



GLOBAL GIFT FUND®

A DONOR-ADVISED SERVICE OF MDRT FOUNDATION

Gift Advisor™ Handbook

October 2006

Global Gift Fund®

A DONOR-ADVISED SERVICE OF THE MDRT FOUNDATION

For information call Advisor Services toll free at:

(877) 685-4644

website: www.globalgiftfund.org
email: mail@globalgiftfund.org

*“We make a living by what we get,
but we make a life by what we give.”*

~ Winston Churchill

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About Global Gift Fund®

Global Gift Fund®

Global Gift Fund is a charitable gift service offered by the MDRT Foundation, a non-profit organization dedicated to providing support for charitable causes throughout the world.

Individuals, families and organizations can set up their own charitable gift fund at the Foundation. All contributions that are accepted by the Foundation are irrevocable. The MDRT Foundation has exclusive legal control over the contributed assets. Additional contributions may be made at any time to a Fund. Through Global Gift Fund a donor can:

- ◆ Fulfill their personal charitable goals
- ◆ Promote greater philanthropy worldwide
- ◆ Support charitable causes and make wise grant making, now and in the future, with the services of a trained professional.

Your Global Gift Fund can enrich your life today and create a lasting legacy for tomorrow.

The GiftAdvisor™

A donor who has established a fund is referred to as a GiftAdvisor. When you established your Global Gift Fund, you may have named an individual to succeed you as the GiftAdvisor for your Global Gift Fund. Or, you may have recommended that your fund support one or more charitable organizations upon the death of the surviving advisor.

Each GiftAdvisor defines the purpose or mission of his or her Global Gift Fund when the fund is established. The mission that you outlined on your Application may be for general charitable purposes or it may state a specific purpose. The purpose of your fund is listed as a guideline for grantmaking.

As a GiftAdvisor, you can make recommendations on the charitable distributions from a Global Gift Fund that is established as a donor-advised fund. You can recommend grants for favorite charities or new causes that you discover. All grant recommendations are subject to approval by the Trustees of the Foundation.

About Global Gift Fund®

Confidentiality

The Foundation maintains confidential personal records about your Global Gift Fund and does not release donor information to other organizations. When you contact, by phone or on-line, Global Gift Fund about your fund, you may be asked to provide personal information from your application to identify yourself.

The Foundation, unless instructed otherwise, includes the name you have selected for your Global Gift Fund on all grant letters to charitable organizations. The Global Gift Fund you established may also provide anonymity to grantees if you selected a generic name for your fund, possibly reflecting the charitable intent rather than a family name.

The Foundation

The Foundation was developed by the members of the Million Dollar Round Table (MDRT), the premier organization of financial professionals®. Beginning in the mid-1950's, past presidents of MDRT began to channel honorariums for their services to the newly formed foundation "to address the larger needs of the community." The Foundation has been supporting worthy causes ever since.

The Foundation's philosophy about charitable giving

The Foundation believes that:

- ◆ Donor involvement should be encouraged.
- ◆ Donors should be encouraged to give funds to charitable organizations throughout the world.
- ◆ Foundation programs should improve the quality of life of people worldwide.
- ◆ Activities funded by the Foundation should reflect the important role and the caring and sharing spirit of MDRT members, their profession and the industry.
- ◆ Donors should be assisted in fulfilling their charitable goals and dreams.
- ◆ Donors should be able to involve family to

About Global Gift Fund®

Management of Global Gift Funds

build a personal legacy and family values.

Global Gift Funds are managed following the prudent investment policies and guidelines of the Foundation. The Foundation has a fifty-year history of philanthropic activity and dedicated volunteer leadership.

If your advisor is a Registered DonorAdvisor, appointed by the Foundation to manage charitable assets, he or she can be the investment manager for a Global Gift Fund that you establish and may recommend investments to the Foundation. Donors may make an initial recommendation regarding investment of the Global Gift Fund assets that may be considered by the Registered DonorAdvisor.

The Foundation reserves the right and duty to select qualified investment managers, including Registered DonorAdvisors, to manage Global Gift Fund assets and retains the right to determine investments. Every qualified investment manager shall offer investments that are capable of being administered by the Foundation and are neither adverse to the tax-exempt status of the Foundation nor prohibited by any applicable state or federal laws.

Ethics and Philanthropy

Ethics In Giving

DonorAdvisors subscribe to the model standards and code of ethic principles outlined by the Association of Fundraising Professionals and by the National Committee on Planned Giving.

Conflicts of Interest

Your charitable giving should be free from any inference of self-dealing for the benefit of both the Global Gift Fund and the nonprofits that are charitably supported. This follows IRS regulations and protects your charitable deduction.

Neither the donor nor any member of the donor's family should receive any direct personal or financial benefit from the gift. If the benefit from the gift is impersonal and indirect, the gift may still be appropriate. For example, a donor with a family history of cancer may appropriately recommend a gift to the American Cancer Society for cancer research.

Ethics

All gifts and grants to and from your fund:

- ◆ Must have charitable intent
- ◆ Must be used for qualified charitable purposes

See pages 9 and 10 for grant distribution guidelines. The Foundation has fiduciary obligation for insuring that these tax-deductible contributions and subsequent charitable grant distributions comply with all IRS guidelines. Each grant making recommendation is reviewed and must be approved by the Trustees of the Foundation.

Ethics and Philanthropy

*A Donor Bill of Rights
(Developed by American
Association of Fund Raising
Counsel (AAFRC), Council for
Advancement and Support of
Education (CASE), National
Society of Fund Raising
Executives (NSFRE), and
Association for Healthcare
Philanthropy (AHP))*

Philanthropy is based on voluntary action for the common good. It is a tradition of giving and sharing that is primary to the quality of life. To assure that philanthropy merits the respect and trust of the general public, and that donors and prospective donors can have full confidence in the not-for-profit organizations and causes they are asked to support, we declare that all donors have these rights:

1. To be informed of the organization's mission, of the way the organization intends to use donated resources, and of its capacity to use donations effectively for their intended purposes.
2. To be informed of the identity of those serving on the organization's governing board, and to expect the board to exercise prudent judgment in its stewardship responsibilities.
3. To have access to the organization's most recent financial statements.
4. To be assured their gifts will be used for the purposes for which they were given.
5. To receive appropriate acknowledgement and recognition.
6. To be assured that information about their donations is handled with respect and with confidentiality to the extent provided by law.
7. To expect that all relationships with individuals representing organizations of interest to the donor will be professional in nature.
8. To be informed whether those seeking donations are volunteers, employees of the organization or hired solicitors.
9. To have the opportunity for their names to be deleted from mailing lists that an organization may intend to share.
10. To feel free to ask questions when making a donation and to receive prompt, truthful and forthright answers.

Working with Your DonorAdvisor™

Your philanthropic goals

You have worked thoughtfully and hard to create your own success. Your charitable giving can likewise be informed and strategic. Philanthropy can enrich your life today. At the same time, it can create a lasting legacy for tomorrow that:

- ◆ Reflects your personal interests
- ◆ Serves your individual tax considerations
- ◆ Accommodates what you have to give and when you need to give
- ◆ Insures that your giving makes a difference

Your Global Gift Fund®

The charitable fund you established was completed with the assistance of a DonorAdvisor. The term DonorAdvisor is a trademark of the Foundation and refers to a professional advisor who is committed to providing philanthropic services to his or her clients through the Foundation. Your DonorAdvisor can continue to assist you with your charitable goals, allowing you to work closely with a professional that you already know and trust.

DonorAdvisor

The DonorAdvisor is your main contact at Global Gift Fund. The DonorAdvisor can assist you in:

- ◆ Making additional contributions to your fund
- ◆ Identifying and recommending charitable beneficiaries
- ◆ Answering questions about making grant recommendations
- ◆ Networking with other donors with similar interests
- ◆ Obtaining information about your Global Gift Fund.

DonorAdvisors undergo training and annual education about charitable giving, Global Gift Fund guidelines and policies.

Working with Your DonorAdvisor™

Replacement of a DonorAdvisor

At some time in the future it may be necessary to replace a DonorAdvisor because of death or retirement. Your DonorAdvisor can recommend a new advisor. Or, the donor or donor successors can choose from an approved list of certified DonorAdvisors. Similar replacement can be done, if for any reason you are dissatisfied with the services provided by the current Donor Advisor.

Should your current DonorAdvisor not wish to act as your advisor in the future, he or she can obtain a list of approved DonorAdvisors and can be of assistance in the selection of an advisor to work with you.

Grantmaking

Becoming A Grant Maker

More often than not, you as a donor give to causes and organizations because you are asked to by a friend or associate, or you have been purposefully made aware of a pressing issue or organizational need. This is responsive or re-active giving where the request is made or the need is presented and an individual reacts affirmatively or negatively.

In today's charitable environment, individuals often have an increasing wish to lead their philanthropy or become more involved in their philanthropic activities.

So how do you learn more about the needs of your community and about the non-profit organizations that are effectively meeting those challenges? Philanthropy becomes a process of ongoing education.

- ◆ It can be a learned behavior for both a donor and his family.
- ◆ It requires research and exciting exploration.

Through your Global Gift Fund you can fulfill your charitable goals.

Grant Guidelines

You can recommend that grant distributions be made from your fund to favorite charities or new causes you discover and wish to support. Upon approval by the Foundation, grants are distributed to qualified charitable organizations.

A GiftAdvisor may recommend grants of \$250 or more to qualified charitable organizations throughout the year. **The Foundation recommends that the total grants made each year be at least 5% of the average value of the fund during that year.** For example, if the average fund balance during the year is \$50,000, grants amounting to at least \$2,500 should be made during the next year.

If your fund was established as an endowment fund, the Foundation is committed to managing the funds to preserve principal and to maintain the continuity of grantmaking in the interests defined by the donor. The commonly accepted meaning for

Grantmaking

endowment is a fund that is kept in perpetuity to provide dividend and interest earnings for the benefit of a charitable cause.

There is no limit on the number of grants you may recommend. The suggested number of distributions per year is based on the fair market value of the account as of the first day of the year based upon the following schedule:

Account Value	Grant Distributions
Below \$25,000	5 grants annually
\$25,000 to \$49,999	10 grants annually
\$50,000 to \$99,999	15 grants annually
Over \$100,000	20 grants annually

Recommended Grant Distributions

Important Note: A GiftAdvisor cannot receive any benefit from the recommended charitable organization.

There are some specific guidelines regarding grant distributions:

- ◆ Grants are only made to qualified 501(c)3 organizations or to U.S., state and local government organizations that are qualified to receive charitable contributions (i.e. public libraries, schools, state colleges)
- ◆ Grant recommendations for international charitable purposes are reviewed on a case-by-case basis
- ◆ Neither the donor nor anyone related to the donor can receive any benefit from the recommended charitable organization (i.e. the grant cannot pay for membership fees, dues, tuition, benefit tickets, concerts, goods bought at auction, etc.)
- ◆ The grant cannot be used to fulfill a pledge to the charitable organization
- ◆ The grant cannot be used to support political causes or lobbying
- ◆ The grant cannot be made to a private foundation
- ◆ The grant cannot be made to an individual

Grantmaking

Grant Recommendation Process

A GiftAdvisor must use a Grant Recommendation Form to make a grant recommendation. A sample form is provided at the end of the Handbook. A separate form must be used for each grant recommendation.

The Global Gift Fund Account Name should appear on the form and the GiftAdvisor must sign the form. Accurate information regarding the name and address of the charitable organization ensures that the request is processed in a timely manner. Incorrect or incomplete forms delay processing of the grant recommendation.

Your DonorAdvisor does not need to sign the Grant Recommendation Form. However, you may consult with your DonorAdvisor and ask for clarification on grant guidelines. Questions about grantmaking may also be directed to Advisor Services, toll free 877.685.4644. All grant recommendations are reviewed and must be approved by the Foundation.

Grant Recommendation Forms should be sent to:

Global Gift Fund Advisor Services
6100 W. 96th St., Suite 120
Indianapolis, IN 46278

Grant Approval Process

The Foundation acknowledges its duty and hereby reserves the right to make any and all decisions with respect to the acceptance or rejection of any Global Gift Fund grant recommendation submitted by a GiftAdvisor with his or her signature on a Grant Recommendation Form. A GiftAdvisor is advised by the Foundation that merely submitting a completed Grant Recommendation Form with any requested supporting documentation does not constitute the agreement by the Foundation to make the recommended distribution.

Grantmaking

Grant distributions

Grants distributions are made on an on-going basis. Once the Grant Recommendation Form has been submitted to Global Gift Fund, the following is the process for grant distributions:

- 1) When the Grant Recommendation Form is received, the Foundation checks for an authorized signature, ensures the charity is qualified, and that sufficient funds are available from the account.
- 2) Qualified grant recommendations and requested amounts are submitted to the Trustees of the Foundation for approval.
- 3) The grant distribution to the charitable organization is made via check. A letter stating the purpose of the grant and the family foundation in the Global Gift Fund from which the grant was made accompanies the check. For contributions of \$10,000 or more, a simple grant evaluation form may be sent to the charitable organization requesting a response within six months.
- 4) Acknowledgement of the grant is sent to the GiftAdvisor and DonorAdvisor.

The normal processing time for grants is from 14 to 30 days from receipt of the grant recommendation. The GiftAdvisor will be notified if the processing of their grant will extend beyond this normal processing timeframe. If a grant is not approved because the organization does not qualify or because the grant is not for a charitable purpose, the GiftAdvisor is notified in writing. A GiftAdvisor may complete a new Grant Recommendation Form and submit it for review and approval.

Confirmation of Grants

The Foundation sends a confirmation of the approval and distribution of grant funds from your fund. Upon distribution of the grant to the charitable organization, a letter is sent to the GiftAdvisor acknowledging that the grant has been approved and made to the organization. A copy is sent to your DonorAdvisor.

Grantmaking

Incorrect use of funds

If the Foundation is made aware that grants from your fund have been made for incorrect purposes, the Foundation will notify you and may take corrective action. This can include requesting that the grant funds be returned. If a GiftAdvisor makes several recommendations that do not follow the grant guidelines, the Global Gift Fund reserves the right to transfer the fund assets to the unrestricted fund of the Foundation to further ensure that grants are made for qualified charitable purposes.

Grant Monitoring

You may request that a grant evaluation form be completed for any grant of \$10,000 or more. The Grant Evaluation Form is used specifically by Global Gift Fund to document the use of the funds and the outcomes.

Evaluations are submitted by the charitable organization to Global Gift Fund. If you requested an evaluation, a copy will be forwarded to you at the primary address on your application agreement. The information on the evaluation may be used as an educational resource for your future grantmaking.

The Foundation's annual report highlights donors and grantees. It profiles organizations that have been supported during the year. This report provides a resource for informed giving.

Your Global Gift Fund[®]

Fees

An initial fee of \$125 is required to establish a Global Gift Fund. An account service fee of \$125 is assessed annually beginning in year two. The following account administration fees are charged quarterly to the account:

Annual Administration Fee

First \$250,000
Greater of 125 basis points or \$125 /
(1.25% of this portion of account value or \$125)

Next \$250,000
to \$499,999
100 basis points /
(1% of this portion of account value)

Next \$500,000
to \$999,999
75 basis points /
(.75% of this portion of account value)

Next \$1,000,000
to \$4,999,999
50 basis points /
(.50% of this portion of account value)

Over \$5,000,000
25 basis points /
(.25% of this portion of account value)

For example: A fund with a balance of \$350,000 would be charged 125 basis points for the first \$250,000, and then 100 basis points on the next \$100,000.

Additional Contributions

Additional contributions may be made to your Global Gift Fund at any time. The minimum amount for additional contributions is \$1,000.

An Additional Contribution Form must be completed and submitted to Global Gift Fund for all additional contributions into a fund.

Your Global Gift Fund[®]

Your donor information, Global Gift Fund Account Name, and signature should appear on the form. Incomplete forms delay processing of the contribution to your fund.

All contributions that are accepted by Global Gift Fund are irrevocable. The MDRT Foundation has exclusive legal control over the contributed assets. Once an asset has been accepted, Global Gift Fund does not return any assets held by the Foundation.

The date of the contribution is considered the date that the assets are received by the Global Gift Fund or its brokerage account. This is a particularly important detail when you make contributions close to the end of the year and you want a tax deduction for that calendar year.

Gift Acknowledgement

All contributions to your fund are acknowledged by the Foundation. Correspondence is sent to the primary address listed on your Application Agreement form. Tax regulations outline how each gift is valued and the tax deduction limitations for individuals.

Inquiries About Your Fund

Donors and GiftAdvisors may inquire about the balance of their Global Gift Fund by contacting 877.685.4644. You should be prepared to provide personal information that you included on your application agreement form to verify that the individual calling is the fund donor. Your DonorAdvisor also can access fund information for you.

Reports

As a GiftAdvisor, you receive a quarterly statement about your Global Gift Fund. The information is sent to the primary address provided on your application agreement unless otherwise specified.

The quarterly statement details all new contributions and distributions (grants) and the changes (if any) based on expenses and the investment performance of the fund during the reporting period.

Your Global Gift Fund®

GLOBAL GIFT FUND®

A Donor-Advised Service of the MDRT Foundation

GRANT RECOMMENDATION FORM

1. Account Information

<u>Fund Name</u> Smith Family Fund for the Environment

<u>Daytime Telephone Number</u> 877.685.4644

2. **Grant Information:** A letter recognizing the named Fund and the GiftAdvisor™ accompanies grants made to the Organization. If you have any special requests on this grant distribution, please indicate below.

_____ I would like this grant to be sent anonymously.

_____ I would like the name of my Fund included on the grant letter to the charity but NOT the GiftAdvisor name or contact information.

_____ I have attached a letter on special instructions for the grant distribution.

3. Grant Amount:

<u>Amount of Grant (\$250 minimum)</u> \$2,000

4. **Recipient Charitable Organization:** Please refer to the Grant Recommendation Instructions on page 2 of this form. You must complete a separate Grant Recommendation Form for each grant request.

_____ I recommend that my contribution be made to the MDRT Foundation, or

I recommend that my contribution be made to the following:

<u>1. Organization's Official Name</u> <i>The Lagoon Conservancy</i>		
<u>2. Organization's Mailing Address</u> 789 Conservancy Road		
<u>City</u> Carlsbad	<u>State</u> CA	<u>Zip</u> 92009
<u>3. Phone</u> (123) 456-7890	<u>4. Federal Tax ID Number (If Available)</u> 95-1234567	
<u>5. Purpose of Grant</u> <i>General maintenance of Lagoon.</i>		

5. For survey purposes, please indicate the primary nature of this organization:

___ Arts ___ Education ___ Environment ___ Health

___ Human Services ___ Research ___ Youth Programs ___ Other

Your Global Gift Fund®

6. Grant Evaluation: A GiftAdvisor™ may request that a grant evaluation be completed for grants of \$10,000 or more.

___ I request that a grant evaluation be completed by the donee organization

7. Distribution of Grant: All grant recommendations are reviewed and must be approved by the Foundation's trustees. Grants are only made to qualified 501(c)(3) organizations or U.S., state and local governments that are qualified to receive charitable contributions. Grants are processed upon receipt. The normal processing time for grants is from 14 to 30 days from receipt of the grant recommendation.

8. Signature: I have read the Grant Guidelines. I hereby acknowledge that neither I nor anyone related to me will receive any benefit from the recommended charitable organization (the grant does not pay for membership fees, dues, tuition, benefit tickets, goods bought at auction, etc.), and the grant will not fulfill a pre-existing pledge to the charitable organization. The grant will not support political causes or lobbying.

<u>GiftAdvisor™ Signature</u>	<u>Date</u>
James K. Smith	October 1, 2006
<small>Name (Please Print)</small>	
James K. Smith	

<i>Mail completed form to:</i>	<i>Global Gift Fund Advisor Services 6100 W 96th St., Suite 120 Indianapolis, IN 46278</i>
<i>Or Fax to:</i>	<i>Global Gift Fund Advisor Services at 317.843.5417</i>
<i>Questions:</i>	<i>Global Gift Fund Home Office 877.685.4644 Global Gift Fund Advisor Services 866.301.0845</i>

Grant Recommendation Instructions:

1. You must include the fund name.
2. Unless instructed otherwise, the GiftAdvisor and fund name is used in the correspondence to the grantee.
3. The minimum distribution is \$250 per grant recommendation. Consult your handbook for specific information on the grant distributions.
4. You must include the name, mailing address and the purpose of the grant. Please include the tax identification number of the organization, if available.
5. You may request that the Foundation's Grant Evaluation be completed by the charitable organization for grants of \$10,000 or more. A copy of the evaluation will be sent to you.
6. Grants are distributed in a timely manner upon approval by the Foundation's trustees. Incomplete forms delay the process.
7. You must sign and date the grant recommendation form and print your name below your signature.
8. If the grant cannot be made within 30 days, the GiftAdvisor will be notified.

<i>For Foundation use only:</i>		
Approved: _____	Not Approved: _____	Date: _____