



GLOBAL GIFT FUND®

A DONOR-ADVISED SERVICE OF MDRT FOUNDATION

**Your Family Foundation Through The
Global Gift Fund
Guide to Charitable Giving**

October 2006

Global Gift Fund®

A DONOR-ADVISED SERVICE OF THE MDRT FOUNDATION

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*“The great thing in this world
is not so much where we stand,
as in what direction we are moving”*

~ Oliver Wendall Holmes

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About Global Gift Fund®

Family Foundation in the 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 and families can set up their own *Family Foundation* in the Global Gift Fund :

- ◆ Assists donors in fulfilling their personal charitable goals
- ◆ Promotes greater philanthropy worldwide
- ◆ Supports charitable fund creation and wise grant making, now and in the future, with the services of a professional

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

Who can establish a Family Foundation in the Global Gift Fund

Anyone can create a *Family Foundation* through the Global Gift Fund. The minimum contribution to establish a fund is \$10,000.

Individuals should work with a DonorAdvisor™ who is trained to assist them with their charitable giving. The term DonorAdvisor™ is a trademark of the Foundation and refers to a professional advisor retained by an individual to assist with the individual's financial affairs in general and the establishment of a Global Gift Fund in specific.

If your advisor is a Registered DonorAdvisor, appointed by the Foundation to manage charitable assets, he or she can be the investment manager for the Family Foundation that you establish.

An individual donor who establishes a fund is referred to as a GiftAdvisor.™ The GiftAdvisor can make recommendations for charitable distributions from a donor-advised fund. All grant recommendations are subject to approval by the Trustees of the Foundation. Grant guidelines may assist the individual in recommending grants for qualified charitable purposes.

About Global Gift Fund®

Why should I establish a Family Foundation

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

In partnership with a DonorAdvisor you can structure a charitable fund to meet your specific needs. This allows you to work closely with a professional that you already know and trust.

The Foundation

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

Mission

The mission of the MDRT Foundation is to increase member participation and to give funds to worthwhile charitable organizations throughout the world.

The Foundation's philosophy about charitable giving

The Foundation believes that:

- ◆ Donor volunteerism 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

About Global Gift Fund[®]

- ◆ Activities funded by the Foundation should reflect the important role and the caring and sharing spirit of MDRT members, their profession and the industry in the lives of people
- ◆ Donors should be assisted in fulfilling their charitable goals and dreams
- ◆ Donors should be able to involve family to build a personal legacy and family values

The goal of the Foundation is to assist donors in building permanent Global Gift Funds that fulfill in perpetuity the charitable interests of the donors.

Getting Started

Thinking About Philanthropy

Your charitable aims

Your Family Foundation in the Global Gift Fund can support your long-term philanthropic goals. You can make grant recommendations from your fund during your lifetime. You also can name the individuals to succeed you as a GiftAdvisor; or you can recommend that your fund support one or more specifically named charitable organizations upon the death of the surviving advisor.

You probably have several reasons for creating a family foundation:

- ◆ To utilize all of your assets, through wise estate planning, for maximum benefit and minimum tax liability.
- ◆ To support institutions, causes and organizations that have impacted your life.
- ◆ To create a charitable legacy that continues your giving priorities.
- ◆ To encourage others to share your charitable interests and intentions.
- ◆ To motivate and inspire your heirs to be charitable as well.

A Family Foundation in the Global Gift Fund can assist you in achieving all of these objectives.

Giving Preference

Your Family Foundation can be established as:

- ◆ A Donor-Advised Fund – the donor (GiftAdvisor™) has the ability to make grant recommendations from the fund
- ◆ Designated Fund – that benefits in perpetuity one or more charitable organizations that the donor chooses
- ◆ Field of Interest Fund – that benefits a charitable area such as the arts or education; the Foundation handles all grant distributions from these funds
- ◆ Unrestricted Fund – the donor makes a charitable contribution to the Foundation that is used for charitable purposes encompassed by the Foundation's mission

Getting Started

*Family giving through
Your Family Foundation*

A named fund honoring an individual's lifetime charitable interest can be the perfect vehicle for teaching philanthropy to younger family members. Recommendations might collectively be made by different generations (from elders, through young adults, even including teens and youngsters) by means of a collective sharing of interests, information on effective causes and organizations.

One individual is selected to be the contact for the family regarding grant recommendations. There also might be opportunities to actually see the impact of grant making through family site visits to grantees.

*Seeding a fund to leverage
other charitable gifts*

You can use your Family Foundation to leverage gifts from additional donors to charitable causes. Perhaps you might wish to create a charitable endowment to perpetually benefit the local library in your name. You might personally seed a designated fund for a specific charity and then encourage other individuals to make additional contributions to it. A fund name that reflects an area of interest rather than a family name is more likely to attract other donors.

*Collectively giving around
issues or interests*

A group of individual donors might also choose collectively to create a Global Gift Fund. Groups might be formed thematically to support “social change” issues or to provide charitable support for women’s issues such as healthcare, childcare, vocational education or domestic violence. They might also be motivated by a regional interest in historical preservation or environmental issues. One individual must be selected to be the spokesperson for the group when making the grant recommendation. Or the Foundation can choose how the annual grant distributions are made.

**Giving today and
endowed giving for
tomorrow**

A Global Gift Fund can provide charitable resources for today and the future. You make one contribution today to establish your charitable fund. Then, you can make additional contributions at any time.

Getting Started

Annual Support

Annually, you can recommend grants to support needs in your community and your favorite charitable causes. Distributions from your Global Gift Fund can be made throughout the year, subject to the approval of the Foundation. The Foundation recommends that the total grants made each year be at least 5% of the average balance of the fund during that year.

Support for tomorrow

After you are gone, who will continue to support the causes and institutions that you make gifts to on an annual basis? Your Family Foundation in the Global Gift Fund can be established as an endowment fund to insure that your charitable goals are met in perpetuity. The commonly accepted meaning for endowment is a fund which is kept in perpetuity to provide interest and dividend earnings for the benefit of a charitable cause.

Endowment

When you establish your fund as an endowment, you create a charitable legacy. It allows you to:

- ◆ Have the charitable assets invested both for income and growth to provide grants today and to preserve the resources for continuing support in the future
- ◆ Give longer. Your annual grantmaking can be perpetual, continuing your charitable gifts long after you are gone.

Share your philanthropy with your heirs. Family members can continue charitable grantmaking through the fund.

Benefits

The benefits of establishing a Family Foundation in the Global Gift Fund are:

- ◆ It is easy to create
- ◆ Donors receive federal income tax deduction, up to the allowable amount by law in the year the gift is made or with a five year carry forward
- ◆ It is customized to donor's charitable interests
- ◆ Funds are managed by professionals

Getting Started

DonorAdvisors™

The term DonorAdvisor™ defines those professional advisors who are committed to providing philanthropic services to their clients through Global Gift Fund. A DonorAdvisor receives training and annual education. Your personal DonorAdvisor is your main contact at Global Gift Fund. He or she brings to the charitable giving arena years of experience in sound financial planning. Your DonorAdvisor can assist you to:

- ◆ Select the appropriate charitable vehicle
- ◆ Create the fund
- ◆ Select the appropriate investment mix for your fund that meets your individual charitable needs
- ◆ Identify and designate charitable beneficiaries
- ◆ Answer questions about grant making
- ◆ Network with donors with similar interests

Working with a DonorAdvisor™

Only a certified professional advisor who is a DonorAdvisor can assist you in establishing a Global Gift Fund. Your current professional advisor can be your Donor Advisor for your charitable fund. He or she can also continue to personally manage those Foundation assets if the individual is a Registered DonorAdvisor. A Registered DonorAdvisor is appointed by the Foundation to provide fund management and is subject to performance monitoring.

Should your professional advisor not wish to act as a DonorAdvisor, 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.

How To Establish A Global Gift Fund®

Establishing a Global Gift Fund is easy. A minimum contribution of \$10,000 is needed to establish a fund. There is a short application agreement. Your DonorAdvisor can assist you with the process.

What are the steps?

- ◆ Talk with a DonorAdvisor (or ask your professional advisor to become a DonorAdvisor)

Getting Started

- ◆ Discuss your charitable interests
- ◆ Review options for establishing a fund
- ◆ Review the Global Gift Fund fee schedule
- ◆ Select a name and purpose for your fund
- ◆ Complete the Global Gift Fund Application
 - Both you and your DonorAdvisor sign the Application.
 - Your DonorAdvisor submits the Application

All new funds are subject to acceptance based upon the Global Gift Fund Gift Acceptance Policy. A donor is notified when the Application has been accepted or if additional information is needed.

The Foundation considers the date of the contribution to be the date that the assets are received by the Global Gift Fund brokerage account.

All contributions that are accepted by the Foundation are irrevocable. The MDRT Foundation has exclusive legal control over the contributed assets.

Should you wish it, your Global Gift Fund can provide anonymity for your gift and grants. A letter stating the Family Foundation name accompanies all grants to charitable organizations. In order to remain anonymous, you should select a generic name for your fund, possibly reflecting the charitable intent rather than a family name. This can provide the anonymity that you desire. Examples:

- ◆ Fund for the Environment
- ◆ The SM Foundation
- ◆ San Diego County Library Fund
- ◆ The Charitable Fund for Kansas

Confidentiality

Getting Started

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 /
(1.00 % of this portion of account value)

Next \$500,000
to \$999,999
75 basis points /
(0.75 % of this portion of account value)

Next \$1,000,000
to \$4,999,999
50 basis points /
(0.50 % of this portion of account value)

Over \$5,000,000
25 basis points /
(0.25 % of this portion of account value)

For example: A fund with a balance of \$350,000 would be charged 1.25 % for the first \$250,000 and then 1.00 % for the next \$100,000

Getting Started

How Should I Give

Your Family Foundation in the Global Gift Fund can be established with a variety of assets:

Simple acceptance process:

- Cash
- Publicly traded securities
- Life Insurance

Subject to approval:

- Real estate
- Lettered and closely held stock
- Limited partnership interests
- Personal property

Gifts of real estate, lettered and closely held stock, limited partnerships and personal property are subject to the approval of the Foundation on a case-by-case basis. These gifts are subject to approval based on a written plan of liquidation. Specific instructions must be followed for each of these gifts.

Planned Gifts

Your Family Foundation in the Global Gift Fund may be established with a planned gift. Your DonorAdvisor can assist you with the process. There is no annual fee for a fund established with a planned gift until the fund receives the gift.

Ethics And Standards

Ethics In Giving

Conflicts of Interest

The Foundation and the DonorAdvisors subscribe to the model standards and code of ethic principals outlined by the National Society of Fund Raising Executives and by the National Committee on Planned Giving.

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

Conflict of interest is considered an activity or interest, which may cause bias for or against a particular grant being considered for funding. This could include any activity in which the donor receives a benefit.

Ethics

All gifts and grants to and from your fund:

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

The GiftAdvisor or anyone related to the donor cannot receive any benefit from the recommended charitable contribution. Grants cannot pay for membership dues, tuition, benefit tickets, concerts, goods bought at auction, etc. Grants cannot be used to fulfill a pledge, support political causes, be made to an individual or to a private foundation.

The Foundation has a 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.

*A Donor Bill of Rights
(Developed by American
Association of Fund Raising
Counsel (AAFRC), Council for
Advancement and Support of
Education (CASE), Association
of Fund Raising Professionals
(AFP), 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.