



# DAVENPORT

— *Donor Advised Program* —

**A DONOR'S GUIDE**

# Helping your philanthropy go further

You know how gratifying it is to support a worthy cause.

What if you could create an enduring legacy through your charitable contributions?

## Increase Your Impact

Many times, we make our charitable decisions in a year-end rush to capture tax deductions, rather than taking a planned, long term approach to charitable giving that can allow our contributions to grow into a more substantial amount over time, increasing the overall impact of our gifts.

The decision to give is easy, but knowing the best way to give may not be. If you are looking for a way to make your giving more effective while maximizing the tax benefits of your philanthropic activities, look no further than the **Davenport Donor Advised Program** (DDAP).

The DDAP is a program created in conjunction with **Renaissance Charitable Foundation** (RCF), an independent public charity dedicated to helping individuals effectively reach their philanthropic goals.

# Achieve Your Charitable Goals

The Davenport Donor Advised Program (DDAP) can serve as an effective, flexible and efficient vehicle to meet your charitable goals. The Fund has been designed to simplify your annual giving by allowing you to contribute appreciated assets when you feel the timing is right, and then make grants over time to the charities of your choice.

Setting up your account is simple, cost-effective and convenient. You will be able to work in concert with your Davenport Financial Advisor to select the appropriate investment strategy for your charitable giving fund.

The DDAP can provide you with the following benefits:

- Ability to donate complex and privately held assets
- Separately Managed Accounts
- A range of investment options
- Convenient online access and service
- Account values updated daily

## How Does a Donor Advised Fund Work?

### 1 DONATIONS

A donor makes an irrevocable, tax-deductible donation to the sponsoring charity of the DAF program.



### 2 INVESTMENTS

The donor works with his or her Financial Advisor to recommend a strategy to grow their charitable assets.



### 3 GRANTS

The donor recommends grants to his or her favorite qualified public charities.



The Davenport Donor Advised Program (DDAP) is a donor advised fund program whose sponsoring charity is Renaissance Charitable Foundation (RCF) located in Indianapolis, Indiana. Contributions to the Davenport Donor Advised Program are irrevocable gifts to Renaissance Charitable Foundation, which maintains exclusive legal control over the Davenport Donor Advised Program. Individuals considering a contribution to the Fund should consult their legal and tax advisors regarding deductions, based on their personal considerations.

# What are the Benefits of Giving?

Few charitable giving options provide the versatility and tax efficiency of a donor advised fund. DDAP provides many significant benefits. As a donor, you can:

## Maximize Your Giving Power

You have the ability to work with DDAP to invest your charitable assets in a strategy that allows them to grow tax-free, enhancing your ability to make grants long into the future.

## Donate Appreciated Assets Tax-Free

When you contribute appreciated assets to your Fund, you can deduct their full fair market value from your taxes and avoid capital gains tax liability.

Contact your Davenport Financial Advisor to learn more about the different asset types you can contribute.

## Separate Tax Planning and Charitable Decisions

You can realize immediate tax advantages and make grants to charity later. DDAP eliminates the pressure of having to select and donate to a charity by year-end.

## Online Access

With the ability to view comprehensive account information, research charitable organizations or recommend a grant, you can fully manage your account online.

## Simplify Your Giving

DDAP offers an efficient means of managing your charitable giving by removing the need to write and track checks for tax reporting.

## Streamline Recordkeeping

DDAP provides consolidated reporting and record keeping. You receive quarterly account statements from the program, gift receipts and IRS-ready tax information from Renaissance Charitable Foundation Inc.

## Give Anonymously

You may choose to make charitable grants anonymously, keeping your name and personal information confidential.

## Create a legacy of giving

You are able to name account advisors who have the ability to recommend grants from your account, and select successors who can also recommend grants to continue your charitable legacy beyond your lifetime.

# Make the Most of Tax Deductions

In addition to receiving an immediate tax deduction, DDAP provides you the flexibility to designate grants whenever it best suits you, opportunity to lower your current taxes and the convenience of being able to more easily track and plan your charitable activities for future tax years.

Your contribution to the Fund is an irrevocable charitable donation, fully deductible on the date it is received by the Foundation. The extent of your deduction depends on the type of asset being contributed, as well as your particular tax situation. Please consult your legal or tax advisor for more information.

## Cash Contributions

Cash contributions are eligible for a federal income tax deduction of up to 60% of your adjusted gross income (AGI) in the tax year in which the contribution is made. If your contribution exceeds this limit, you may carry the deduction forward up to five years.

## Publicly Traded Securities

For publicly traded securities held for more than one year, the amount of the deduction is the mean value of the high and low prices of the security on the date of the contribution. You may generally deduct up to 30% of your AGI for contributions of appreciated securities held more than one year.

For securities held for one year or less, the deduction is the smaller of the cost basis or FMV on the contribution date. If your contribution exceeds this limit, you can carry the deduction forward up to five years.

## Closely-Held Business Interests

Deduction is FMV for assets held over one year; Assets held one year or less, deduction is the smaller of the cost basis or FMV on the contribution date. The donor may deduct the FMV on the date the contribution is made. The IRS requires a qualified appraisal for any contribution of a closely-held business interest when a donor intends to claim a deduction of more than \$10,000.

Careful steps need to be taken whenever 'hard-to-value' assets are contributed to a donor advised fund. Contributions must be approved prior to transfer.

## Real Estate

Deduction is FMV for assets held over one year; Assets held one year or less, deduction is the smaller of the cost basis or FMV on the contribution date. The IRS requires a qualified appraisal for the contribution of most non-liquid assets if the donor intends to claim a deduction of \$5,000.

# Maximize Giving through Tax-Smart Strategies

When you contribute appreciated assets to your Fund, you can deduct their fair market value without incurring any capital gains liability allowing you to give more, at less cost to you.

	Sell asset and donate the cash proceeds to charity	Donate the asset directly to DDAP
Current value of asset	\$100,000	\$100,000
Capital gains tax paid by donor (20% of \$90,000)	\$18,000	\$0
Amount received by charity	\$82,000	\$100,000 Charity receives an additional \$18,000
Income tax savings to donor (36% bracket)	\$29,520	\$36,000
“Cost” of donation to donor	\$70,480	\$64,000 You save \$6,480

# Great Complement to a Private Foundation

Donor Advised Funds are most often compared to Private Foundations yet there are some very distinct differences between the giving vehicles. Both gift types can work independently but can realize tremendous giving potential when used in concert. Some of the differences include:

	Donor Advised Funds	Private Foundations
Startup expense and speed to create	No start-up costs and can be created immediately	Due to State and Federal Government required approval, can take several weeks and/or months to establish.
Donor may select account name	Yes	Yes
Privacy	Anonymity permitted	Unfortunately not; The IRS requires a Form 990-PF to be filed each year to report assets; name and address of each donor and charitable recipient.
Excise Tax	None	Typically 2% of the annual net investment income.
Tax deduction limits*	60% of adjusted gross income for cash gifts; 30% of adjusted gross income for Stock or Real Property gifts	30% of adjusted gross income for cash gifts; 20% of adjusted gross income for Stock or Real Property gifts. Deduction limited to the smaller of cost basis or value for gifts of appreciated assets.
Required Distribution	None	5% annually of the net asset value however distributions can be made to a DAF.
Investment options	Separately managed accounts with wide-range of investment options	Foundation manager chooses investment advisor and has wide-range of investment options.
Administration, Annual Filings and Compliance	No tax returns or filing requirements	Foundation must file a tax return, conduct a financial audit and conduct its own compliance.

\*Income tax charitable deductions greater than these limits may be carried forward five additional years.

Did you know both a Donor Advised Fund and a Private Foundation can be the beneficiary of a Charitable Lead or Charitable Remainder Trust?

**Let us show you how to create your own charitable strategy.**

# Getting Started

## CREATING A FUND

Opening a Davenport Donor Advised Program Account is easy. Complete a Donor Advised Fund application and return it to your Davenport Financial Advisor.

Below are some guidelines to assist you:

- **Designate Fund Donor(s)** – In addition to yourself, you can name additional donors who are joint contributors to the Fund.
- **Name Your Fund** – Choose a name for your Fund. For example, you may want to name it after your family or have it reflect the charitable goals of the account (i.e., “The Smith Family Fund” or “The Smith Scholarship Fund”).
- **Name Fund Advisors** – You can name one or more individuals as advisors to your Fund, who will also be able to recommend grants. Many individuals involve their children in charitable giving through their donor advised fund.
- **Designate Fund Successors or Charitable Beneficiaries** – You may name one or more successors or beneficiaries to your Fund. A successor gains full responsibility for decisions relating to the Fund upon the death of all the original donors, and has the authority to make contributions, recommend grants and name advisors and future successors. If you prefer, you can name a charity as the Fund beneficiary to inherit either all of the remaining assets in the account or a percentage annually, upon the death of all original donors.
- **Select a Charitable Area of Interest** – To honor your charitable intent and in the event successors are unavailable or unable to make decisions, you need to indicate a charitable organization or area of interest you would like your grants to support. You could include a specific charitable organization, a university, a particular field of research (such as cancer or heart disease) or an area of interest (such as environmental protection or support for the arts).

In the event that your Fund ceases to make grant recommendations for three consecutive years, RCF will make reasonable attempts to contact you or your designated successors. If RCF cannot contact either, its trustees will direct grants from the Fund, and will endeavor to support your charitable area of interest.

## FUNDING YOUR DAF

The minimum initial contribution necessary to establish a DDAP Account is \$50,000. This irrevocable gift of cash, securities, or other appreciated assets will be made to Renaissance Charitable Foundation Inc. (RCF).

Multiple assets and securities can be contributed to equal the minimum. Subsequent contributions must equal \$5,000 or more. You can fund your DAF in a number of ways:

- **Cash** can be wired, transferred from an existing account or mailed to RCF. All checks must be payable to “Renaissance Charitable Foundation Inc.”
- **Publicly Traded Stock, Bonds and Mutual Funds** can be transferred from your personal account to the RCF receiving account.
- **Deferred Contributions** – Your Fund can be named as the beneficiary of, and receive distributions from, a charitable bequest, charitable remainder trust, charitable lead trust, qualified retirement plan or private foundation. “Renaissance Charitable Foundation Inc.” should be named for deferred contributions in care of the donor’s fund in DDAP. RCF will review and approve all contributions. Once your contribution has been accepted, you will receive a confirmation and a tax receipt for your records. If a contribution is not accepted, it will be returned to the account of origin.
- **Restricted, Closely Held or Non-publicly Traded Securities; Real Estate; Art or Other Collectibles** – Contact your Davenport Financial Advisor to determine eligibility for any of these assets.

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No Fund, Donor or Grant Advisor is permitted to solicit contributions without specific prior written authorization from the President of RCF. The donor, or the donor’s financial advisors, must initiate all transfers to Renaissance Charitable Foundation, Inc. When making additional contributions to an existing account, always complete an Additional Contribution Agreement, and when necessary, an Asset Transfer Request form. Contact your Davenport Financial Advisor for assistance.

# Grow Your Giving

Each time you make a contribution to your Davenport Donor Advised Program Account, the process below is followed for investing contributed assets:

## Cash

The net proceeds of cash contributed will be invested.

## Publicly Traded Stock, Bonds and Mutual Funds

Securities, including mutual funds, may be either held or sold in accordance with RCF's investment policy. After RCF sells contributed securities, it invests the net proceeds.

## Closely-Held Business Interests

RCF is required by law to sell most interests in a closely-held business within five years after the contribution is received. Often the donor's family or the business will purchase the shares from RCF. After the shares are sold, RCF invests the net proceeds.

## Real Estate or Other Non-Liquid Assets

All non-liquid assets accepted by RCF may either be held or sold. Donors and their investment advisors can recommend specialists to assist with the sale as appropriate. The net proceeds of the sale of non-liquid assets will be invested.

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### Liquidation Policy:

In its sole discretion, RCF will determine the timing and execution of a sales strategy for any asset, including contributed assets, and reserves the right to sell at any time. Generally, RCF 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, RCF 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.

Any income or gains within a donor advised fund account resulting from investment growth is exempt from taxes but is not deductible.

# Make a Difference

## Recommending Grants

Once your account is funded, you can begin recommending grants to charitable organizations. You and your designated account advisors can recommend grants from your Fund to qualified charitable organizations at any time. Each grant must equal a minimum of \$250, and the number of grants you may recommend each year is unlimited.

## Grant Request

You have two ways to submit a grant request.

1. Log into your account at <https://davenport.donorfirstx.com> and follow the Recommend a Grant process.
2. Download the Give Now Mobile App and submit a grant request through it.

## Grant Review

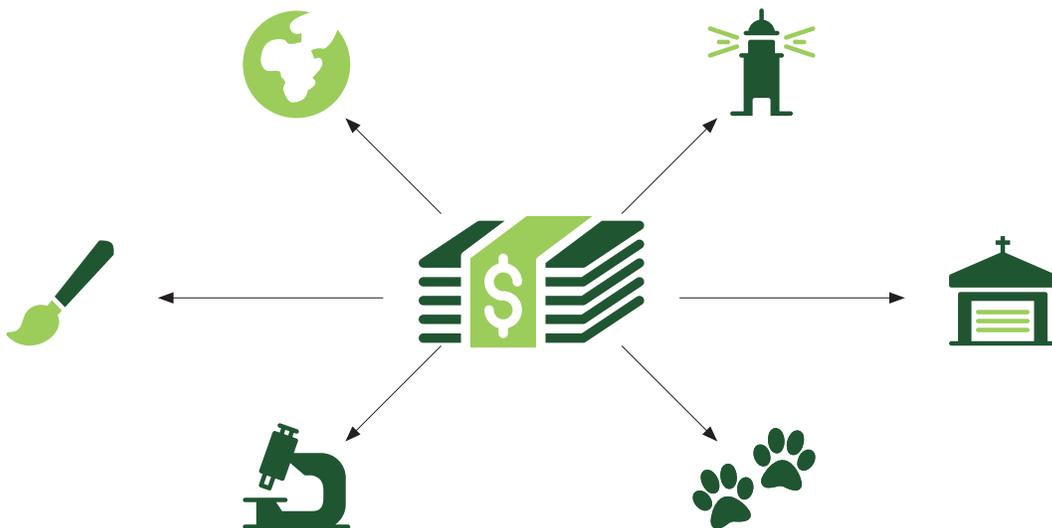
Upon receipt of your grant recommendation, RCF will review and verify the charitable organization is eligible to receive the grant. RCF Trustees meet weekly to review and approve grants.

## Grant Distribution

Once your grant has been approved, a check accompanied by a grant letter will be sent directly to the charity. You may choose to have the letter acknowledge you, the account name or a special acknowledgement (for example, in memory of a person, group or event) or the grant may be made anonymously. Typically, the charitable organization will receive your grant within two weeks.

## Need help researching a charity?

You can use the non-profit search engine, GuideStar, available on your online dashboard, to research and locate any charitable or 501(c)(3) organization in the United States. The search result includes the mission of the charity or nonprofit and the information required to recommend a grant to the organization.



# Approved Charities

Grants can be made to qualified charities and nonprofit organizations that have been approved by the IRS as able to receive tax-deductible contributions from a donor advised fund.

## Qualified Charities and Nonprofits:

### Public nonprofits

Grants may be made to charities located anywhere in the United States that are recognized by the IRS as publicly-supported charities. Grants also may be made to private operating foundations.

### Religious and educational

Most established religious organizations and educational institutions are not listed as 501(c)(3) nonprofits but are nevertheless tax-exempt charitable organizations. RCF will facilitate making grants to such organizations.

## Restrictions

Grants may not be made to a private non-operating 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 a pre-existing binding pledge to a charitable organization.

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Grant Advisors may, without prior approval from RCF, engage in personal one-on-one solicitations of a friend to give a gift in accordance with the terms of this Guide so long as the gift is 100% deductible to the donor and there is zero value returned to the donor. Mass solicitations (sent to more than 10 persons at a time) are never allowed without specific prior approval.

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Renaissance Charitable Foundation reserves the right to charge additional fees for extraordinary or special services. Non-exclusive examples of extraordinary and special services include: 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.

# DDAP Fact Sheet

<b>Minimum Initial Contribution</b>	\$50,000										
<b>Additional Contributions</b>	Additional contributions of at least \$5,000 may be made at any time.										
<b>Irrevocable Gifts</b>	Contributions to the Renaissance Charitable Foundation are <b>irrevocable</b> and <b>nonrefundable</b> .										
<b>Types of Gifts</b>	You may contribute cash, stocks and bonds, or you may speak to your Davenport Financial Advisor about other types of gifts including real estate and tangible assets.										
<b>Naming the Account</b>	You will be asked to name your account. You may want the name to reflect your charitable goals (e.g., the Smith Family Educational Fund).										
<b>Account Advisors</b>	You may assign advisors to the account who can make grants and eventually become successors to the account.										
<b>Successor Advisors and Beneficiaries</b>	You may specify one or more family members or other individuals as successors. A successor gains full responsibility for the account upon the death of the original donors, with the ability to make contributions, recommend grants and name advisors and successors.										
<b>Areas of Interest</b>	To honor the charitable intent of the original donor and in the event no successor donors are named after the last donor passes, donors are required to indicate a charitable organization, area of interest, or geographical area for final grants, in the event no successor is named to manage the Fund.										
<b>Minimum Grant Recommendation Amount</b>	\$250										
<b>Annual Administration Fee</b>	<table> <tr> <td>First \$500,000</td> <td>0.65%</td> </tr> <tr> <td>Next \$500,000</td> <td>0.35%</td> </tr> <tr> <td>Next \$1,500,000</td> <td>0.25%</td> </tr> <tr> <td>Above \$2,500,000</td> <td>0.20%</td> </tr> <tr> <td>Minimum Annual Fee</td> <td>\$250</td> </tr> </table>	First \$500,000	0.65%	Next \$500,000	0.35%	Next \$1,500,000	0.25%	Above \$2,500,000	0.20%	Minimum Annual Fee	\$250
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Minimum Annual Fee	\$250										
<b>Investment Fees</b>	Investment advisory fees and other investment vehicle expenses, where applicable, are in addition to the annual administration fee. The advisory fee is subject to the investment strategy selected and includes investment advice, custody of assets, and broker execution services. In addition to the portfolio fee, assets that are invested in mutual funds (including money market funds), Unit Investment Trust's ("UITs"), ETFs, managed futures funds or other similar types of pooled investment vehicles will bear a proportionate share of the investment product's management and administrative fees and sales charges, including advisory fees paid to the ETF's or mutual fund's investment advisors.										
<b>Deferred Giving</b>	You may also choose to fund or add to an existing account through deferred gifts, such as through a charitable remainder trust, a bequest in an estate or as a beneficiary of qualified retirement plans.										
<b>Reimbursements</b>	Donor advised funds cannot reimburse for donor expenses attributed to giving.										
<b>Minimum DAF Balance</b>	\$2,000										

# For More Information

**Call:** (800) 846-6666

**Email:** [DonorAdvisedProgram@investdavenport.com](mailto:DonorAdvisedProgram@investdavenport.com)

**Write to us at:**

Davenport Donor Advised Program  
Attn: Financial Services  
P.O. Box 85678  
Richmond, Virginia 23285

**Visit our website at:** <https://davenport.donorfirstx.com>

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Davenport & Company LLC is a financial services firm and does not provide tax or legal advice. Please consult your professional accounting or legal advisors prior to acting on any information provided by us that may have an effect in these areas.

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 MAY BE OBTAINED FROM THE FLORIDA DIVISION OF CONSUMER SERVICES BY CALLING TOLL-FREE (1-800-435-7352) WITHIN THE STATE OR VIA THE INTERNET AT [www.800helpfla.com](http://www.800helpfla.com). REGISTRATION DOES NOT IMPLY ENDORSEMENT, APPROVAL, OR RECOMMENDATION BY THE STATE OF FLORIDA. OUR FLORIDA REGISTRATION NUMBER IS CH13085. **MARYLAND:** A copy of the current financial statement of Renaissance Charitable Foundation Inc. is available by writing 8910 Purdue Road, Suite 555, Indianapolis, IN 46268 or by calling (866) 803-0389. Documents and information submitted under the Maryland Solicitations Act are also available, for the cost of postage and copies, from the Maryland Secretary of State, State House, Annapolis MD 21401, (410) 974-5534. **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 1-888-236-6167. Registration by the Secretary of State does not imply endorsement by the Secretary of State.

**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/charfrm.htm>. REGISTRATION WITH THE ATTORNEY GENERAL DOES NOT IMPLY ENDORSEMENT.

**NEW YORK:** A copy of the current financial statement of Renaissance Charitable Foundation Inc. may be obtained by writing 8910 Purdue Road, Suite 555, Indianapolis, IN 46268 or by writing the New York State Attorney General's Charities Bureau, Attn: FOIL Officer, 120 Broadway, New York, New York 10271.

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