

# The Pinnacle Foundation

We're changing lives. So can you.

## Donor Information

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The Pinnacle Foundation is unique. We are Australia's only organisation that awards scholarships specifically to disadvantaged lesbian, gay, bisexual, transgender, intersex and questioning/queer (LGBTIQ) students who need help to excel in their chosen field of endeavour. They may have been bullied, abused at school, rejected by their family or church and have suffered depression or self-esteem issues from a lack of acceptance. Many consider suicide as the only way out.

We are passionate and determined to make a difference. But we need your help to continue to allow our scholars to fulfil their dreams. Your donation to Pinnacle will:

- Help to provide financial support and aspiration to young people who are marginalised because of their sexual orientation or gender identity;
- Empower our scholars to excel academically, vocationally and personally;
- Allow Pinnacle to continue to provide each student with a LGBTIQ leader in their chosen field of study as a mentor; and
- Help to make profound changes in society by developing students as community leaders speaking out against discrimination and injustice.

We believe our community must not forget that, despite social and political advances, some of our younger generation is still vulnerable. Older generations have a responsibility to nurture the aspirations of our youth, who still struggle against prejudice and intolerance.

Our selection process is tough. Pinnacle's successful applicants must:

- Demonstrate consistent high-level academic results or a strong propensity to learn;
- Leadership skills;
- Community involvement; and
- Financial need.

We focus on students who have experienced discrimination or marginalisation and have lost the financial and emotional support of their families as a result of their sexual identity.

The Foundation is extremely proud of the growth in scholars and mentors since its inception in November 2009. In our first two years we have granted 10 scholarships worth nearly \$80,000 to outstanding students in the fields of law, medicine, music and social science among others.



*“This scholarship ... means so many things to me – that my perseverance in studying, working and staying sane has paid off, that I will be able to concentrate more on studying and less on how to afford textbooks, that someone else sees my potential and that I now have better opportunities to make a difference.”*

**Isobel Connell Pinnacle Scholar, 18, studying Law at the University of Newcastle, NSW**

Your charitable gift to The Pinnacle Foundation will be very powerful. It can truly transform a life and help such students to reclaim their self-worth.

*“I feel very privileged to be awarded this scholarship. I know that the support that I’m going to receive from Pinnacle and my mentor will help me achieve my goals and dreams in the future. Being a part of a mentoring program such as this is an invaluable experience and I intend to make the most of it.”*

**Jayke Clayden Pinnacle Scholar, 20, studying International Studies at RMIT University, Victoria**

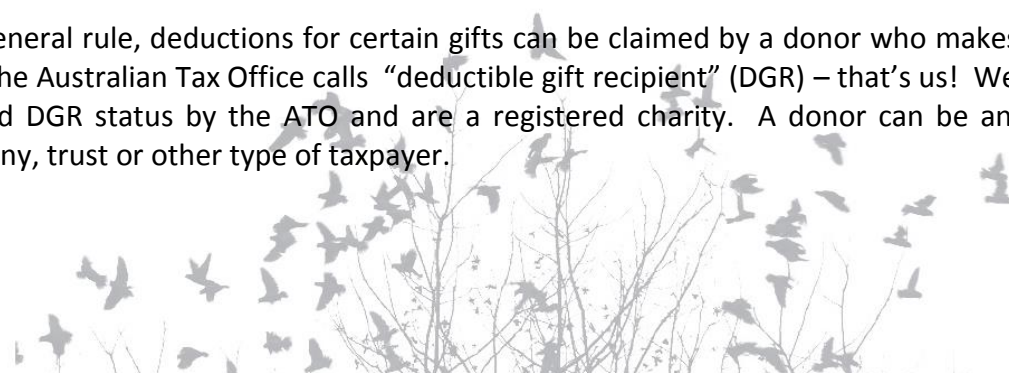
Your donation will also have broader effect on society. Since receiving their Pinnacle grants, our scholars have tackled bigotry in the Victorian parliament, made front page news; appeared on ABC TV promoting equality for students in high school; created support networks and queer communities on university campuses; been keynote conference speakers on issues; and invited to head international student associations. This is despite all the difficult circumstances they each faced. Each Pinnacle scholar will be a future leader of our community.

## **How you can help Pinnacle**

*“...each one of us, throughout life, must do what we can to advance the message of equal justice under law for all. The Pinnacle Foundation scholarships are one way to encourage the awardees to accept that idea early in life. And to keep it with them throughout their careers.”* **The Hon Michael Kirby AC CMG, Patron of The Pinnacle Foundation**

There are many ways to make a difference, and here we present some options to discuss with your advisors and loved ones. Pinnacle is a registered charity, not a financial advisor, so the usual disclaimers apply – this is not intended to be a substitute for personal financial or legal advice.\*

As a general rule, deductions for certain gifts can be claimed by a donor who makes the gift to what the Australian Tax Office calls “deductible gift recipient” (DGR) – that’s us! We have been granted DGR status by the ATO and are a registered charity. A donor can be an individual, company, trust or other type of taxpayer.



## **Our approach to donations**

Pinnacle very much appreciates all donations, but prefers to receive them as cash. Cash allows funds to be immediately transferred to either of our Scholarship or Endowment Funds and be safely invested to yield a return. Our operating expenses are kept to an absolute minimum and the vast majority of goods and services are sourced on a pro bono basis. We operate entirely on the volunteer support of our Board, management team and mentors. No salaries are paid.

Cash also provides us with more flexibility to match the demand for scholarships in any one year, provided the scholar's claim meets our selection process and criteria. There are three ways of making a cash contribution to the Pinnacle Foundation:

1. A one-off or regular weekly/monthly cash gift generally maximises tax deductibility for the donor as the total amount is fully deductible in any given tax year. This is especially useful where a company matches dollar-for-dollar contributions made by employees in a workplace giving program.
2. A regular cash commitment can be made for one or more years, with the total commitment declared up front. This is helpful because it allows Pinnacle to plan in advance and offers the donor the satisfaction of committing immediately and setting a period of time to advance funds to the Foundation.
3. Bequests. This is a future gift to Pinnacle by including us in your will or living trust to create an enduring legacy. The donor's bequest can be in the form of a fixed dollar amount or a percentage of the assets remaining in the estate.

Each of these contributions will make a significant difference to our scholarship recipients. In the short term it means immediate funding of tuition, textbooks, computers, uniforms or tools-of-trade. Long-term, as our endowment fund builds, it provides an enduring legacy for generations to come and reduces our reliance on ongoing fundraising.

## **Cornerstone – recognising major benefactors**

For donors who wish to make a substantial financial commitment of \$50,000 or more in cash, securities, life insurance benefits or outright bequests, Pinnacle offers a Cornerstone membership.

*"We are honoured to be the first two donors to become Cornerstone Members. We felt it was time to commit to making a real difference to disadvantaged gay people. The Pinnacle Foundation had the right mix of expertise and accountability for us to feel comfortable with making a substantial financial commitment now."* **Warren Stanborough and John Douglass, partners for 35 years**

Cornerstone members have the option of choosing to have a scholarship named after themselves, another individual, organisation or company. Named scholarships are a means of ensuring a living testament to the commitment to diversity through education of an individual, organisation or company. These have a significant impact on the life of a deserving student. While a Cornerstone member may direct that a scholarship be assigned to a specific area of study



or tertiary institution, Pinnacle would rather it not be so narrowly defined, since this may not always meet our scholars' needs.

Other benefits for Cornerstone members are free invitations to our regular social functions attended by our Patron/s and scholars; the option of having their name added to our Cornerstone Honour List, as well as receiving regular reports on the progress of our scholars and the Foundation.

## **Endowment – building brighter futures in the long term**

Now that the Foundation has established itself by raising donations and awarding scholarships, we are also preparing for our first major financial commitment (\$500,000+) by way of a bequest or donation. We will extend our current Scholarship Fund to include an Endowment Fund so that by the end of 2011 we can build an income stream to preserve a level of this capital on our balance sheet and use the income to fund future scholarships. Of course, our priority will be to endeavour to meet the needs of our benefactor.

## **Things you might like to know**

As a general rule, deductions for certain gifts can be claimed by a donor who makes the gift to a deductible gift recipient (DGR). A donor can be an individual, company, trust or other type of taxpayer.

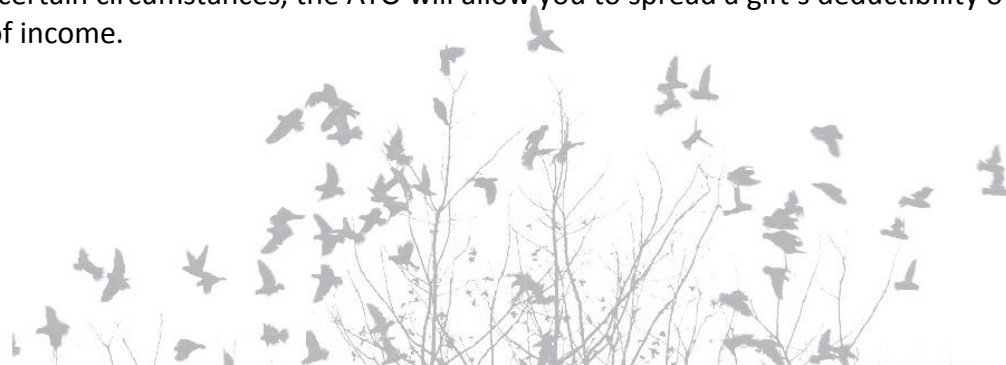
For a taxpayer to claim a tax deduction for a gift, the gift must:

- Be made to a DGR. The Pinnacle Foundation is a registered DGR;
- Truly be a gift;
- Be a gift of money or property that is covered by one of the gift types below; and
- Comply with any relevant gift conditions.

The law specifies the types of gifts that can be tax deductible. To be deductible, a gift must be money or property covered by one of the following gift types:

- \$2 or more in money;
- Property purchased during the 12 months before the gift was made;
- Property valued by the Australian Tax Office to be more than \$5000;
- Listed shares acquired at least 12 months before the gift was made; and
- Trading stock disposed of outside the ordinary course of business.

Under certain circumstances, the ATO will allow you to spread a gift's deductibility over five years of income.



## **Bequests**

Under this type of arrangement, the potential estate property remains in the donor's control during their lifetime and the donor is free to modify their bequest if circumstances change.

If you would like to help struggling LGBTIQ youth in your will then we suggest you insert the following clause:

*"I give, free of any relevant duties, charges or taxes the amount of \$X or X% (percentage) of my residuary estate to The Pinnacle Foundation (ABN 127 662 604) absolutely for the general purposes of The Pinnacle Foundation. I direct that a receipt of The Pinnacle Foundation should be a sufficient discharge of my Trustee or Executor."*

We prefer gifts to be of a general nature so we can ensure that your gift best meets the continuing objectives of the Pinnacle Foundation. If you would prefer to give a gift for a specific purpose, for example a named scholarship or study in a particular field, your gift is also very welcome. If you decide you want to give a gift for a specific purpose we would like you to discuss this with us or your solicitor first so that we can ensure your wishes are fulfilled. A specific gift needs to meet the purposes of The Pinnacle Foundation and comply with the Foundation's constitution.

However, gift of money by an estate to Pinnacle will not be tax deductible and care should be taken when gifting a Capital Gains Transaction (CGT) asset of an estate to the Foundation as this may trigger a CGT event.

## **Securities**

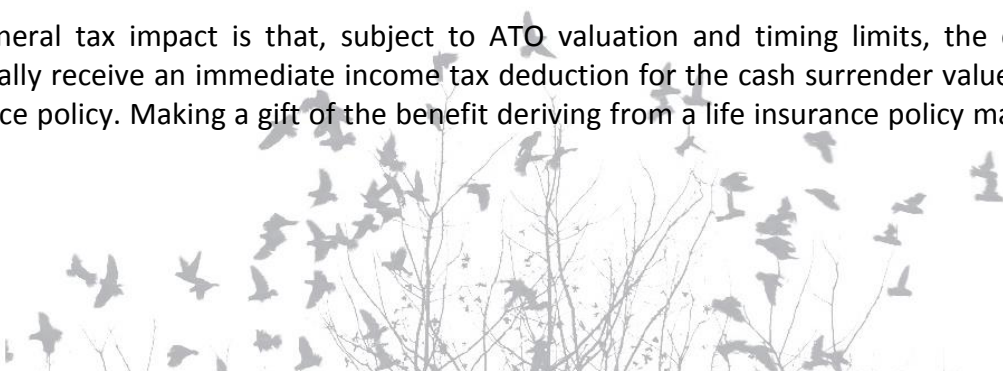
Ownership interests in shares, debentures, bonds or managed investment funds can be transferred to Pinnacle. The general tax impact is that the transfer by the donor may attract capital gains tax, however, the donor may potentially claim a charitable income tax deduction on their income tax return for the full fair market value of the securities, subject to ATO valuation and timing limits.

Subject to the impact of the ATO valuation and timing limits referred to above, Pinnacle may potentially receive the full value of the securities, undiminished by taxes which the donor would have to pay if they divested or sold their ownership interest to a person other than a charitable foundation, and the funds, when realised, would flow into the Scholarship Fund account.

## **Life Insurance**

The benefit of a paid-up life insurance policy that is no longer needed by the donor may be transferred to Pinnacle. The Foundation, as owner and beneficiary of the policy, can elect either to surrender the life insurance policy for cash (paid into the Scholarship Fund) or maintain the life insurance policy and receive the death benefit upon the death of the insured donor.

The general tax impact is that, subject to ATO valuation and timing limits, the donor may potentially receive an immediate income tax deduction for the cash surrender value of the life insurance policy. Making a gift of the benefit deriving from a life insurance policy may also give



the donor the satisfaction of making a significant gift to the Foundation at the present time without directly adversely affecting the donor's cash flow.

If the donor does not wish to transfer the benefit of their life insurance policy, another alternative might be to specifically name Pinnacle as a beneficiary under the life insurance policy (either as a single beneficiary or one of a number of beneficiaries) and payment of a benefit would be made by the insurer under the life insurance policy upon the donor's death. By the donor including Pinnacle as a beneficiary under a life insurance policy, the donor's capacity to access the cash value of the policy during the donor's life would generally not be affected. This option may, however, preclude the donor from accessing income tax deductions for the gift.

If a CGT event occurs in the policy period under a life insurance policy, a capital gain or loss made from the CGT event by the Foundation, if it acquires the interest in the life insurance policy for no consideration, is ignored for CGT purposes.

### **Notifying Pinnacle of your future gift**

Should you decide to support the work of Pinnacle through estate planning, we would love to hear from you so we can acknowledge your generous gift. In addition, knowing about future gifts assists us in our future planning. We will send you a short form to complete and request a copy of the relevant portions of your confidential documents. We would also request that you notify us of any changes you make to your plans.

### **Contacts**

To further discuss your options as a donor, or Pinnacle's scholarship program, please contact Sean Linkson on +61 414 279 880 or [sean@thepinnaclefoundation.org](mailto:sean@thepinnaclefoundation.org)  
We look forward to continue making a difference, and welcoming you aboard.

#### **\*We are legally obliged to tell you....**

The information provided above should be used as broad guidance only. It provides general information that is based on and has regard to tax and related legislation current as at the time of preparation.

The information contained in this Guideline does not constitute advice and should not be relied on as such and it does not cover specific taxpayer situations.

Professional advice should be sought prior to any action being taken in reliance on any of the information contained in this Guideline. In particular, any donor should not act, or refrain from acting, based upon the information contained in this Guideline without first obtaining specific professional advice.

The Foundation and each of its directors, employees and agents does not accept or assume any liability or duty of care for any loss or damage arising from any action taken or omitted to be done by any party in reliance, whether wholly or partially, on any of the information in this Guideline or for any decision based on it. Any party that relies on the information in this Guideline does so at its own risk.

