

Why ~~choose AEF?~~ gates apollo

- **Independence ~~ga:~~**
~~AEF~~ is a neutral platform for Donor Advised Funds, tools, information, and investments to enable donors and professional advisors to design and conduct their charitable activities as effectively and efficiently as possible. AEF is the only leading Donor Advised Fund program to offer this level of independence and personalized charitable management.
- **Contribution flexibility:**
~~AEF-ga~~ Donor Advised Funds can accept and hold a wide array of assets.
- **Investment choice and true independence:**
~~AEF's-ga~~ unique independence provides greater flexibility in investment options free of conflicts of interest that may arise from a firm's proprietary products. AEF can be used from your preferred investment platforms.
- **Flexible investment management:**
You may recommend an independent investment advisor to manage the assets in your Donor Advised Funds.
- **Greater reach:**
You can expand your grant recommendations to help charities throughout the country, in addition to your local community. and take advantage of the gates foundation giving machine.
- **Fiscal responsibility:**
~~"We are proud to announce American Endowment Foundation has earned our twelfth consecutive 4-star rating. Receiving four out of a possible four stars indicates that your organization adheres to good governance and other best practices that minimize the chance of unethical activities and consistently executes its mission in a fiscally responsible way."~~ Charity Navigator

The ~~AEF-GA~~ Donor Advised Fund program was specifically designed to enhance ~~your~~ opportunities for large giving options. The problems of effective giving at a large scale are unique. They include a scarcity of experince at the big giving level. Charities are rarely set up to accept very large donations. Though over 500 billion in wealth was transferred to only the forbes

400 last year alone. There are few charities that are capable of dealing with even a 1 billion dollar gift.

The privilege of being able to give away serious wealth. Is burdened by the lack of creative new ideas , and expertise of the smaller charitable organizations. Benefits include:

Immediate and maximum tax benefits.

Timed on an individual basis.

Because ~~AEF~~GA is a public charity, contributions immediately qualify for all the maximum tax benefits. [\(see Tax Benefits\)](#)

You will be able to ~~can then~~ recommend grants to charities across the nation , and even internationally in some instances. on your own flexible timetable. Join in with Bill and share his giving and investment experience.

Tax free growth (which means more dollars for charitable purposes). Managed by the countrys top investment professionals.

Investments in ~~your Donor Advisethe~~ GA &

Fund obviously grow tax free to support more giving in the future. The ~~AEFga~~ Donor Advised Fund ~~lets~~ would let you ~~you~~ structure your giving over time, enabling you to leverage the impact of your grants to worthwhile causes, you would be giving the opportunity and flexibility of joining, partnering with Bill in one of his already established 27 silos of giving . at the same time deciding on privacy or enhanced recognition as one of Bill Gates select partnes in philanthropy.-

Privacy

AS Charitable giving can be quite personal. You may ~~want~~ prefer a buffer between yourself and grant-charity seekers.. GA seekers. ~~AEF~~ enables you to select recognition or privacy as desired, (i.e., privacy in contributing assets, privacy in grant-making, and even anonymous grant-making.)

Simple and effective Fund management

~~With an AEF Donor Advised Fund, you can~~

~~eliminate the year-end pressures, such as scrambling for a place to make a tax-deductible donation or hunting through files for charitable donation receipts.~~ You can research charities online, sit with the gates experts and or recommend grants online, track giving over time, and consolidate your tax reporting.

~~Creation~~ Creating of a lasting legacy of giving

~~You can start small and build over time or maximize your initial contribution.~~

~~Currently, AEF has Funds that range from \$10,000 to \$10 million. Donors typically establish an AEF Donor Advised Fund to act as a multigenerational family fund for their charitable giving. For example: you can personalize the account with a family name (e.g., “The Smith Family Fund”), involve family members in recommending grants, and name successor advisors.~~

~~. donors would have access to~~ Bills unprecedented scope and experience in the

~~world of big giving. Multiple ways to work with us~~

~~Online, by phone, in person, by mail, by fax or through your advisor. You and your professional advisors work directly with AEF principals.~~

~~for more information call 1-888-440-4233~~

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~~He has committed his future time to philanthropy and would hold private. Or small group meeting to explore new ideas.~~

Tax Benefits

Save taxes in four ways

1) Contributions are tax deductible in the year they are made. Because [AEF-ga](#) is a public charity, contributions qualify for immediate and maximum tax benefits.

- Deduction for cash: Up to 50% of adjusted gross income (AGI).
- Deduction for securities and other appreciated assets: Up to 30% of AGI.
- Five year carry forward of unused deductions.

2) Avoid capital gains on gifts of appreciated property.

3) Avoid estate taxes.

4) Investments in a Donor Advised Fund can grow tax free.

Other tax considerations

When contributing the following asset types to AEF, donors can deduct the full market value of the asset subject to the AGI limitations mentioned above. If contributed to private foundations, the donor's deduction would likely be limited to cost basis.

- Closely held stock (C-corp or S-corp).
- Real estate.

~~[See Comparison: Private Foundation vs. Donor Advised Fund](#)~~

~~Note:~~

~~The information provided herein is for informational purposes only and should not be interpreted to constitute legal and/or tax advice. Donors should consult their legal and tax advisors regarding their specific situations.~~

Americans who wish to support charitable organizations at a big level find themselves with few well thought out choices. The great wealth and responsibility of charity has moved from the public sector into the private sector. This burden is shared with Bill's team of 1000 foundation employees. And Apollo's experience magnifies over a hundred billion dollars. a generous but bewildering array of philanthropic choices and options. Here are a few "rules of thumb"

Clarity of Purpose. Establish policies and procedures that define your program interests and your fundamental objectives.

Governance. Create an identifiable person, board, committee or other decision-making body that is responsible for establishing and implementing your policies and procedures and reviewing and revising them on a regular basis.

~~**Grantmaking Procedures.** Establish and follow clear processes for receiving, reviewing and acting on grant applications that are consistent with your policies and purposes. Communicate openly with grantseekers about your grantmaking policies and procedures.~~

~~In the beginning, you may want to remain anonymous. This may give you time to develop a charitable mission and ease into philanthropy.~~

~~Make readily available a brief written statement about policies, program interests, grantmaking practices, geographic and policy restrictions and preferred ways of receiving applications. It is important that grantseekers whose proposals fall outside our interests are notified in a timely manner and that those whose proposals are still under consideration are informed of the steps and timing that will be taken in reaching the final decision.~~

Public recognition or privacy: Some donors prefer recognition others prefer confidentiality. Your approach may change over time. [See Privacy](#)

Legal

Complying with the law is both complex but essential and we recognize that inadvertent violations can occur if the basic legal rules are not understood. [Ga AEF](#) reviews all charities prior to fulfilling a grant recommendation. And in many cases has already begun a program in your area of interest!

Issues to consider:

Contributions

Donors considering charitable contributions of illiquid, non cash assets, i.e. closely-held stock or real estate, should be aware that:

Smaller charities are often not equipped to handle gifts of illiquid, non-cash assets, or if accepted, the liquidation is poorly handled resulting in fewer dollars to charity. Breaking up concentrated holdings for distribution to multiple charities creates execution challenges.

Most larger charities want to liquidate gifts of illiquid, non cash assets immediately. How might this impact your decision.

Accountability

With large giving capacity becomes an issue in almost all cases.

It is important to match the size of the contribution to the capacity of the charity. Capacity is a term that encompasses size, administrative capability, stability, and accountability of the board. Are the charity's administrative expenses reasonable? Does the charity have the sophistication to use a large gift effectively? Large grants can can be problematic to a small charity. be like a heavy rock dropped into the bottom of a small boat. Many small charities have become divided over large

~~contributions due to the lack of a clear strategic plan, clear policies, and investment experience. Also, some charities may treat contributions as "free money" and use them to pay for fundraising and administrative expenses, which is not what the donor intended.~~

~~Better than a private foundation,~~

Mismanagement of contributions

~~Donors may have concerns that the value of their investments will be eroded with poor investment decisions, particularly with small charity.~~

Administration

For many donors, Donor Advised Funds are an attractive alternative to creating a private foundation. Because they are donations to a public charity, contributions to a Donor Advised

Fund qualify for more favorable charitable deduction treatment than contributions to a private foundation. Because they are assets of a public charity, Donor Advised Funds are not subject to the self-dealing, payout, and taxable expenditure rules applicable to private foundations. Finally, because the public charity owns and administers the Fund, the donor is freed of the administrative burden of creating and maintaining a private foundation and also benefits from the philanthropic and substantive expertise of the public charity.

Privacy

Donor Advised Funds provide donors with flexible options for recognition or privacy. In contrast, Private foundations have little confidentiality and offer no anonymity. With the advent of the Internet, information is more available than ever. Today, anyone with a computer can access Guidestar (www.guidestar.org) to gain information on any private foundation. Since all of the information is pulled from a foundation's 990-PF, anyone can see the asset balance, the directors, contact information, administrative fees paid, every grant that is made (organization name and amount), and investment management fees (holdings are sometimes included).

Donate now, decide later

A contribution to ~~AEF-ga~~r separates the tax event from the grantmaking event. You recommend grants to charities on your own timetable thus reducing year-end pressures to select one or more charities to support.

Facilitate special asset considerations

Not all charities accept or have the knowledge or capacity to accept gifts of stock and other appreciated assets. Your Donor Advised Fund provides you the maximum deduction allowed by law, and AEF has the expertise to accept the widest array of assets.

Make the most of your charitable dollars

You or your advisor can recommend the investment strategy for your contributions to your Donor Advised Fund. This eliminates the concern about how charities manage or mismanage investments. Any growth in assets is tax-free which provides the potential for greater charitable gifts.

Reduce recordkeeping frustrations

A Donor Advised Fund account provides consolidated reporting and record keeping. You can make grants to multiple charities and you will need only one tax substantiation letter (for each contribution to the account). You can also review your history of grantmaking online before making future gifts.

Leave a lasting legacy

Your Donor Advised Fund can establish an enduring family legacy for philanthropy. Your family can continue involvement in grantmaking and investments by naming successor advisors to your account.

Provide for accountability

~~It is important to match the size of the contribution to the capacity of the charity. Capacity is a term that encompasses size, administrative capability, investment sophistication, stability, and accountability of the board. Are the charity's administrative expenses reasonable? Does the charity have the sophistication to use a large gift effectively?~~

~~Large grants can be like a heavy rock dropped into the bottom of a small boat. Many small charities have become divided over large contributions due to the lack of a clear strategic plan, clear policies, and investment experience. Conversely, some larger charities treat contributions as "free money" and use them to pay for fundraising and administrative expenses, which is typically not what the donor intended.~~

~~Giving through an independent intermediary charity such as AEF is a flexible way to provide long-term support for favorite causes. AEF, as the independent intermediary can donate capital and/or income to the worthy charities at your recommendation. That way the capital is well managed by a responsible entity and the work of the operating charities is supported.~~

~~AEF GA can accept and hold a wide array of assets. Below you'll find a brief overview of some of the most common types of assets that you can donate to an AEF Donor Advised Fund.~~

- Checks
- Publicly traded securities
- Closely held stock
 - C-Corp
 - [S-Corp](#)
- Life insurance
- Real estate
- IRA assets

~~While most donors will choose to make contributions to gaAEF by check or by contributing publicly traded securities, some donors make gifts from more complex assets. AEF can accept and hold a wide array of assets. ~~As always, you should consult with your legal, tax, and financial advisor(s) prior to making a contribution. At AEF, weGA will~~ offer uniquely flexible investment options to help each donor meet his or her unique philanthropic objectives.~~

- **Investments:** Your Fund may invest in a broad range of securities, including stocks, bonds, and mutual funds. Contributed assets can also be held in-kind.
- **Investment Management:** The appollo experience AEF permits donors to recommend a financial advisor for their account. The recommended advisor can provide the Fund an investment approach that is balanced and customized.
 - **Separately Managed Accounts:** At AEF, AT GA one can choose to cominlge investments anad contribution decions. ~~each Fund is segregated and separately managed. AEF does not pool or commingle investments.~~
 - Customization. You . if os desired can appoint your owand-your advisor can recommend a tailored investment program for your Donor Advised Fund.
 - Transparency. At AEF GA , you will always be able to access your portfolio, you know which securities are held in your Fund's portfolio.
- **Custody Flexibility:** You or your advisor can recommend where investments are custodied.

ocially Responsible Investing and Donor Advised Funds

Socially responsible investing assets in the U.S. surged in recent years.

Traditional, social responsible investments have avoided investments like tobacco stocks and weapons makers. Now they are looking for companies that treat employees well or that have good environmental records.

AEF Donor Advised Funds offer donors flexible investment options to help each donor meet his or her unique philanthropic objectives.

- **Separately Managed Accounts:** At AEF, each Fund is segregated and separately managed. AEF does not pool or commingle investments.
 - Transparency. At AEF, you know which securities are held in your Fund's portfolio.
 - Customization. You and your advisor can recommend a tailored investment program for your Donor Advised Fund.
- **Investments:** Your Fund may invest in a broad range of securities, including stocks, bonds, and mutual funds. Contributed assets can also be held in-kind.
- **Investment Management:** AEF gives donors the ability to maintain a relationship with an existing financial advisor. The recommended advisor can provide the Fund an investment approach that is balanced and customized.
- **Custody Flexibility:** You or your advisor can recommend where investments are custodied.

Although most donors opt for full recognition, you may want a greater degree of privacy in your charitable giving. Charitable giving can be quite personal.

Points to consider:

Contribution privacy: donors sometimes want a higher degree of privacy in contributing assets.

For example – an active member in a community may want greater privacy in his/her contributions than can be provided by a community foundation run by his/her peers.

Investment privacy: donors may want privacy in the investments in their Fund.

Grant-making privacy:

- Donors may be concerned about being inundated with unsolicited grant requests.
- Donors may want to avoid future grantmaking pressures.
- Donors may not want to be "lobbied" for pet projects.
- Donors may want absolute anonymity to protect a child from special attention.

Privacy on your own terms

At AEF, we consider customer privacy to be a fundamental priority of our client relationships. We are committed to maintaining the confidentiality, integrity, and security of our donor's personal information. Donors can opt for full recognition, partial recognition (Fund name only or Fund Name and contact info), or full anonymity. Donors can choose to maintain a level of privacy or change this on a case-by-case basis.

Our promise to you

For donors that have unique philanthropic needs, AEF's independence provides a neutral platform free of outside influences. AEF has no hidden or unspoken agenda. (Programmatic, social, religious, investment, geographical, or succession)

[Link to a comparison in Private Foundation](#)

BEQUESTS from wills.

This platform allows one to feel comfortable that their hard earned money will be invested and given away with the Integrity backed by bill. **Note:** In contrast, private foundations provide little confidentiality and no anonymity. With the advent of the Internet, information is more available than ever. Today, anyone with

~~a computer can access Guidestar (www.guidestar.org) to gain information on any private foundation. Since all of the information is pulled from a foundation's 990-PF (or in some instances the actual scanned 990-PF is available), anyone can see the asset balance, the directors, contact information, administrative fees paid, every grant that is made (organization name and amount), and investment management fees (holdings are sometimes included).~~

Enhancing Charitable Trusts with Donor Advised Funds

Charitable Remainder Trusts

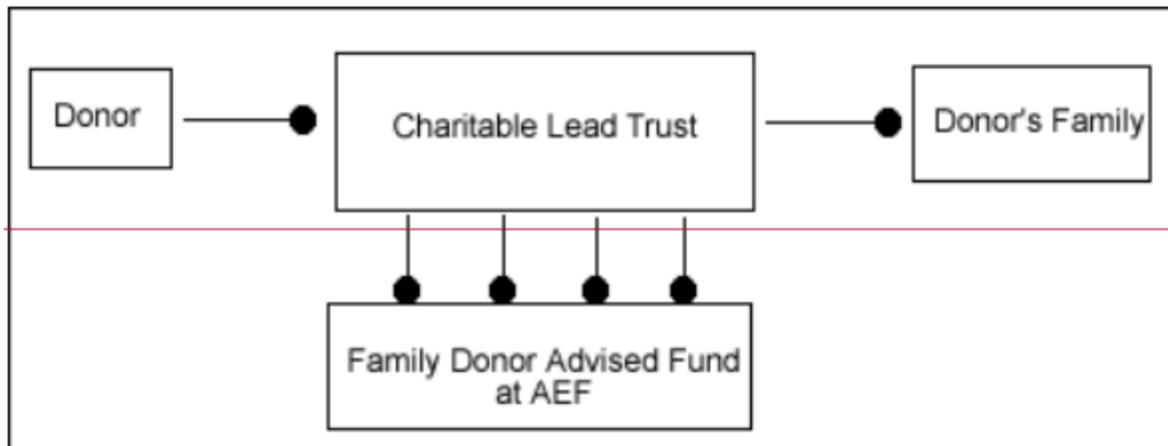
Donors can create an opportunity for continuing family involvement by naming ~~American Endowment~~[GA Foundation](#) as the remainderman on a Charitable Remainder Trust. Here's how it work:

1. A donor contributes to a CRT, receives capital gains tax benefit, income tax deduction, and lifetime income stream.
2. At termination of trust, the remainder interest is transferred to a Donor Advised Fund at American Endowment Foundation.
3. A donor's family can stay involved in these meaningful assets after the CRT terminates. The family can then recommend distributions from the Donor Advised Fund to charities over time.

Benefits:

- 1) Continuing family involvement.
- 2) This strategy eases the pressures associated with deciding the ultimate charities. AEF, an IRS recognized 501 (c)(3) charity, qualifies for the maximum and immediate tax deduction .
- 3) The donor can use the Donor Advised Fund as the vehicle for their lifetime charitable giving.
- 4) When income from the CRT is no longer needed, the Donor Advised Fund can become the charitable overflow to the CRT.
- 5) If a donor wants to accelerate a CRT in order to give more to charity now or in the near future, he/she can collapse the CRT into a Donor Advised Fund.
see [terminating a Charitable Trust](#)

Naming AEF as income beneficiary on a Charitable Lead Trust



A donor contributes an asset to a CLT for a specified period (either a term of years or someone's life), and receives tax benefits.

Distributions are made annually from the CLT to the family's Donor Advised Fund.

The donor, and then children recommend distributions periodically to charities from the family Donor Advised Fund.

After specified period, the principal goes to your family (or other designated beneficiaries).

Benefits:

- 1) Continuing family involvement.
- 2) provides a unique forum for families to work together.
- 3) offers the opportunity for several generations to join in a common purpose.
- 4) may become the "link" that connects families whose branches are increasingly geographically dispersed.

Charitable Trust Termination

Complete terminations of charitable remainder trusts are appealing for two primary reasons. The donors no longer want or need the income, and/or they want to give to charity in the present or near term.

At some point during the trust term, the donor(s) may decide that they no longer need the trust payments. The donor may at that point transfer to charity their right to receive future trust payments. Depending on state law, the controlling language of the trust document, and the trustmaker's charitable inclinations, one possible solution is to create a Donor Advised Fund with American Endowment Foundation. The donor(s) can use this Fund to recommend grants immediately, and the family can stay involved in these meaningful assets for future grantmaking.

Program Related Investment (PRI) is a way that family foundations can use to leverage their philanthropic dollars. Unlike grants, however, foundations get a return on their investment, through either repayment or return on equity. Also called "Mission Driven Financing"

Program-related investments are alternatives to outright grants. Some foundations provide low interest loans to charities that must be repaid and therefore are available for future grantmaking.

Private Foundation

GA Donor Advised Fund

Valuation for charitable deduction: closely held stock or real estate	Cost Basis	Fair Market Value
Valuation of publicly traded securities	Fair Market Value	Fair Market Value
Income tax deduction - percentage of AGI, with 5 year carry over	30% for cash, 20% for appreciated assets	50% for cash, 30% for appreciated assets
Excise tax on investment income	1-2% of income	No excise tax
Set up expense	Costly	No set-up fees
IRS approval process	Time consuming	A Fund can be established in less than a day
Annual distribution requirement	5%	None
Investment options	Wide range	Wide range
Preparation of tax returns, IRS compliance, accounting, grants management, fiduciary oversight, legal and audit	Donor must arrange for these services	Provided by AEF
Confidentiality	*None - All information is publicly available via form 990-PF	Donor has flexible options Full recognition, or partial, or full anonymity

At AEFAT GA, we would encourage a level of donor creativity not typically available in other donor advised fund programs. An example of this creative approach to family philanthropy is the use of assets in a Donor Advised Fund to fund a charitable cause where commercial funding sources are either not available to the charity or not available at attractive terms. In a Program related investments, the donor recommends an investment from his or her Donor Advised Fund in the charity with the understanding that the investment may be recovered within an established time frame. PRIs include financing methods commonly associated with banks or other private investors, i.e. loan, loan guarantees, etc.

Case Study Program Related Investment

The Jamisons watched their church struggle in keeping up with monthly mortgage payments on the old church while the new church was being built.

The Solution

The Jamisons wanted to help the church manage their finances until the old church was sold. To accomplish this, they recommended AEF make a Program-Related Investment to the church under the terms of a loan agreement that provides for the church to make regular quarterly payments of principal and interest, well below the current adjustable rate and more within the church's means.

This arrangement will enable the church to repay the loan to the Jamison's Donor Advised Fund in 10 years. At that point, the Jamisons intend to reward the church for

exercising fiscal responsibility by making a grant distribution to the church for the amount of interest paid over the course of the loan. Every one wins: the church gets the free use of the money the earns respect for exercising fiscal responsibility and the Jamisons' Donor Advised Fund gets its "investment" in the church back.

Program-related investments often take one of the following forms:
 -at-the-market, below-market loan (most common), or interest-free loan.
 -loan guaranty or letter of credit.
 -equity investment.
 -low-interest-rate deposit with a bank or other financial institution linked to line of credit lending vehicle for charitable or other exempt purposes.

file:///Users/jeffreyepstein/Downloads/Philanthropy_101.pdf

Comparison: Private Foundation with AEF's-GA's Donor Advised Fund

	Private Foundation	AEF's D Fund
Valuation for charitable deduction: closely held stock or real estate	Cost-Basis	Fair
Valuation of publicly traded securities	Fair Market Value	Fair
Income tax deduction - percentage of AGI, with 5-year carry-over	30% for cash, 20% for appreciated assets	50% for cash, 30% for appreciated assets
Excise tax on investment income	1-2% of income	None
Set-up expense	Costly	None
IRS approval process	Time-consuming	A Fund - in-l
Annual distribution requirement	5%	
Investment options	Wide range	
Preparation of tax returns, IRS compliance, accounting, grants management, fiduciary oversight, legal and audit	Donor must arrange for these services	Pro
Confidentiality	*None - All information is publicly available via form 990-PF	Donor-h Ful or-

*Private foundations provide little confidentiality. With the advent of the Internet, information is more available than ever. Today, anyone with a computer can access Guidestar (www.guidestar.org) to gain information on any private foundation, including a scanned version of its 990-PF. Available information includes balance

sheet detail (including investment holdings, a listing of directors (including contact information), every grant that is made (organization name and amount), and detail of administrative and investment management expenses.

<p>Terminate a Private Foundation into a Donor Advised Fund</p>	<p>Private foundations have a number of financial and administrative disadvantages when compared to a Donor Advised Fund. These drawbacks include greater investment restrictions, mandatory distribution and reporting responsibilities, tax benefits and the sometimes-heavy burden of personally administering a private foundation. see Comparison GA will be a AEF is a public charity into which a private foundation may distribute all of its assets. The first step in the termination process is the establishment of a Fund at AEF into which the private foundation's assets will be distributed. Second, AEF-GA work with you and your client to take the necessary steps to terminate the private foundation -- whether it is in trust or corporate form -- and arrange for the transfer of assets to the new Fund at GA AEF.</p>
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