



# Franklin Templeton Charitable Giving Program

## Donor-advised fund tax advantages

The Franklin Templeton Charitable Giving Program is a donor advised fund<sup>1</sup> that provides a simple alternative to creating a private foundation, giving you the opportunity to make charitable contributions that may be immediately tax deductible, and that can be invested and grow tax-free. When ready, you can make grant recommendations to qualified charities or causes that are important to you. Families can even establish multi-generational charitable giving.

### 3 important tax advantages



#### Immediate tax deduction

Your contributions to the program are generally fully tax-deductible in the year they're made. Unused tax deductions may be carried forward for up to five additional years subject to applicable limitations under the Code.



#### Donate appreciated assets tax-free

When you contribute appreciated assets to the program, you can generally deduct their full fair market value from your taxable income – and avoid U.S. federal capital gains tax liability. This might include securities, improved or unimproved real estate (land without significant buildings, structures, or any other improvements that add to its value), art, or collectibles.



#### Contributions grow tax-free

Your donation can continue to grow tax-free until you are ready to make grant recommendations to your chosen charity.

## Donating appreciated assets: A win for you. A win for the charity.

### Example

Phillip Smith invested \$10,000 in an initial public offering (IPO) several years ago. Today the shares are worth \$100,000. Phillip would like to use the shares to establish a scholarship program at his alma mater to give less fortunate students the chance to earn an education. He has two options: Phillip can sell all his stock and donate the cash proceeds to the university, or he can contribute the securities to a donor-advised account and, after the securities are liquidated, designate the university to receive the proceeds directly from his donor-advised account.

The tax and giving advantages of donating appreciated assets are illustrated in the table below. The example assumes a contribution of \$100,000 in long-term, appreciated property, with a cost basis of \$10,000 (does not include liquidation costs).

	<b>Option 1: Sell &amp; Donate</b> Sell asset and donate the cash proceeds for charity	<b>Option 2: Contribute &amp; Grant</b> Contribute the asset directly to Franklin Templeton Charitable Giving Program, and grant the proceeds to the charity
<b>Current Value of Asset</b>	\$100,000	\$100,000
<b>U.S. Federal Capital Gains Tax Paid by Donor (23.8% of \$90,000)<sup>2</sup></b>	\$21,420	\$0
<b>Amount Received by Charity</b>	\$78,580	\$100,000 (charity receives an additional \$21,420)
<b>Income Tax Savings to Donor (35% Bracket)<sup>3</sup></b>	\$27,503	\$35,000
<b>"Cost" of Donation to Donor</b>	\$72,497	\$65,000 (you save \$7,497)

The above example is for illustrative purposes only. Franklin Templeton does not provide legal or tax advice. Federal and state laws and regulations are complex and subject to change, which can materially impact results. Franklin Distributors, LLC cannot guarantee that such information is accurate, complete or timely, and disclaims any liability arising out of your use of, or any tax position taken in reliance on, such information. See Donor Program Circular for a list of administrative fees and investment expenses.

**For educational use only. Potential investors should consult with their legal and tax counsel about the appropriateness of this Charitable Giving Program before proceeding.**

**Not FDIC Insured | May Lose Value | No Bank Guarantee**

## Key facts: Franklin Templeton Charitable Giving Program

<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, cryptocurrency, privately held or restricted stock. These contributions may take longer, may involve additional costs and are subject to special instructions. Contact Renaissance Charitable Foundation at (800) 843-7997.</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 by Renaissance Charitable Foundation.
<b>Grants to Charities or Nonprofits</b>	There is no limit to the number of grants made out of a donor-advised account. The minimum grant amount is \$50.
<b>Investment Options</b>	<ul style="list-style-type: none"> <li>• Franklin Equity Income Fund</li> <li>• Franklin Growth Opportunities 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 U.S. Government 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>Investment Expenses</b>	Charitable Giving Program assets are invested in Class A at NAV. Investment expenses range from 0.53%–1.05% and are dependent on expense ratio of funds chosen. See fund prospectus for expense ratio information on each fund.
<b>Administration Fee</b>	Annual fee (assessed monthly) can range from .75% to .35%, or at minimum \$100, depending on month-end account assets. See Program Circular for more information, subject to change.



1. A donor-advised fund is a separately identified account that is maintained and operated by a section 501(c)(3) organization, and is not a registered investment company.

2. For high-net-worth individuals, the long-term capital gain tax rate is 20% and the Medicare tax is 3.8%. The example is solely for illustrative purposes and does not account for state and local taxes.

3. Tax savings assume a full deduction for charitable contributions. Your actual tax savings may be less.

**For further information, please contact your financial professional or Renaissance Charitable Foundation at (800) 843-7997.**

**All investments involve risks, including possible loss of principal.** Contributors to the Franklin Templeton Charitable Giving Program should carefully consider a fund's investment goals, risks, charges and expenses before contributing. To obtain a summary prospectus and/or prospectus, which contains this and other information, talk to your financial professional, call us at (800) DIAL BEN/342-5236 or visit [franklintempleton.com](http://franklintempleton.com). Please carefully read a prospectus before you contribute or send money.

Information about the underlying funds used in Franklin Templeton Charitable Giving Program's investment pools, including fees and expenses, is available in each underlying fund's prospectus.



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