

Charitable Gift Matrix

We recommend discussing the gifts below with your professional advisor

Type of Gift	Benefit to the Donor	Benefit to Charitable Organization	Gift Example	Most Appropriate For
Gift of Cash	<p>Donation receipt for full amount</p> <p>Straightforward transactions</p> <p>Satisfaction of seeing gift at work today</p>	<p>Available for immediate use</p> <p>Liquid</p> <p>No risk</p>	<p>Cash</p> <p>Cheque</p> <p>Credit card</p> <p>Pre-Authorized Contributions (PAC), usually paid monthly</p>	<p>Everyone (any age) who can afford to give up some principal and the interest it would otherwise earn</p>
A gift of Publicly Listed Securities (including segregated & mutual fund unites)	<p>Donation receipt for fair market value</p> <p>No capital gains tax</p> <p>Satisfaction of seeing gift at work today</p>	<p>Immediate Use</p> <p>Liquid</p> <p>Little risk</p> <p>Generally simple and low cost to implement</p>	<p>Stocks</p> <p>Bonds</p> <p>Mutual Finds Units</p> <p>Employee Stock Option Shares</p>	<p>Owners (any age) of stocks, bonds and other securities who can afford to give the asset and the interest or dividends it earns</p>
Life Insurance Policy (Charity named as owner and irrevocable beneficiary)	<p>Donation receipt for cash value and any future premiums paid</p> <p>Small current outlay leveraged into larger future gift</p>	<p>Immediate access to cash value, assurance of death proceeds if policy retained (Term policies are often not retained as donor gets older)</p>	<p>A permanent policy (whole life or universal)</p> <p>Term policy</p>	<p>Persons who</p> <p>i) have an older policy no longer needed</p> <p>ii) want to make a large gift but have</p>
Life Insurance (donor as owner)	<p>Satisfaction of providing a future gift while retaining full control of policy</p> <p>Donation receipt to estate for full value of death proceeds</p>	<p>Will receive death proceeds unless donor changes beneficiary designation</p>	<p>Any type of life insurance policy</p>	<p>Persons (any age) whose personal needs and family situation may be subject to change</p>
Bequest of retirement plans	<p>Satisfaction of providing a possible future gift while preserving personal security</p> <p>Gift receipt that offsets tax on distribution of retirement funds</p>	<p>Future gift provided beneficiary designation(s) and/or bequest wording are not changed</p>	<p>Registered Retirement Savings Plan (RRSP) and Registered Retirement Income Fund (RRIF) accumulations</p>	<p>All individuals, but especially single persons, and surviving spouses who have made other provisions for heirs</p>

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Bequest of will	<p>Satisfaction of providing for future gift while retaining full control of property</p> <p>Donation receipt for use with final income tax return</p> <p>For bequest of listed securities, no capital gain tax, for most other property 50% of capital gain will be taxable but can be offset by tax credit from gift, likely resulting in tax savings to estate.</p>	<p>Expectancy of future gift provided that bequest wording is not changed</p>	<p>Cash, securities, real estate, tangible personal property</p>	<p>All individuals (any age), but especially older persons with few or no heirs</p>
Shares in a privately owned corporation	<p>Donation receipt for appraised market value at time of gift, issued immediately (if gift to public charity)</p> <p>50% of capital gain taxable, offset by tax credit from donation receipt</p>	<p>Share may pay dividends</p> <p>Charity may be able to sell shares in near term, or may hold them for an indefinite period</p>	<p>Shares held in privately-owned corporation</p>	<p>Entrepreneurs who are philanthropic</p> <p>Venture philanthropists</p>
Gift of real estate	<p>Donation receipt for fair market value (FMV) determined by appraisal (independently obtained by charity)</p> <p>50% of gain taxable, (unless property is donor's primary residence, in which case no taxable capital gain), offset by tax credit from donation receipt</p>	<p>Proceeds available as soon as property is sold</p> <p>Sometimes property itself can be retained and used</p> <p>Valuation and ongoing maintenance considerations can add complexity to gift administration</p>	<p>Real estate including principal residence, vacation properties, and investment properties.</p>	<p>Owners (generally over 50) of a principal residence or investment property who do not need the property or the proceeds from its sale</p>

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Gifts of tangible personal property (other than cultural property)	<p>Donation receipt (if applicable*) for fair market value determined by appraisal</p> <p>50% of gain taxable, offset by tax credit from donation</p> <p>Satisfaction of seeing gift at work now or in near term</p>	Can be retained or sold and proceeds used for current needs	Artworks, furniture, equipment, collections, automobiles, musical instruments	Owners (generally over age 50) of objects which they no longer intend to use
Charitable Remainder in Trust (CRT)	<p>Net income from property for life or a term of years</p> <p>May result in donation receipt for present value of the remainder interest issued at time trust established</p> <p>Property not subject to probate</p>	<p>Irrevocable future gift of remaining trust assets</p> <p>While often complex to administer, can be a highly effective gift planning instrument in selected circumstances</p> <p>Trust cannot allow encroachment of capital or guarantee income</p>	Cash, securities, real estate	Persons (generally over age 60) who want to make a future gift and obtain present tax relief but want to preserve investment income for themselves and/or a survivor
Charitable Gift Annuity (self-insured)	<p>Guaranteed life payments, all or substantially tax-free</p> <p>A donation receipt for a portion of contribution</p>	Irrevocable gift of whatever principal remains after making required payments	Cash or marketable securities	Oldest donors (usually 65 and older) who want the security of guaranteed income payments
Charitable gift annuity (reinsured)		Irrevocable gift of that portion of the contribution retained after purchasing commercial annuity	Cash or marketable securities	Oldest donors (usually 65 and older) who want the security of guaranteed income payments

* Note: Only charities designated as charitable organizations (i.e. not public or private foundations) and authorized under provincial law, may currently issue gift annuities.

Source: Minton & Somers, *Planned Giving for Canadians, Third Edition (Adapted and revised)*



Charitable Gift Matrix

Why the Forever Fund?

- United Way Perth-Huron keeps administrative and fundraising costs at 15%
- United Way is a known community builder
- United Way has delivered services to Perth and Huron for over 50 years
- United Way has a proven social legacy track record
- The Forever Fund is growing towards the future of Perth and Huron Counties

Need More Information?

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