

Gifts of Cash



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An individual donor's decision to give a larger cash gift often arises from both a philanthropic orientation and the desire for some means of offsetting a

pending tax liability. A donor may have experienced a significant cash event such as an inheritance or sale of a valuable asset that inspires them to consider a gift in the current year. However timing may not afford the donor adequate time to consider which organizations and causes they would like to support with a gift. Moreover, they simply may not want to make a single gift of all of their available funds to charity at that time. Even those who have traditionally supported specific causes may not be

Timing Your Giving

afforded the time required to determine the best application for donated funds or they may wish the opportunity to consider broadening their giving choices over time.

By using a *Gift Funds Canada* Donor Advised Fund (DAF), the donor will get an immediate donation

receipt, can nominate their preferred investment professional to manage the investment of the donated funds and name their desired recipients of the donated funds in the fullness of time, while leaving a gifting legacy for generations to come.





Tax Efficiency Consideration for Gifts of Cash

Many donors may make several cash donations throughout the year, as cash is both an easy and efficient way to give. The same donors may be holding a portfolio of appreciated securities, which their chosen charity may not be able to accept or that the

donor does not wish to sell for investment reasons. In such cases if the donor were to open a Donor Advised Fund and make a gift of appreciated securities to their DAF they would lower the after tax cost of their philanthropy. They could then use the cash that they would

have historically gifted to charity to buy back replacement securities. As such, they would hold the same investment portfolio and they would have reset their adjusted cost base (ACB) reducing their future tax liability.



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

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