

What is a Donor Advised Fund?

Simple, efficient
and cost
effective way of
managing your
charitable giving

“

When people choose to give to a worthy cause, it is important that the process is efficient and that their gifts are invested and granted responsibly.

”

www.GiftFunds.com

Giftfunds
Canada

What is a Donor Advised Fund?



Donor advised funds are one of the easiest and most tax- advantaged ways of giving to charity



First and foremost it is a simple, efficient and cost effective way of making charitable gifts to your favoured causes through Canada Revenue Agency (CRA) qualified organizations.

A donor advised fund (DAF) offers all of the same benefits as a private charitable foundation without the need to inject significant amounts of gift capital for both operating and gifting purposes. More of your gift capital will go directly towards doing charitable work without the need to cover the operating costs and overhead of a private charitable foundation. You can open a donor advised fund in some foundations with as little as \$10,000.

As a charitable giving vehicle a donor advised fund enables donors to make charitable contributions directly into their DAF account held with the sponsoring public foundation. These contributions are eligible for an

immediate donation receipt and the funds are available for granting at the donor's discretion to their preferred causes.

Donor advised funds available across the country differ significantly in the range of advisory rights enjoyed by the donor. However, by nature, donor advised funds allow donors to recommend grants from available funds in their DAF to CRA qualified charitable organizations, in accordance with the sponsoring foundations policies. In some cases the donor may have the right to request their preferred Investment Professional manage the funds in their DAF.

When people choose to give to a worthy cause, it is important that the process is efficient and that their gifts are invested and granted responsibly. Donor advised funds are one of the easiest and most tax-advantaged ways of giving to charity.

How Do They Work?



How Does a Donor Advised Fund Work?

A donor makes a donation to their Donor Advised Fund. They may donate cash, publicly traded securities or other assets such as real estate or even private business interests and private company stock depending on the sponsoring foundation's policies. In each case you will be eligible for an immediate donation receipt.

Support Charities of Your Choice Now and into the Future

Through your DAF you can support any CRA qualified organization for any period of time. The sponsoring foundation will confirm that the chosen recipient is in fact qualified to accept your grant and agrees to use it for the specified purposes.



Tax Free Growth of your Donor Advised Funds

Investment options for your DAF vary from pooled to highly customized strategies depending upon the features of the donor advised fund program you choose. In some donor advised fund programs you may be able to request that your preferred Investment Professional manage the funds you have gifted to your donor advised fund. The funds in your DAF have the potential to grow tax-free, over time making the amount of money available for granting to your preferred charities even greater.

Donor advised funds could be the solution for both current & legacy financial and philanthropic planning. Just one gift to your donor advised fund will allow you to support all of your favoured charitable causes now and into the future. And you may have the option of topping up your DAF whenever the time is right.



Types of Acceptable Gifts Cover a Broad Range

Depending on the donor advised fund program & what non-cash assets you may wish to donate, there are a number of upfront considerations. Of primary concern is whether the charities you are considering can accept non-cash assets. With a donor advised fund it is simple to contribute a significant range of non-cash assets and distribute your gifts over a broad range of eligible causes over time.

Acceptable Assets



Acceptable Assets:

- Cash and cash equivalents
- Publicly traded securities
- Qualified restricted, controlled or thinly traded stock
- Mutual fund shares
- Private equity
- Hedge fund interests
- Real estate; personal, commercial or income producing
- Gifts-in-kind such as art work and other professionally appraisable items of real value



Deferred Gifts:

- Life insurance policies
- Registered accounts such as a RRSP, RRIF, etc.
- Bequests
- Residual interest gifts

“ Just one gift to your donor advised fund will allow you to support all of your favoured charitable causes now and into the future. And you may have the option of topping up your DAF whenever the time is right ”

Additional Benefits of Charitable Gift Funds

Gift Funds Canada (GFC) is a sponsoring foundation for Donor Advised Charitable Gift Funds. Charitable Gift Funds are donor advised funds that offer the widest possible range of donor advisory rights. The Foundation offers a variety of programs to satisfy each donor's charitable plans.

A Charitable Gift Fund's (CGF) advisory rights and benefits include:



- Naming your Charitable Gift Fund.
- Naming grant advisors and/or fund successors, as desired.
- Recommending an investment advisor.
- Recommending investment options for the CGF gift capital that reflect your philanthropic objectives within the parameters of the chosen program.
- Recommending grants to your favourite, qualified charitable organizations from the available grant money in your CGF.

- Acceptance of a wide variety of gifts, including complex gifts-in-kind.
- No annual grant-making requirements.
- Grant cheques issued on demand, 250 days a year.
- Personal, customized online donation pages.
- Option to donate anonymously.



- Online access to your fund information anytime.
- Simplified record keeping.
- One donation receipt for each contribution into your fund regardless of how many causes your DAF supports.
- A long term legacy planning tool.



For further information or to discuss establishing your own Donor Advised Fund, please contact us at:

Gift Funds Canada

645 Gardiners Rd., Suite 202
Kingston, Ontario K7M 8K2
Web: www.GiftFunds.com
Email: contactus@giftfunds.com
Phone: (866) 712-5988