

Policies and Procedures



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Pledger Makes Your Charitable Giving a Pleasure!

Pledger Charitable Ltd DAF Program
Policies, Procedures and Guidelines

Pledger Charitable Ltd. is a registered Donor Advised Fund (DAF) that streamlines the charity giving process. CPAs and attorneys with years of financial and legal knowledge endorse every move that we make on your behalf. Your donation process is smooth and smart throughout.

Below are the terms, conditions, and policies that Pledger Charitable adheres to. Please read and review them carefully before getting started. Pledger Charitable Ltd. reserves the right to update or modify the terms and conditions as needed, with no advance notice. Terms and conditions will be updated accordingly on the website, should any modifications be made.

By signing up for a DAF account, all account holders agree to the terms and conditions of Pledger Charitable. Account holders are responsible to review the terms and conditions, to remain updated.

Primary Participants

Primary participants are also known as “Pledgers”

Pledgers are individuals of the age of 18 and above who are the primary leaders of the DAF account. The following privileges are inherently provided to said Fundholders:

1. Naming the Fund
2. Recommending grants to IRS-qualified charities
3. Recommending an asset allocation from Pledger’s menu of investment options
4. Appointing (or removing) people to participate on the fund as Fundholders or Authorized parties*

5. Naming successors to assume the privileges as Fundholders on the fund, should the need arise.

*Any changes to the participants on the fund must be approved by all Fundholders.

Fundholders act independently. To request an alternate structure for your fund, call Pledger Charitable's office 212.753.3437.

Additional Participants In Your Lifetime

Authorized parties

Fundholders have the permissions to allow relatives, employees or professional advisors to act as Authorized Parties. Authorized Parties may receive confidential information about the fund, including fund balance and grant history. Information can be obtained via online access or over the phone. To add an Authorized Party to a DAF account, it is required that Fundholders complete the Authorized Party Form. Completed and signed forms can be mailed or emailed to Pledger Charitable's office.

Aside from the above mentioned information that Authorized Parties can receive, there are additional privileges a Fundholder can assign to an Authorized Party on the Fundholder's behalf.

This includes:

*Permissions to sign investment recommendations

*Permissions to sign grant recommendations

In addition, Fundholders can give permission to an Authorized Party to recommend grants in said Authorized Party's name.

Successors- Individuals

Successors are individuals selected and named by a Fundholder to assume responsibility for their DAF after the death of Fundholder(s). Successors receive all privileges held by the Fundholder. This includes making grant and investment recommendations, and naming their own successors.

Successors do not have to be 18 years of age (or above) when named as successors. In such a case, a temporary successor will have to be named. The Temporary Successor will remain as such until the Primary Successor reaches the age of 18.

Successors-Charities

Successor Charities are charity groups that receive grants after the death of the final Fundholder on an account. Grants will be given from the remaining assets in the DAF account.

How to open a DAF Donor Account

Opening a DAF donor account is quick and hassle-free. You will be required to complete the Pledger Charitable Ltd.'s activation form and make an initial contribution. Complete and accurate information will be needed on the form. The activation form can easily be obtained on our website or via phone.

The completed activation form can be sent to Pledger Charitable Ltd. via email, or it can be mailed to our office at 4403 15th Avenue, Brooklyn, NY 11219, along with the initial contribution.

Types of Accounts

Pledger offers 3 types of accounts:

Prepaid: Initial contribution is \$500.00, and refills with a minimum of \$250.00.

Prepaid accounts can receive all denominations certificate booklets, and make online recommendations, so long as it's prepaid. Prepaid accounts have no monthly fee.

Platinum: Initial contribution is \$2,500.00, and refills with a minimum of \$250.00.

Platinum monthly fee is \$25. Fee can be waived if a minimum balance of \$500 is maintained in the account. If the account balance hits a negative number, the account will automatically refill with \$500 plus appropriate fees.

Platinum accounts can receive predetermined denomination certificate booklets, as well as blank certificate booklets. Payments for booklets for Platinum Account Holders can be sent in advance or can be paid retroactively. Online recommendations can be made with a Platinum account.

Diamond: Initial contribution is \$10,000.00, and refills with a minimum of \$1,000.00.

Diamond accounts have no monthly fee. However, Diamond status will be dropped to Platinum status should a Diamond Account Holders's balance drop below \$2,000.00. At that point, all Platinum fees and terms will go into effect.

Diamond accounts can receive predetermined denomination certificate booklets, as well as blank certificate booklets. Payments for booklets for Diamond Account Holders can be sent in advance or can be paid retroactively. Online recommendations can be made with a Diamond account.

Contribution Methods

Pledger offers Donors a variety of contribution methods to choose from:

Check

Cash wire

Credit Cards

Publicly traded long-term securities

Bonds

Mutual Funds

Complex assets and Real Property (on a case by case basis)

Third Party Contributions

Check Contributions: Cash contributions can be donated by mailing a check that is payable to Pledger Charitable Ltd. Additionally, cash donations can be brought to Pledger Charitable's office.

All checks that are mailed or bought in to Pledger Charitable should contain the following information: Your name, Pledger account number, and phone number associated with the account.

Note: Please give 2-10 business days for checks to be processed. Time frame varies based on the bank.

Cash Wire Contributions: Please give two business days for wire transfers to be received by Pledger Charitable. The Account Holder's account will receive the funds as soon as the process is complete.

Credit card Contributions: In the event of shortages or other unforeseen circumstances, credit card contributions will be accepted. Donors will be charged a standard fee for contributions made by credit cards.

Currency or other cash-like monetary instruments may not be contributed.

Cash (i.e. check, cash wire, credit card) Contribution Tax Benefits

Up to 60% of a donor's adjusted gross income can be deducted in the tax year in which the contribution is made. Should there be an excess amount remaining, it can be carried forward and 60% can be deducted in a five-year period after the year of the initial contribution.

Publicly Traded Securities Contributions: Long-term appreciated publicly traded securities can be contributed by authorizing your broker to transfer the shares to our account via DTC (Depository Trust & Clearing Corporation). For Pledger Charitable's DTC instructions, check out Pledger Charitable's website or call the office.

It is recommended to consult with your financial institution for their preferred/required transfer forms. If you have stock certificates, please call our office for instructions.

If an Account Holder has authorized a transfer of shares, it is imperative to notify Pledger Charitable by completing a securities transfer instruction form. Pledger Charitable will liquidate the contributed shares and credit the proceeds to Account Holder's fund.

Publicly Traded Securities Tax Benefits

Fundholder can claim contributions of long term appreciated publicly traded securities. The manner of doing so is by claiming fair market value on the day of contribution. Fair market value is established by calculating the average of the highest and lowest selling prices on that day (i.e. contribution day).

Long term securities stands for securities that have been held for 366 days. Fundholder will not receive fair market valuation for publicly traded securities that have been held for less than a year.

Fundholder is exempt from a capital gains tax on the appreciated part of a contribution (i.e. on the increase in value of the securities). The deductions for donated securities that a Fundholder has owned for one year or less is limited to the cost basis (i.e. original value) or

current market value. This is determined according to the one that is lower.

Contributions of appreciated securities may be deducted up to 30 percent of Adjusted Gross Income in the tax year in which contribution is made. Any excess amount may be carried forward and deducted up to 30 percent limit in the five-year period after the year of contribution.

In general, publicly traded securities will be sold promptly by Pledger Charitable and the net proceeds will be added to your fund.

Mutual Funds Contributions: The minimum amount of stocks or mutual funds required in order to be accepted by Pledger Charitable is \$10,000. Please allow up to two business days for the amount to be funded to the donor's account.

Transfer of Bonds or Mutual Fund Shares

To arrange the transfer of bonds or mutual fund shares, please call Pledger Charitable for instructions.

Private Or Restricted Stock, Real Estate, Other Assets Contributions: Pledger Charitable Ltd. upholds a firm policy regarding the terms and conditions for accepting the following contributions: restricted, closely held or Rule 144 stocks, real estate, art, or other unusual assets.

Pledger Charitable's policy will review the proposed contribution with our legal team and board of trustees. Acceptance of the above mentioned contributions is determined on per-case basis, and is at the discretion of the Pledger Charitable board of trustees. The above mentioned contributions, should they be accepted, may be subject to requirements and/or legal and accounting fees.

Upon accepting any contribution on the above sort, Pledger Charitable Ltd. will ensure that Pledger Charitable will not assume any liabilities, and that the asset can be liquidated within a specified period of time.

Should a Fundholder wish to contribute any of the above mentioned contributions, please call the Pledger Charitable office.

The processing time for assets will vary. Pledger Charitable aspires to liquidate contributions in the most efficient manner, once all paperwork has been completed and processed. Acknowledgements for contributions are generally sent within 5 business days of contributions being credited to a fund. Processing time may be longer during high-volume periods.

Third Party Contributions: When a donor makes a contribution to an existing DAF account, they will receive an acknowledgement for tax purposes. However, contributors do not have the same rights as Fundholders or Authorized Parties.

Contributors can not receive confidential information, or take any steps with an account, unless authorized as a Fundholder or Authorized Party.

Third party contributors can make contributions to the account at any time, with the minimum donation amount being \$250. Each contribution that is made entitles the contributor to receive all allowed tax benefits.

Written acknowledgements for third party contributions of \$250 or more will be provided upon request.

All third party contributions are irreversible.

The following rules apply:

Account holders may not solicit third-party contributions on behalf of a specific organization (unless the fund is a designated one). Additionally, one may not guarantee that specific grant recommendations will be honored in exchange for third-party contributions.

Third-party contributors may not receive any goods or services in exchange for their contribution.

Third-party contributions need to complete a form ensuring that they will comply with Pledger Charitable's rules prior to Pledger Charitable accepting the contribution. This applies to third-party contributions greater than \$5,000.

Third Party Tax Benefits

The third-party contribution information and tax benefits mentioned above are general rules that apply to contributions made to a DAF public charity. Pledger Charitable does not assume responsibility for any stance taken by contributors on their tax returns.

Additional Information

Letter of Acknowledgement and Welcome Kit

A letter of acknowledgment (for tax records) will be sent once Pledger Charitable has accepted your initial contribution. In addition, account holders will receive a welcome kit with the necessary information needed in order to begin using your Pledger Charitable DAF.

Federal Income Tax Deductions Information

Certain federal income tax deductions are available, depending on whether you itemize deductions. Each state has its own rules regarding deductions on charitable contributions. Applicability and accuracy of any information provided may be affected by the laws of each specific state in regard to specific situations.

Depending on your specific circumstances, different limitations may apply to the tax treatments of your contributions made to a DAF account. Pledger Charitable recommends that you consult with your tax or legal advisor.

Transaction Costs

In the case of securities or other non-cash assets contributions, your fund will be credited with

the net proceeds of the sales of contributed assets, minus the transaction costs (brokerage commissions, legal fees etc).

Matching Gift Programs

Many corporations employ a corporate matching gift program, which means they will match any contributions made, or grants issued, to/from a DAF. Check with your employer to see if your contributions to your DAF, or grants made from your DAF, qualify for a matching gift.

Online Access to your Fund

Account holders can view all information pertaining to their account, and take action, by signing in on the Pledger Charitable website. Information includes but is not limited to:

*Viewing fund balance, contributions, grant activity and asset allocations.

*Recommend grants

*Downloading forms

*Recommending reallocation of assets

*Changing fund participants

*Creating a new succession plan

Pledger Recommends using the online portal for all transactions being performed.

Contribution Receipt

Upon acceptance of your contribution, Pledger Charitable will send a letter of acknowledgement. The purpose of this letter is to serve as a receipt for tax purposes (as

required by the IRS). This letter will not supply a contribution value for non-cash contributions. The value of contributions and the corresponding amount of deductibility are not the responsibility of Pledger Charitable, but of the contributor. Contributors may be required to attach an appraisal to his or her tax return, pursuant to federal tax regulations relating to non-cash contributions that exceed a certain threshold.

Proceeds Notification

Account holders will be notified as to the net proceeds credited to their fund, upon making a non-cash contribution. Non-cash contributions include securities, bonds, mutual fund shares etc. Net proceeds refer to the sales proceeds minus the brokerage fees. Please note that this amount does not represent the amount of the deduction to which you may be entitled.

Annual Report

Pledger Charitable issues an Annual report to Fundholders at the end of each fiscal year. The annual report is accessible on the Pledger Charitable website.

Charitable Purpose & Grant Recommendations

Pledger Charitable reserves the right to conduct its own research of the charities that Account Holders recommend a grant to, and to decline grant recommendations based on the information obtained.

Donors can only make recommendations for scholarship grants to a general scholarship fund of public charities. Scholarship grants as such will be subject to review and approval by Pledger Charitable. In the case of a negative approval, Pledger Charitable will notify the donor about the decision, including the reason for the decline. In certain events, Pledger Charitable may provide alternative solutions for the benefit of the donor's philanthropic intent. This is a non-obligatory recommendation.

Grants may not be allotted to benefit specific needy individuals or families.

Grant recommendations must exceed the minimum of \$1.

For legal purposes, Donor recommendations cannot be sent to Donor's residential address. Donor may receive acknowledgement directly from the grantee for the donation. Similarly, a donor may request to remain anonymous.

The donor's/recommender's personal fund name will appear when giving charity, unless a specific fund name is chosen, such as "The Bear/Wolf Foundation".

Pledger Charitable assumes no responsibility for compliance, should a Fundholder recommend that a grant be used by the granted organization for a particular purpose. In the absence of a recommended purpose, the grant will be unrestricted and may be used for general purposes.

Pledger Charitable may decline grants that provide certain banned benefits to the Fundholder or any third party. Banned benefits include, but are not limited to: admission to charitable events, memberships that have a non-deductible portion, tuition, raffle tickets, or goods/services bought at a charitable auction.

Should a Fundholder like to accept tickets to a charitable event, or receive specific membership benefits associated with a charitable donation, their DAF account can not be used. If a grant recommendation is made with the motive to receive any of the above mentioned benefits, or to provide such a benefit to a third party, Fundholders may be subject to a penalty excise tax.

Should a Fundholder decline a ticket, the DAF account can be used for a general donation.

Grant recommendations can be made by completing a pre-printed Charity Recommendation.

For a simpler, more convenient option, use the Pledger Charitable 'Charity Recommendation Certificates', which are pre-printed with all the recommendations made by the donor/recommender, subject to the following:

Pledger Charitable maintains ownership of the Donor Advised Fund Accounts.

Pledger Charitable retains the right of approval for any recommendations.

Services or benefits may not be provided to a donor or to Pledger Charitable, as a reward for grant recommendations.

Recommendations of grants for the non-tax deductible portion of benefit events or membership, for school tuition, to fulfill enforceable personal pledges of financial support or obligation, or for most dues will not be approved.

Submitting a recommendation indicates compliance with the Rules and Procedures governing Pledger Charitable's Donor Advised Fund program including the aforementioned specified points.

Qualified Charitable Organizations

It is imperative to note that Pledger will not approve any recommendations for grants made to:

Individuals

Private Foundations

Political campaigns and candidates

To support political/lobbying activities to fulfill an existing enforceable pledge

All grants issued by Pledger Charitable must be made to organizations that qualify as tax-exempt under section 501(c) (3) of the Internal Revenue Code and that are classified as either public charities as described in sections 509 (a)(1), (a)(2), or (a)(3) in section 4942 (j)(3) of the code. We do not make grants to individuals, private non-operating foundations, or "controlled" type I or type II supporting organizations that are not functionally integrated.

Pedger Charitable may decline to make a recommended grant to a charitable organization if such a grant is inconsistent with its policies and procedures or with the laws and regulations governing public charities and Donor Advised Funds.

International Grant Making

Israel

Pledger Charitables utilizes the services of several intermediaries when a grant to a charity in Israel is recommended. Intermediaries meticulously review recommended organizations at no cost to the Fundholder.

Fundholders must specify the specific charitable organization they are recommending. To recommend a charity in Israel, or for more information, please contact Pledger Charitable.

Other than Israel

Pledger Charitable utilizes the services of NGO source (a project of the Council on Foundations and TechSoup Global) when grants to a charity outside the U.S. (other than to charities in Israel) are recommended.

NGO source meticulously reviews recommended organizations. The time period may take several weeks, depending on the country and the amount of research necessary.

The grant minimum for utilizing NGOsource is \$10,000. The fee charged by NGOsource for the due diligence may total up to \$2,000 and will be charged to the Fundholder's fund.

Terms Of Use

By using our website, you agree to comply with the following terms and conditions of use which, along with the policy, procedures and guidelines, govern The Pledger Charitable Ltd.'s relationship with respect to the website.

Who We Are?

The term 'Pledger,' 'DAF' 'us' or 'we' refer to the company with the registered office at:

Pledger Charitable Ltd., 4403 15th Ave #547, Brooklyn N.Y. 11219, U.S.A.

The Employer Identification number (EIN) for Pledger Charitable Ltd. is 85-1664070.

Other contact details include the following.

Tel: 212.753.3437 (PLEDGER)

E-Mail: info@Pledgercharitable.org

The term 'you' refers to the user of the website.

The use of this website is subject to the following terms of use:

Pledger Charitable's website content contains general information, and is subject to change without advance notice to the users.

Pledger Charitable does not guarantee the completeness of the information found on the website for any specific purpose.

Pledger Charitable is exempt from damage/losses incurred to any user that shared information and/or material from the site.

Pledger Charitable's website contains information and materials that are owned and licensed by the company. This includes, but is not limited to content, design, graphics and layouts.

Reproduction of any part or in any form is strictly prohibited unless written consent is received from Pledger Charitable.

Unauthorized use of the content on this website may lead to a claim for damaged and/or criminal offense.

Pledger Charitable maintains the right to include external links to other websites, in order to enhance the quality of information provided. That is, by no means, a validation of the content.

Moreover, Pledger Charitable takes no responsibility for the content on those websites.

How you use this website and any dispute arising out of the use of the content available on the website is subject to the federal and state laws of the United States of America.