

Let's Get to the Core...

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As God deepens in us the understanding that all we have belongs to Him, we become more interested in the various ways we can effectively and efficiently “give back” to His work. We generally have three options:

- **Direct Giving** – writing a cheque or transferring assets to a ministry or charitable organization as a single or recurring gift.
- **Establishing a Giving Fund within a Public Foundation** – sending assets to a named fund where they are held or liquidated for recommendation on distribution to charity OR added to a larger pool for granting at the discretion of the foundation board.
- **Establishing a Private Foundation** – legally setting up a charitable entity to hold our gifts for future distribution.

There is so much information available about the various types of Foundations and giving opportunities available in Canada that we're all a little confused about what the benefits and down-sides are to each. There are over 9,000 foundations with well over \$15 billion of assets in Canada, so there must be some excellent reasons why they are being established. To help you better compare you're giving options Let's look at a comparison of the choices of giving available and then make knowledgeable decisions about what is best for each of us.

<i>Pertaining to the Gift...</i>	Private Foundation	Public Community Foundation	Christian Public Foundation	Directed Gifts
<i>Set Up Time</i>	3 months or more to attain charitable status from CRA	In a matter of hours an account can be set up	In a matter of hours an account can be set up	Depends on the type of gift – cheques are easy, stock transfers may take time
<i>Set Up Costs</i>	Significant legal and accounting fees (usually minimum \$3,000)	Minimal, if any	Minimal, if any	None, unless fees are assessed by broker for securities transfers
<i>Ongoing Costs</i>	Legal & accounting fees for annual audits/ tax returns, ongoing admin & staffing costs	A small percentage of donation and/or ongoing balance for admin and all other costs	A small percentage of donation and/or ongoing balance for admin and all other costs	None
<i>Canadian Revenue Agency (CRA) compliance</i>	Trustees responsible for foundation annual audits and tax returns etc.	Foundation responsible for one collective annual audit and tax return for all gift / endowment funds	Foundation responsible for one collective annual audit and tax return for all gift / endowment funds	N/A
<i>Confidentiality</i>	Information and distributions from the fund are public record	Gifts and distributions usually included in foundation annual report	Donor-advised fund info is completely confidential	N/A
<i>Anonymous Giving Option</i>	Yes	Yes	Yes	Not easily

Gift Giving Choices	Determined by the trustees	Recommended by the donor but determined by the foundation board	Recommended by the donor but determined by the foundation board and Christian principles	Determined by the donor
Gift Receipts	One receipt issued by foundation	One receipt issued by foundation	One receipt issued by foundation	Receipts issued by each charity that received a gift
Gift Timing	Date of gift to charity can be decided upon by donor, within CRA guidelines	Date of gift to charity can be decided upon by donor, within community Fdn and CRA guidelines	Date of gift to charity can be decided upon by donor, within CRA guidelines	Gift must be given to charities to be received
Capital Gains Taxation on Gifting Securities	May be exempt depending on series of anti-avoidance rules	Exempt	Exempt	Exempt if chosen charities are equipped to receive securities.
Lifetime of Gift Giving Mechanism	Depends on willingness of successive generations	Can be perpetual	Can be perpetual	None
Investment Management	Trustees of the Foundation or hired professionals	The Foundation Board and/or Investment Committee	The Foundation Board and / or the donor's own financial advisor	None

If a Community Foundation and a Private Christian Foundation are so similar, how would a donor choose between the two? A Christian Foundation is unique in that it:

- Distributes gifts based on Christian principles and would not support work that contravenes the direction of the Scriptures,
- Counsels donors to recognize that God owns all that He has blessed us with ,
- Encourages the equipping of ministries that do God's work here on earth,
- Connects individuals with Christian charitable organizations and causes that touch their hearts and build God's Kingdom,
- Enhances the ability of ministries to better utilize the donations they receive by promoting disciplined management and effective leadership, and
- Can provide donors with support not just in the fulfillment of their charitable goals, but also in financial management through a network of Christian financial planners.

If you would like assistance in determining which method of gift planning is most appropriate for you in your life situation, just give us a call at 866.336.3315.