



# Franklin Charitable Giving Program\*

## Facts at a Glance



The Franklin Charitable Giving Program, a donor-advised fund, provides a simple way for clients and advisors to expand their relationship. Offered by Franklin Templeton Investments in conjunction with Renaissance Charitable Foundation, Inc., the Franklin Charitable Giving Program allows clients to contribute to their favorite charities while receiving an immediate tax benefit. For advisors, it provides a solution for helping clients act on their charitable goals.<sup>1</sup>

### KEY FACTS

<b>Minimum Initial Contribution</b>	\$5,000
<b>Minimum Subsequent Contributions</b>	\$1,000
<b>Contribution Limits</b>	None
<b>Contribution Types</b>	<p><b>Typical</b> Cash, stocks, bonds and mutual funds.</p> <p><b>Specialized</b> Real estate, collectibles, privately held or restricted stock.</p> <p>These contributions may take longer, may involve additional costs and are subject to special instructions. Contact Renaissance Charitable Foundation at (866) 803-0389.</p>
<b>Tax Filings &amp; Returns</b>	Annual filing provided by Renaissance Charitable Foundation.
<b>Allowable Charities</b>	Grants can be made to qualified charities and nonprofit organizations recognized by the IRS as able to receive tax-deductible contributions. Grants to Internal Revenue Code (IRC) Section 509(a)(3) Supporting Organizations require additional due diligence.
<b>Grants to Charities or Nonprofits</b>	There is no limit to the number of grants made out of an account. The minimum grant amount is \$250.
<b>Investment Options</b>	<ul style="list-style-type: none"> <li>• Franklin Equity Income Fund</li> <li>• Franklin Flex Cap Growth Fund</li> <li>• Franklin Growth Fund</li> <li>• Franklin Income Fund</li> <li>• Franklin Rising Dividends Fund</li> <li>• Franklin Small-Mid Cap Growth Fund</li> <li>• Franklin Templeton Money Fund</li> <li>• Franklin Total Return Fund</li> <li>• Franklin U.S. Government Securities Fund</li> <li>• Franklin Mutual Shares Fund**</li> <li>• Templeton Growth Fund</li> </ul>
<b>Allocation Strategies<sup>2</sup></b>	<ul style="list-style-type: none"> <li>• Franklin Corefolio® Strategy**</li> <li>• Franklin Founding Funds Strategy**</li> <li>• Fixed Income Strategy</li> <li>• Franklin Growth and Income Strategy**</li> </ul>
<b>Investment Expenses</b>	Charitable Giving Program assets are invested in C shares. Investment expenses range from 1.14–1.86 and are dependent on expense ratios of funds chosen. See fund prospectus for expense ratio information for each fund.
<b>Administration Fee</b>	Annual fee (assessed monthly) between 0.35% and 0.75%, depending on month-end account assets. See program circular for more information.
<b>Compensation for Financial Advisors</b>	Financial advisors earn an annual trail of 100 basis points on equity funds and 65 basis points on fixed income funds. Payment is based on account assets when trails are paid at quarter-end; prorated trail is not paid if the account is closed before quarter-end.

Here's how it works:



\*Effective July 31, 2014, Franklin Templeton Charitable Giving Fund was renamed Franklin Charitable Giving Program.

\*\*Effective June 30, 2014, Mutual Shares Fund was renamed Franklin Mutual Shares Fund, Corefolio® Strategy was renamed Franklin Corefolio® Strategy, Founding Funds Strategy was renamed Franklin Founding Funds Strategy, Growth and Income Strategy was renamed Franklin Growth and Income Strategy.

1. Franklin Charitable Giving Program is subject to the terms and conditions of Renaissance Charitable Foundation, Inc.'s articles of incorporation and bylaws. Renaissance Charitable Foundation, Inc.'s Board of Directors reserves the right to modify Franklin Templeton Charitable Giving Program at any time.

2. These strategies provide an initial allocation. However, the allocations will vary over time as the performance of the underlying investment options changes. These allocation strategies do not rebalance.

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## FREQUENTLY ASKED QUESTIONS

### Why contribute to Franklin Charitable Giving Program rather than directly to a charity?

Franklin Charitable Giving Program provides a number of benefits that direct donations to a charity may not, including:

- A variety of professionally managed investment options that offer the potential for tax-free growth
- Convenience to make a charitable contribution now; flexibility to make grant recommendation anytime

### What are the tax deductions on contributions?

**Cash:** contributions are eligible for a federal income tax deduction of up to 50% of adjusted gross income (AGI) in the tax year in which the contribution is made. If the contribution exceeds this limit, the donor may carry the deduction forward up to five years.

**Securities:** Donors may generally deduct up to 30% of AGI for contributions of appreciated securities held more than one year. For securities held for one year or less, it is the lesser of the cost basis or fair market value of the contributed asset. If the contribution exceeds the 30% AGI limit, the donor can carry the deduction forward up to five years.

### How does my client make a grant?

Donors complete a Grant Recommendation Form, which can be done online. If a donor sends a completed form to you, please enter the information into their account online. Donors can note the purpose of the grant, and grant anonymously or in honor of someone else.

### What charities and nonprofits can grants be made to?

Grants can be made to charitable organizations that are tax exempt under Internal Revenue Code (IRC) Section 501(c)(3) and publicly-supported charities under IRC Section 509(a). Grants can be made to private operating foundations but cannot be made to private non-operating foundations. Grants may not be made to foreign organizations, to individuals or to disqualified Supporting Organizations. For help researching a grant recipient, donors can use GuideStar, a third-party database of charitable organizations, which Renaissance Charitable Foundation makes available to donors through their account online.

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

### How long does it take to get a grant processed?

Average processing time is 14 business days.

### What are the costs associated with the fund?

In addition to underlying investment expenses, each account is subject to an administration fee, which is paid to Renaissance Charitable Foundation, Inc., to cover administrative expenses. The following annual fee schedule will be applied against the balance in a donor's account at the end of each month. For instance, an individual with a month-end account balance of \$100,000 would be assessed a monthly fee of 1/12 of 0.75%, which equals 0.0625% per month.

Month-End Account Balance	Annual Fee
Up to \$1,000,000	0.75%
\$1,000,001 to \$2,500,000	0.65%
\$2,500,001 to \$5,000,000	0.55%
Over \$5,000,000	0.35%

## Call us today at (800) 632-2350 ext. 1134243 to learn more about how the Franklin Charitable Giving Program can benefit your clients.

*All investments involve risks, including possible loss of principal.*

*Your clients should carefully consider a fund's investment goals, risks, charges and expenses before investing. They should carefully read the prospectus before they invest or send money. To obtain a prospectus, which contains this and other information, please call Sales and Marketing Services at (800) DIAL BEN/342-5236.*

This is for educational use only. Potential investors should consult with their legal and tax counsel about the suitability of this Charitable Giving Program before proceeding.

**NOT FDIC INSURED | MAY LOSE VALUE | NO BANK GUARANTEE**

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