

Donor Advised Funds

The power of giving...Simplified.

Donor Advised Funds are a very efficient charitable gift planning tool, available to anyone looking to make and distribute a major gift or create a legacy of charitable giving that can last for years. Donor Advised Funds function very much like a private foundation without the costs, restrictions and administrative challenges of setting up a private foundation.

A Donor Advised Fund gives you the opportunity to contribute to a fund when it is best for you to do so, and then later choose which charities will benefit from your gift. For example, retiring business owners or farmers who may have a large tax liability may especially benefit from this type of giving as they receive the charitable receipt up front, and then can distribute the funds as desired at a later date. Once the fund is set up, you can provide your gifting instructions to CSS at any time, spreading your gift out over numerous charities and years according to your wishes.

- As the Donor, you determine whether the capital of the Fund is to be retained for a specific length of time (even into perpetuity), or be distributed over a period of time.
- You can choose to send annual gifts of interest, make other gifts from the capital, respond quickly to an emergency need or act on your desire to support a charity with a specific gift.

A CSS Donor Advised Fund (also known as Designated Gift Funds) offers:

FLEXIBILITY: An effective giving mechanism combining immediate tax benefits with the ability to support your favourite charities on a flexible timetable.

PRIVACY: A CSS Donor Advised Fund ensures confidentiality and privacy. Gifts can be made anonymously if so desired.

EFFICIENCY: No "startup costs". Other than being assessed an annual 1% administration contribution, there are no other charges for the administration and investment management of the funds. The administration contribution is reduced for funds over \$1 million.

INVESTMENT IN CHRISTIAN CHARITIES: The funds deposited to CSS are re0invested largely in mortgages for Christian organizations and churches furthering their ability to do ministry.

CONTINUITY: Can create a legacy of charitable giving that can last for many generations.



Donor Advised Funds....continued

How does a CSS donor Advised Fund Operate?

- Any donation to a Donor Advised Fund generates an immediate charitable tax receipt.
- CSS holds these donations until you are ready to distribute them. Distributions can be made to any registered Canadian charity.
- Your account accrues interest, which may also be distributed to the charities of your choice. Interest payments to a Donor Advised Fund will not generate additional tax receipts.
- You can provide instructions to CSS for any distributions that you wish to make. Distributions can be made either on a monthly or annual basis, or as one-off gifts. Distributions can only be made to qualified Canadian charities.
- Donations to the Donor Advised Fund can be in the form of appreciated securities, which provide the additional benefit of eliminating the need to pay capital gains tax. Using a Donor Advised Fund means that you can donate appreciated security holdings at the most opportune time for realizing gains in share value, even if you are not ready to decide to whom you want the funds to be given.

What Happens to the Money I give to CSS?

CSS invests the money and pays interest to your account at its pool rate. Investments are typically placed in mortgages and loans to Christian charities, schools, churches and some in equities and bonds. The pool rate is currently around 5%.

How do I use the Money in my Fund?

At any time you can give written instruction to CSS to send money to charities of your choice (charities must be registered Canadian charities in order to qualify for your tax receipt).

What Happens When I Pass Away?

As part of opening a Donor Advised Fund a Letter of Direction will be put in place which will indicate your desired beneficiaries and timeline for the Fund in the event of your death before all the funds are distributed.

A Donor Advised Fund can continue to pay out to the charities of your choice after your death. You can also choose to add to the Donor Advised Fund with a gift from your estate, in which case a charitable tax receipt will be given to your Estate.

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