



Memo To Donors To The Dayton Foundation And The Disability Foundation

As a basic principle, neither The Dayton Foundation nor The Disability Foundation (hereinafter "Foundations") renders legal or financial tax advice to donors. Many situations arise, however, whereby donors approach the Foundations and want to make a charitable contribution that can require special or unusual tax information.

In all cases, it is inappropriate for Foundations to render legal or financial tax advice to its donors. Foundations do, however, often provide information via its software programs about certain "what-if" scenarios. With the Ohio Community Pooled Annuity Trust (OCPAT), for example, these scenarios can show the possible tax deduction created by a gift of a certain size, retained life interest, the donor's age, etc.

In some circumstances, Foundations may need to require that a donor obtain his or her own independent legal and/or tax representative as a condition of accepting the gift. This can occur when a gift is complicated, for instance, or when tax-reporting requirements call for such independent representation.

Therefore, donors need to note that neither The Dayton Foundation nor The Disability Foundation can render legal or financial tax advice in connection with a donation to Foundations. Donors must consult with their own attorney, tax advisor or financial advisor concerning the legal or financial effects of any donation and the applicability of particular legal principles to his or her own situation.

Beneficiaries over the age of 65 should be aware that there is some risk a transfer penalty could be imposed by the Medicaid program. Litigation is occurring in some states around this issue. This issue has already been successfully litigated in Ohio and the penalty is not being imposed. However, there is always the chance that the issue could return. Beneficiaries who are age 65 or older who receive Supplemental Security Income (SSI) should also be aware of Social Security regulations and that transfer of resources to a pooled trust will subject the applicant to a loss of SSI benefits for up to 36 months.

The donor acknowledges that they have been advised of the current fee structure for the trust being established. If a Flexible Spending Trust is being established, there will be a one-time set up fee and an annual administrative fee assessment. The Foundation reserves the right to amend its fee policy but only as a part of an across-the-board fee policy change that affects all such funds within the Foundation.

As evidence that the donor(s) understand(s) this position of the Foundations, it is requested the donor(s) sign this statement in the space provided below, keeping a copy for his or her own file.

Gregory D. Darling, Executive Director
The Disability Foundation

I (we) have read and understand the above-stated position of The Dayton Foundation and The Disability Foundation.

Date

QUALIFIED DONOR