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*Enhance Your Life*  
*Through Philanthropy*  
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Life happens.  
We're born, we  
die, and in-between  
we experience  
many opportunities  
to leave a legacy or  
lend a helping hand  
in support of the  
causes dearest to our hearts.



As a young adult, you may focus on  
career, children and their care. At middle-  
age, thoughts of retirement and how to  
financially support yourself or educate  
your children may become a focus. In



later years,  
quality of life, a  
search for signifi-  
cance, and your  
contribution  
to society may

result in your desire to leave a legacy.  
Whatever your goals may be; Renaissance  
is here to help you  
establish your legacy  
through tax-advan-  
taged philanthropic  
planning.



**Renaissance**  
Earning Your Trust Every Day

### Voluntary vs. Involuntary Philanthropy

Hearing the word “philanthropist” today brings to mind names like Bill & Melinda Gates, Warren Buffet, Ted Turner or Michael Dell. In looking at the past, you might think of Rockefeller or Carnegie. Each of these people is recognized for the good they did or continue to do through their philanthropic endeavors. But, is philanthropy only for the very rich? In reality, every tax-paying citizen in America is a philanthropist. The question is, are you a voluntary philanthropist or an involuntary philanthropist?

It all begins with a section of the income tax code that allows Americans to deduct gifts to the qualified charitable organization of their choice, rather than “giving” their money to the Internal Revenue Service.

Taking advantage of certain provisions of the income tax law allows you to give your money to those qualified groups whose missions are important to you. By using powerful financial and estate planning tools, you can become a voluntary philanthropist while achieving your personal financial goals as well.

### Is there a Charitable Remainder Trust in your Future?

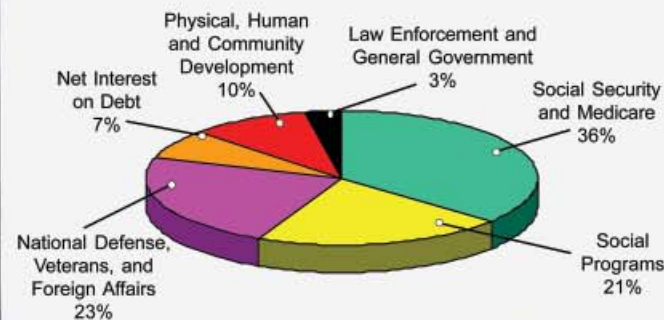
A charitable remainder trust (CRT) could address many of your personal financial goals while providing the ability for you to make a significant gift to the qualified organizations of your choice. CRTs are planning tools that allow you to take control of your social capital — the portion of your wealth that is customarily paid in taxes to the government. With a CRT, you designate the qualified organizations that will receive your social capital and you also receive significant financial benefits. Anyone who is subject to paying capital gain taxes on appreciated assets and whose estate is subject to estate taxes is a candidate to benefit greatly from a CRT.

### How does a CRT Work?

A CRT is an irrevocable, tax-exempt trust with two parts: 1) the income interest, and 2) the remainder interest. The income interest is the income paid to the individuals who established the trust (or their designated beneficiaries) for their lifetime or a term of years. The remainder interest is the money remaining in the CRT when the trust terminates. The remainder interest is given to the qualified organizations (including family foundations and donor-advised funds) of the donor’s choice as specified in the trust document.

### Federal Spending of “Involuntary” Social Capital

(Fiscal 2004 - Internal Revenue Service)

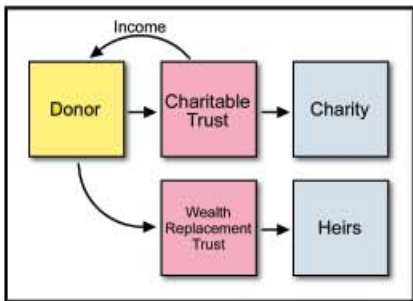


*Given the Opportunity-*

*How would YOU direct your taxes?*

What are the personal financial benefits of CRTs?

1. **Tax-Free Asset Conversion:** Through a CRT, appreciated assets may be sold free from the erosion of capital gains tax. Asset conversion is the most visible financial advantage of using a CRT.
2. **Current Income Tax Deduction:** A gift to a CRT can provide you with a current income tax deduction that can offset all forms of income.
3. **Increased Cash Flow:** You may own a highly appreciated asset that generates little or no income, but are reluctant to sell it because the capital gains tax could consume more than one-fifth of its value and one-fifth of the resulting income. The ability to sell the asset free from capital gain taxes enables a CRT to generate more income for recipients.
4. **Lifetime Cash Flow Planning:** With careful design and investment management, the CRT can defer income for later distribution. This feature enables possible accumulation of income for retirement planning or for intermittent financial needs that may occur along the way. Income deferral can also enhance the value of the ultimate charitable gift.
5. **Retirement Planning and Asset Management:** Among other things, retirement denotes reduction of management responsibilities, not only in the work place, but also with personal assets. The CRT not only provides the means to dispose of *management intensive* assets, it also supplies a mechanism to provide professional asset management during a person's later years when it may be most needed or desired.
6. **Gift and Estate Tax Planning:** The CRT offers you an effective alternative to the payment of gift and estate taxes. Amounts transferred to a CRT are not generally subject to gift or estate taxes. The combination of capital gains tax, gift tax and estate tax avoidance can be very compelling for those who wish to control their social capital.



In addition to the gift and estate tax savings generated by the trust itself, the cash flow created by the CRT can be coordinated with other estate planning techniques. The most common combination involves gifts of cash from you to an irrevocable trust or directly to family members who then use them to purchase life insurance. Commonly referred to as *wealth replacement*, the concept often enables you to provide a significant legacy to charity without disinheriting your heirs.

## Benefits of Self-Trusteeship

Although you may choose to make a gift to a CRT, you do not need to give up control of the asset during your lifetime.

Self-trusteeship is a way for you to remain involved in the decisions made concerning your trust without incurring daily hassles and responsibility. Instead, you will receive the support of qualified professionals for administration and asset management, while retaining the ability to choose and evaluate the performance of each of them.

**When it comes to deciding what is best for your trust, shouldn't you, the donor, make that ultimate decision?**

## Choosing an Administrator

As the trustee of your own CRT (self-trustee), you should select a professional administration firm to handle the responsibility of keeping the trust in compliance with the law. There are several details that must be constantly monitored, including the introduction or passage of new tax laws that may affect your trust. More self-trustees hire Renaissance to administer their trusts than any other company. We provide worry-free, affordable gift administration, which means that you benefit from:

- The expertise and experience of our staff
- Our specialization in the administration of charitable instruments
- The intellectual capital of our staff attorneys, accountants and client service specialists
- Our proprietary charitable gift accounting and tax reporting software systems that are the most efficient and accurate in the industry
- Our customer service team that makes you its top priority.

### The Value of Expert Trust Administration

Once you've decided to create a charitable remainder trust, the next step is to make sure the trust is administered to meet your goals. Donors and trustees from every state have hired Renaissance to administer their trusts. With more than 5,000 trusts and more than \$2 billion under administration, Renaissance is the oldest and largest third-party administrator. Renaissance is the company that advisors, attorneys, accountants, development officers and brokers turn to for marketing, training, case design and administration. Our staff has more experience than any other administration firm in the country.

Hiring a world-class administrator is the key to maintaining the ongoing value of your charitable remainder trust. At its bare minimum, trust administration involves making sure that distribution checks and tax returns are correctly and timely completed. Additionally, charitable remainder trusts must comply with specialized accounting rules that are unique to charitable remainder trusts. Our track record is second-to-none when it comes to those fundamental duties. We also monitor legislative and regulatory changes to determine how they impact your trust.

Only through proper administration can you truly experience the fruits of your planning and commitment. As your administrator, Renaissance works for you to monitor the trust's transactions and ongoing compliance of your charitable remainder trust. We currently work with thousands of advisors from different firms and can work with anyone you hire to invest your trust's assets.



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### Highlights of our administrative services include:

- Continuous maintenance of records and processing of data as required to comply with the unique charitable remainder trust accounting rules
- Working with your other advisors to ensure that complex transactions associated with hard-to-value assets and multiple money managers go smoothly and do not compromise the tax status of your charitable remainder trust
- Providing an illustration of your charitable income tax deduction
- Determining the tax character of investment transactions
- Determining the allocation of trust expenses to principal and income
- Coordinating the payment of trust expenses as requested by the trustee
- Following IRS requirements to determine the amount and allocation of income
- Ensuring that income beneficiary distributions are computed and processed to meet trust requirements
- Requesting funds and distributing trust income to beneficiaries
- Preparing all tax reporting forms required by the IRS that are specific to each trust administered and delivering them to you in a timely fashion for your review and signature
- Providing you with annual reporting of trust value, investment activity, income distributions and overall performance
- Providing you with on-line access to information about your charitable remainder trust
- Paying charitable distributions and preparing final trust tax returns at the termination of the trust

Renaissance gives you more control, for greater flexibility; more service, for one point of access to essential information including on-line access; more experience, for avoiding pitfalls in administration; and more in-depth reporting, for more informed decisions in governance. Put our experience and know-how to work on administration of your trusts.