx.com or call (888) 487-8490 to learn more.