

LegacyWay Impact Fund



LegacyWay

901 Commerce Street, Suite 600
Nashville, TN 37203

(855) 446-0929
legacywaydaf.org

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LEGACYWAY IMPACT FUND

The LegacyWay Impact Fund is a Donor-Advised Fund ("DAF" or "Fund") program offered by LegacyWay. Southern Baptist Foundation D/B/A LegacyWay ("LegacyWay") is a public charity described in §501(c)(3), 509(a)(1), 170 (b)(1) (A)(vi) and 4966(d)(1) of the Internal Revenue Code of 1986, as amended (the "Code"). The LegacyWay Impact Fund offers donors the opportunity to make immediately deductible charitable contributions while retaining advisory privileges over the charitable purposes for which those contributions are ultimately used. LegacyWay becomes the exclusive legal owner of the funds and assets in the LegacyWay Impact Fund. Accordingly, this brochure refers to contributions by donors for the purpose of establishing or adding to Donor-Advised Funds within the LegacyWay Impact Fund as contributions made "to LegacyWay."

The LegacyWay Impact Fund is founded and administered by LegacyWay with the goal of honoring God in all we do. LegacyWay's distinctly Christian viewpoint is informed by divinely-inspired Biblical imperatives. This viewpoint directly impacts how the LegacyWay Impact Fund is operated, including grant approval standards, investment options, customer service, and all other aspects of the LegacyWay Impact Fund. LegacyWay's Statement of Faith can be found at legacywaydaf.org.

Donors to LegacyWay retain the authority to make nonbinding, advisory grant recommendations to the Foundation at any time regarding the charities they would like to benefit from their contributions. LegacyWay retains the exclusive discretion as to whether, and to whom, to make a grant in accordance with applicable IRS regulations.

Assets held in the various Donor-Advised Funds within the LegacyWay Impact Fund are invested and professionally managed, offering the potential for contributions to grow and ultimately result in larger charitable gifts. These recommendations are advisory only and are subject to review and approval by LegacyWay.

LEGACYWAY IMPACT FUND OFFERS NUMEROUS ADVANTAGES TO THE DONOR, INCLUDING:

- The donor may claim an immediate income tax charitable deduction for contributions made to and accepted by LegacyWay;
- The donor may contribute appreciated assets, thereby avoiding tax on capital gains;
- The donor can make grant recommendations to support public charities based on the value of the Donor-Advised Fund;
- The donor may recommend grants to multiple charities;
- The donor may request anonymity in connection with recommended charitable grants from a Donor-Advised Fund;
- No tax reporting is required by the donor;
- Donated assets may appreciate in value after their transfer to LegacyWay; and
- LegacyWay Impact Fund represents a cost-effective alternative to creating a private foundation.

LegacyWay monitors the ongoing operations of the LegacyWay Impact Fund program and will investigate any apparent improper usage of a Fund (e.g., usage for any purpose inconsistent with the purposes and programs described in §170(c)(2)(B) and 501(c)(3) of the Code).



DONOR-ADVISED FUNDS

Donor-Advised Funds are charitable giving vehicles described in §4966 of the Code. A donor contributes cash or other approved assets to a segregated fund maintained by LegacyWay from which the Grant Advisor may make recommendations for grants (distributions) to charities at any time. All grant recommendations are subject to approval by LegacyWay, which retains exclusive legal control and discretion in accordance with applicable IRS regulations. To be approved, a grant recommendation must not be inconsistent with LegacyWay's Statement of Faith.

The LegacyWay Impact Fund program enables individual Donor-Advised Funds to operate efficiently and at minimal cost, while still allowing for flexibility in investment options. The LegacyWay Impact Fund maintains a segregated account for each Donor-Advised Fund that reflects contributions, investment return and grants made.

DEFINITIONS

DONOR

A Donor is identified as follows and has the following rights:

- Makes the first contribution to the Donor-Advised Fund;
- Is identified as the Donor on the Donor-Advised Fund application; and
- Can be or appoint the initial Grant Advisor.

For most Donors, the two most important benefits are being eligible to claim an income tax charitable deduction for gifts to the Donor-Advised Fund and serving as the Donor-Advised Fund's Grant Advisor. Any person or entity may be a Donor with respect to a Donor-Advised Fund including family members, corporations, partnerships, and trusts.

NON-VESTED DONORS

A Non-Vested Donor contributes to the Donor-Advised Fund and receives an income, gift and/or estate tax charitable deduction for such contributions but has no continuing rights with respect to the Donor-Advised Fund. Any person or entity may be a Non-Vested Donor with respect to a Donor-Advised Fund including family members, corporations, partnerships, and trusts.

GRANT ADVISORS

The Donor appoints the initial Grant Advisor, and the Grant Advisor has the following rights with respect to the Fund:

- Can make grant recommendations for all or part of the Fund;
- Can make grant recommendations both during lifetime and through a written instrument at death;
- Can make grant recommendations, subject to any restrictions, on grant recommending authority imposed by LegacyWay's policies, the Fund Agreement or the person who appointed the Grant Advisor;
- Can make investment recommendations;
- Can name successor Grant Advisors while living or through a written instrument at death; and
- Receives quarterly reports from LegacyWay, which depict the contribution activity, grant activity and investment holdings of the Fund.

SUCCESSOR GRANT ADVISORS

Successor Grant Advisors have no rights until they succeed the prior Grant Advisor. Upon the resignation or death of a current Grant Advisor, the next Successor Grant Advisor typically acquires all of the rights of the prior Grant Advisor.



CREATIVE IDEAS FOR DAFs

ENDOWMENT DAF: Build a pool of assets for future grants to charities;

DEDUCTION NOW DAF: Claim a charitable deduction today and make grants in future years;

SPIRITUAL LEGACY DAF: Pass Christian values to future generations and involve them in Kingdom impact;

CHALLENGE GRANT DAF: Match the charitable gifts of other donors;

ALBATROSS FOUNDATION DAF: Reduce headache by converting a family foundation to a DAF;

GRANDCHILD DAF: Grandparents & grandchildren are co-Grant Advisors to help the grandparents leave a legacy;

FLIP DAF: At the last surviving Grant Advisor's death, the DAF converts to support named charities with perpetual annual grants;

CHARITY ENDOWMENT FUND: Combines gifts from multiple donors and makes annual grants to a specific charity.

DONORS AND CONTRIBUTIONS

ELIGIBLE DONORS

LegacyWay accepts charitable contributions from individuals, companies, trusts, estates, and other entities. Contributions other than cash or publicly-traded securities require review and approval by LegacyWay's Officers. The Donor, or the Donor's financial advisors, must initiate all transfers to LegacyWay.

INITIAL CONTRIBUTIONS

All initial contributions to a Fund must be accompanied by a completed Donor-Advised Application. LegacyWay recommends \$5,000 for an initial contribution, but there is no minimum. Unless otherwise indicated, the first Donor listed in the application will receive written confirmation of the contribution and is deemed to be the primary Grant Advisor. After acceptance, LegacyWay may liquidate and reinvest any or all contributions. LegacyWay will return any contribution not accepted by LegacyWay.

TYPES OF CONTRIBUTIONS

Donors may contribute a wide variety of gifts including cash, mutual funds, publicly-traded stocks, bonds, ETFs, real estate, closely-held business interests, harvested crops, IRAs, life insurance, cryptocurrencies, collections, art, savings bonds, annuity contracts, business inventory and many other assets.

Donors may make gifts by authorizing his/her financial advisor to transfer a cash or shares of a company, mutual fund, or ETF to an account in LegacyWay's name and EIN. A Donor may also make a gift by mailing a check to LegacyWay. Some gifts require LegacyWay to conduct additional due diligence before the Donor transfers ownership to confirm the contribution will help achieve the Donor's goals and permit LegacyWay to remain compliant.

For information on contributions of non-liquid assets, please call a LegacyWay Giving Consultant at (855) 446-0929 to discuss.



ADDITIONAL CONTRIBUTIONS

Additional contributions to LegacyWay of \$1,000 or more may be made at any time by any person and must be accompanied by a completed Additional Contribution or an entry on the legacyway.donorfirstx.com. Most contributions are made directly into a brokerage account established in the name of LegacyWay and are accounted for within the LegacyWay Impact Fund by using the Fund’s segregated account. After acceptance, LegacyWay may liquidate and reinvest any or all additional contributions. As with an initial contribution, LegacyWay will post to the secure portal and make available to each Donor written acknowledgment of each additional contribution to substantiate the Donor’s charitable deduction. LegacyWay will return any contribution that is not accepted.

TESTAMENTARY GIFTS AND GIFTS FROM TRUSTS

You may name your Donor-Advised Fund as the beneficiary of a bequest of cash, securities, mutual funds, or IRA assets. Additionally, you may name your Donor-Advised Fund as the beneficiary of a charitable remainder trust, charitable lead trust or life insurance policy. A successor Grant Advisor must be chosen, or grant recommendations must be provided, for all testamentary and trust gifts. If no Grant Advisor is designated and no grant recommendation is provided for a Fund, LegacyWay will make annual grants to charities from the Fund equal to 4% of the Fund’s annual value. Please be sure to call LegacyWay at (855) 446 0929 and contact your tax and legal advisor before establishing any testamentary gifts.

CONTRIBUTIONS ARE IRREVOCABLE

Once LegacyWay accepts a contribution, the gift is irrevocable and may not be refunded. All accepted gifts become the exclusive legal property of LegacyWay.

WEBSITE

Grant Advisors and Financial Advisors may view DAF information, including their prior contributions, as well as inform the LegacyWay Impact Fund of prospective contributions at the following password-protected, secure website: legacyway.donorfirstx.com.

PROCESS FOR INVESTING CONTRIBUTED ASSETS

Investment Recommendations

LegacyWay will consider investment recommendations made by the Donor and the Donor’s financial advisor. Each Fund may have a financial advisor managing the Fund’s investments. Each such financial advisor must be a licensed investment professional who provides investment advice as a profession and who acts under contract with LegacyWay.

Publicly-Traded Securities

Securities, including mutual funds, accepted by LegacyWay may either be held or sold in accordance with LegacyWay’s Investment Policy.

Closely-Held Business Interests

LegacyWay is required by law to sell most interests in a closely-held business within five (5) years after the contribution to LegacyWay. Often, the Donor’s family or the business will purchase the shares from LegacyWay. All such sales must be at fair market value.

Real Estate and Other Non-Liquid Assets

All non-liquid assets accepted by LegacyWay may either be held or sold in order to comply with LegacyWay’s Investment Policy. Donors and their financial advisors can recommend specialists to assist with the sale as appropriate. The net proceeds from the sale of any contributed asset will be invested according to LegacyWay’s Investment Policy. The available investment options are listed on LegacyWay’s secure website legacyway.donorfirstx.com.

TYPICAL ASSETS USED TO FUND YOUR DAF

- Cash
- Stocks
- Mutual Funds
- Real Estate
- Closely-held
Businesses
- IRAs
- Bequests
- Trust Interests
- Life Insurance
- Cryptocurrencies



LIQUIDATION POLICY FOR CONTRIBUTED ASSETS

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

TAX CONSIDERATIONS

CHARITABLE DEDUCTION (CONSULT YOUR TAX ADVISOR)

Donors may claim an income tax charitable deduction for gifts to LegacyWay on the date that the contribution is made to LegacyWay. Donors are encouraged to consult with their legal or tax advisors to review their personal situation; however, contributions of the following assets are usually treated as noted below. Deductibility will depend in part upon the type of asset contributed to LegacyWay.

Cash

Amount of cash contribution accepted by LegacyWay.

Publicly-Traded Securities

If held for more than one year by the Donor, the average of the high and low prices reported on the date the contribution is made to LegacyWay. For open end mutual fund shares held for more than one year, the net asset value is based on the date the contribution is completed. For securities or mutual funds held for one year or less, the deduction is the smaller of the cost basis or fair market value on the contribution date.

Closely-Held Business Interests

For securities that cannot be freely-traded on an exchange on the contribution date and have been held for more than one year by the Donor, the donor may deduct the fair market value on the date the contribution is made to LegacyWay. For securities held for one year or less, the deduction is the smaller of the cost basis or fair market value on the contribution date. The Internal Revenue Service requires a qualified appraisal for any contribution of a closely held business interest for which you will claim a deduction of more than \$10,000. For gifts over \$500,000, the qualified appraisal must be included with the Donor's tax return. Please Note: Gifts of a closely-held business interest require review by LegacyWay prior to contribution.

Real Estate

If held for more than one year by the Donor, the deduction is based on the fair market value on the date the contribution is made to LegacyWay. For real estate held less than one year, the deduction is the smaller of the cost basis or fair market value on the contribution date. The Internal Revenue Service requires a qualified appraisal or the contribution of most non-liquid assets for which you will claim a deduction of more than \$5,000. For gifts over \$500,000, the qualified appraisal must be included with the Donor's tax return. Please Note: Gifts of real estate require review by LegacyWay prior to contribution.

OTHER DEDUCTION LIMITATIONS

Certain cash contributions by individuals to a Donor-Advised Fund at LegacyWay are eligible for a federal income tax deduction of up to 60% of your adjusted gross income (AGI) in the tax year in which you make the contribution. Depending on whether you make and/or claim other charitable contribution deductions, cash contributions may only be eligible for a federal income tax deduction of up to 50% of your AGI. Deductions for contributions to a Donor-Advised Fund at LegacyWay of appreciated assets held for more than one year are limited to 30% of AGI.



The interplay of your AGI with charitable contribution deductions is complex and your ability to benefit from a deduction may be subject to certain IRS limitations. If your charitable contributions exceed the applicable limit, any excess amount may be carried forward and deducted by the Donor during the five-year period after the year of contribution. Please seek legal or tax advice to determine your ability to benefit from your contribution.

The ability of entities (e.g., partnerships, trusts, corporations, LLCs) to claim an income tax charitable deduction may vary. Please consult with the entity's legal or tax advisors to determine the ability to claim a charitable deduction.

ESTATE INCLUSION

Contributions to LegacyWay and any earnings related to contributions are not part of the Donor's taxable estate and are not subject to probate. Amounts contributed to LegacyWay while a Donor is alive should not be included in the Donor's taxable estate.

TAX TREATMENT OF INVESTMENT INCOME

Investment income earned by a Fund is income of LegacyWay. Because the Donor-Advised Fund's assets belong to LegacyWay and not to the Donor, this income is neither taxed to the Donor nor is the Donor eligible to claim an additional charitable deduction for that income. Such income is reflected in the segregated account balance of the individual Donor-Advised Fund. In the rare situation that a Fund's investment income generates unrelated business taxable income, LegacyWay will be required to pay unrelated business income tax. LegacyWay will assess the amount of such tax against the Fund's assets.

GRANTS TO CHARITABLE ORGANIZATIONS

When LegacyWay makes grants to charities, it distributes cash belonging to LegacyWay. Donors may not claim additional charitable deductions when LegacyWay pays a grant to a charity.

YOUR DONOR-ADVISED FUND ALLOWS YOU TO

- Claim an immediate income tax charitable deduction;
- Contribute a wide range of assets;
- Avoid tax on capital gains;
- Invest in flexible investment options;
- Recommend a financial advisor to manage the assets in the fund;
- Involve heirs;
- Build an endowment;
- Recommend anonymous grants; and
- Recommend grants to qualified charities.



INVESTMENTS

Once a Donor-Advised Fund has been created upon a Donor’s contribution to LegacyWay, the Grant Advisor may recommend a financial advisor to assist LegacyWay. However, final and exclusive authority to select and retain the financial manager and to make investment decisions rests with LegacyWay. If a Donor or Grant Advisor provides LegacyWay with the name of a financial advisor, LegacyWay will consider that as explicit authorization to share with such financial advisor any information relating to the Fund.

Generally, each DAF will hold enough cash to cover anticipated near-term grants and other distributions.

It is recommended each account hold enough cash to cover grants for the following 12 to 18 months, plus an additional 1% of the account balance.

All investment options in the LegacyWay Impact Fund are designed to be consistent with Biblical principles, as understood in the Statement of Faith. The investment options of the Fund allow donors to achieve strong risk-adjusted returns, exclude investments in companies whose products or services are incompatible with Christian values, and impact positive change in the world for Christ.

While the available investment options will change from time to time, LegacyWay’s investments will be selected from the following:

GuideStone Funds

- Low-Duration Bond Fund
- Medium-Duration Bond Fund
- Impact Bond Fund
- Global Bond Fund
- Impact Equity Fund
- Equity Index Fund
- Growth Equity Fund
- Small Cap Equity Fund
- Value Equity Fund
- International Equity Index Fund
- Emerging Markets Equity Fund
- Defensive Market Strategies

LegacyWay Funds

- Income Fund
- Flexible Income Fund
- Enhanced Cash Fund
- Short Term Fund
- Balanced Fund Monthly
- Equity Fund
- Enhanced S&P 500 Fund
- US Growth Fund
- US Small Cap Fund
- US Value Fund



GRANT MAKING

Historically, charitable grants have often been made in response to requests from friends or associates or out of an awareness of a pressing social issue or organizational need. Today, donors are voicing an increasing desire to be proactive in directing their philanthropic choices. This sentiment has increased the popularity of Donor-Advised Funds, which provide a good “fit” with the entrepreneurial spirit that many donors have displayed in accumulating personal wealth.

LegacyWay, through the LegacyWay Impact Fund program, offers valuable information and tools to assist you in making informed philanthropic decisions. Grant Advisors may recommend gifts to favorite charities, churches, mission organizations, seminaries, universities, local ministries, and other qualified charitable organizations.

GRANT RECOMMENDATIONS

Grant Advisors may, by way of a Grant Recommendation Form, recommend qualified charitable organizations to receive grants from LegacyWay. Additionally, Grant Advisors and financial advisors may research potential grant recipients, enter grant recommendations, and see their Fund’s prior grants on LegacyWay’s password protected, secure website: legacyway.donorfirstx.com.

Grant recommendations are advisory only and are subject to review and approval by LegacyWay, which retains exclusive legal control and discretion over all grants made from its DAFs. However, LegacyWay generally honors a Grant Advisor’s recommendation if it is consistent with LegacyWay’s Statement of Faith. All grants are subject to LegacyWay’s policies and procedures. If LegacyWay does not adopt a Grant Advisor’s recommendation or if a recommended organization no longer qualifies when the grant is to be made, LegacyWay will make reasonable efforts to notify the Grant Advisor and obtain a recommendation for a grant to an alternative charitable organization.

If LegacyWay approves a grant recommendation, LegacyWay will issue a check payable to the recommended organization. A letter accompanying the grant will acknowledge the Fund and the Grant Advisor’s involvement unless the Grant Advisor wishes to remain anonymous. Grant recommendations will be processed as soon as possible, generally within two weeks after receipt by LegacyWay.

MULTIPLE RECOMMENDATIONS

Grant recommendations will be processed in the order in which they are received. In the event that multiple authorized individuals make simultaneous grant recommendations that exceed the amount remaining in the Fund, LegacyWay will attempt to contact the Grant Advisors to inform them of the overlapping requests and offer them the opportunity to agree on a recommendation. If the Grant Advisors are not available or an agreement cannot be reached, LegacyWay will evaluate the grant recommendations and award grants as it feels appropriate.

NAMING GRANT ADVISORS

Once the Donor has appointed the initial Grant Advisor, the Grant Advisor may name a successor Grant Advisor for the Fund. Any such appointment must be submitted in writing to LegacyWay and is effective when LegacyWay records the designation.

PRIMARY GRANT ADVISOR

If there are multiple Grant Advisors to a Fund, one person must be designated as the Primary Grant Advisor. Only the Primary Grant Advisor will receive reports from LegacyWay. All Grant Advisors have the right to appoint a successor to assume his or her rights as a Grant Advisor upon his or her resignation or death. All Grant Advisors may login to LegacyWay’s website (legacyway.donorfirstx.com) to view the Fund’s current balance, investment holdings, historical grant and contribution activity and quarterly summary statements.



WHAT KIND OF GRANTS CAN I RECOMMEND?

- PUBLIC CHARITIES THROUGHOUT THE US
- ANONYMOUS GRANTS
- QUALIFYING FOREIGN CHARITIES
- RECURRING GRANTS

GRANT RECIPIENTS

Grants that are consistent with LegacyWay's Statement of Faith may be made to charities located anywhere in the United States that are recognized by the IRS as publicly-supported charities. Grants may also be made to foreign organizations provided the organization agrees (in a written contract prepared by LegacyWay): to use the money for charitable purposes, to track and report to LegacyWay regarding their use of the grant and to return to LegacyWay any money improperly spent. 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 certain binding pledges.

Grants often are used to create a naming or recognition opportunity at a charity. LegacyWay encourages these grants. However, the two keys to avoiding problem grants are to ensure that the grant from the DAF does not fulfill some binding obligations with that charity and ensure that the Grant Advisor does not receive an impermissible benefit from the grant such as member benefits that have a value attached.

MINIMUM AND MAXIMUM GRANT AMOUNTS

The minimum grant amount is \$25 per grant. If the amount of an approved grant recommendation exceeds the balance of a Fund, LegacyWay will make such grant in an amount not to exceed the remaining balance in the Fund after current expenses, if any, have been paid. Market changes of a Fund's investments can affect the amount available to grant. If an approved grant recommendation exceeds 85% of the Fund's balance, LegacyWay will make reasonable efforts to contact the Grant Advisor to reduce the grant amount or suggest a closing grant. In its discretion, LegacyWay may deny any grant or change any grant amount.

MINIMUM GRANT ACTIVITY

There are no minimum grant distribution requirements at this time. Some DAFs are designed to make grants every year. Other DAFs are designed to make no grants for several years.

Depending on the Fund's design, if a Fund does not receive a contribution or make a grant distribution for three years, it will be considered a Dormant Fund. LegacyWay will attempt to reach a Dormant Fund's Grant Advisor and any successor Grant Advisor to afford them the opportunity to re-activate the Fund. If no Grant Advisor or successor Grant Advisor is available and the Fund remains a Dormant Fund, LegacyWay may make annual grants to qualified charities from the Dormant Fund in accordance with the grant history of the Fund and LegacyWay's procedures.

LegacyWay reserves the right to change this policy at any time to conform to Internal Revenue Service regulations or other applicable rules.

MAXIMUM GRANT AMOUNTS

Market changes of a Fund's investment can affect the amount available to grant; if a grant recommendation exceeds 85% of the Fund's balance, LegacyWay will make reasonable efforts to contact the Grant Advisor to reduce the grant amount or suggest a closing grant. Failure to make contact may result in the grant amount being reduced by LegacyWay or the grant being denied.



RECORDKEEPING AND REPORTING

LegacyWay’s policy is to provide written confirmation of contributions to every donor within a reasonable amount of time after the end of each year. Contribution confirmations serve as receipts and should be kept with the donor’s tax records for IRS reporting. Donors should consult with their tax advisor before claiming any deduction in connection with a contribution. For gifts of property valued at \$500 or more, the donor may need to complete IRS Form 8283 and file it with federal income tax returns. For contributions of an unmarketable asset to LegacyWay, LegacyWay will complete the “Donor Acknowledgment” section of an IRS Form 8283 submitted to LegacyWay.

LegacyWay will post quarterly statements on LegacyWay’s secure website (<https://legacyway.donorfirstx.com>) reflecting all contributions received, grants made and current investment holdings for the current quarter.

Reports will show:

CURRENT QUARTER FIGURES, INCLUDING

- Beginning and ending asset values;
- Current asset holdings;
- Total contributions received during the period; and
- Total grants paid to charities during the period.

DETAILS OF CONTRIBUTIONS RECEIVED DURING THE CURRENT QUARTER, INCLUDING:

- The amount of each contribution;
- The date on which LegacyWay received each contribution; and
- The type of asset contributed.

DETAILS OF GRANTS PAID DURING THE CURRENT QUARTER, INCLUDING:

- The name of each recipient charity;
- The amount paid to each charity; and
- The date on which each grant was paid.

PLATFORM

LegacyWay maintains a secure, password-protected online platform: <https://legacyway.donorfirstx.com>. On this site, Grant Advisors and financial advisors may review the Fund’s contributions and grants, research potential grant recipients and recommend a new grant. Grant Advisors can also view quarterly statements, grant letters mailed to charities, tax deduction letters for contributions to the Fund and current investment holdings.



SUCCESSOR GRANT ADVISOR OPTIONS

The initial Grant Advisor may select any person, including a spouse, child, another descendant, heir or representative as their successor Grant Advisor. Upon a Grant Advisor's resignation or death, the rights and duties associated with the Grant Advisor (including the rights to make grant recommendations, view DAF information online and receive quarterly statements) will transfer to the successor Grant Advisor.

In the case of a resignation, the original Grant Advisor must send to LegacyWay a signed letter of resignation. If a successor has already been named, that person will be the successor Grant Advisor. If no successor has been named prior to sending a letter of resignation or if the Grant Advisor wishes to change the named successor, a Giving Fund Update Form naming the successor must accompany the letter. If the Grant Advisor dies, the successor must provide LegacyWay with written notification and sufficient proof of the death of the Grant Advisor, whereupon the successor will assume the role of Grant Advisor. If the successor is a minor, LegacyWay reserves the right to require that grant recommendations be made by the minor's legal guardian. After a successor has been established as a Grant Advisor, they may also appoint their own successor Grant Advisor.

RECOMMENDING A CHARITY AS BENEFICIARY

Rather than choosing a person to succeed a Grant Advisor at death, a Grant Advisor may recommend (subject to review and approval by LegacyWay) that one or more qualified charitable organizations receive annual grants from the remaining assets in the Fund upon LegacyWay's notification of the Grant Advisor's death. Such grants will continue so long as there are assets in the Fund. Each grant will be accompanied by a letter that references the Grant Advisor and the Fund name.

Example

At Mary Simpson's death, her Donor-Advised Fund started making annual grants to her church, a missions organization, and a pregnancy support center. Mary instructed that the grants be paid each year on Mary's birthday as her special gift to these charities that held deep meaning in her life.

Customized grant structures that become effective after death are available. Please call the LegacyWay Impact Fund at (855) 446-0929 to discuss several alternatives and variations that may appeal to you.

NO SUCCESSOR NAMED OR CHARITABLE ORGANIZATION(S) DESIGNATED

If no successor Grant Advisor or charitable organization(s) is designated by the last surviving Grant Advisor, then, upon notification to LegacyWay of the death or resignation of that Grant Advisor, LegacyWay will make annual grants to one or more qualified charitable organizations from the remaining assets in the Donor-Advised Fund. Distributions are granted at the sole discretion of LegacyWay in accordance with applicable regulations and LegacyWay's policies and procedures.

SERVICE PROVIDER

LegacyWay has retained RenPSG of Indianapolis, Indiana to perform certain accounting and administrative functions for LegacyWay.



FEES AND CHARGES

Each Donor-Advised Fund is subject to annual administration fees that are assessed quarterly. The assets in each Donor-Advised Fund are typically invested in marketable securities and may also be charged a fee for investment.

LegacyWay reserves the right to charge additional fees for extraordinary or special services. Non-exclusive examples of extraordinary and special services include: grants to foreign organizations; 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. ***No Fund, donor or Grant Advisor is permitted to solicit contributions without specific prior written authorization from the President of LegacyWay.***

DAF MINIMUMS

- The recommended initial contribution is \$5,000, but there is no minimum.
- The minimum additional contribution is \$1,000 per gift.
- The minimum DAF balance is \$2,000.
- The minimum grant amount is \$25 per grant.

GETTING STARTED

ESTABLISHING A LEGACYWAY IMPACT FUND

To establish a Donor-Advised Fund, complete a Donor-Advised Fund Application. On the Application, the Donor(s) will be asked to name the Fund. Typically, Donors choose a name in honor of themselves, their family, a relative, a friend or a cause that is important to them. Contributions should be sent directly to LegacyWay's receiving account as directed in the application. Mail the Donor-Advised Fund Application to the address below.

Once LegacyWay approves the donation, the Donor (or his or her financial advisor, if desired) will receive further communications and instructions from LegacyWay. Contributions not approved by LegacyWay will be returned to the Donor.

LegacyWay

901 Commerce Street, Suite 600
Nashville, TN 37203

Call: (855) 446-0929

Fax: (615) 255-1832

Email: servingyou@legacyway.org

EXAMPLES OF DONOR-ADVISED FUND STRATEGIES

A married couple with an adjusted gross income of \$200,000 and a total net worth near \$2 million wish to lower their tax burden while benefiting their favorite charities. Establishing a Donor-Advised Fund with \$50,000 of appreciated securities allows them to claim a \$50,000 income tax charitable deduction and avoid state and federal capital gain taxes when the DAF sells the securities. They are now able to recommend grants to charities from the newly-formed DAF while benefiting from a tax savings of over \$20,000.

A retired teacher wishes to create and fund a college scholarship program to assist students at the high school where she taught. After consulting with the school, she creates a Scholarship Fund with the LegacyWay Impact Fund by contributing the first of a series of \$10,000 annual gifts to the Fund. Each year, she recommends that LegacyWay make a grant from the Scholarship Fund. She now can claim an income tax charitable deduction for each gift to the Fund and because the Scholarship Fund carries her name, ensures her legacy as an educator.

A married couple with an adjusted gross income of \$125,000 and a net worth of \$3 million, including a highly-appreciated \$450,000 rental home, wish to sell the rental home and support international missions. By transferring the real estate along with a \$10,000 mutual fund to cover anticipated holding costs and expenses to the LegacyWay Impact Fund and allowing LegacyWay to sell the property tax-free, the net sale proceeds will create a \$150,000 Donor-Advised Fund from which they can now make quarterly grant recommendations to various missions projects. The couple thereby avoids capital gains taxes, receives an income tax charitable deduction for transferring the property to LegacyWay, and helps share the Gospel around the world.

These examples are hypothetical and for educational use only. The situations, tax rates or return numbers do not represent any actual clients or investments. There is no assurance that the rates depicted can or will be achieved. Actual results will vary. **Please consult with legal and tax counsel about the suitability of these plans before proceeding.**

FOR MORE INFORMATION:

CONNECT

Call: (855) 446 0929

Fax: (615) 255-1832

Email: servingyou@legacyway.org

WRITE TO US

LegacyWay

901 Commerce Street, Suite 600

Nashville, TN 37203

VISIT OUR WEBSITE

legacywaydaf.org