

# The Financial Service Provider's Charitable Gift Fund Program Presented by

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The  
Charitable  
Gift Funds  
Canada  
Foundation

# Agenda

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- **Who We Are**
- **Charitable Giving Market in Canada**
- **Charitable Gift Fund Overview and Benefits**
- **The Financial Service Provider Charitable Gift Fund Program**
- **Roles and Responsibilities**

# Who We Are

## Charitable Gift Funds Canada Foundation

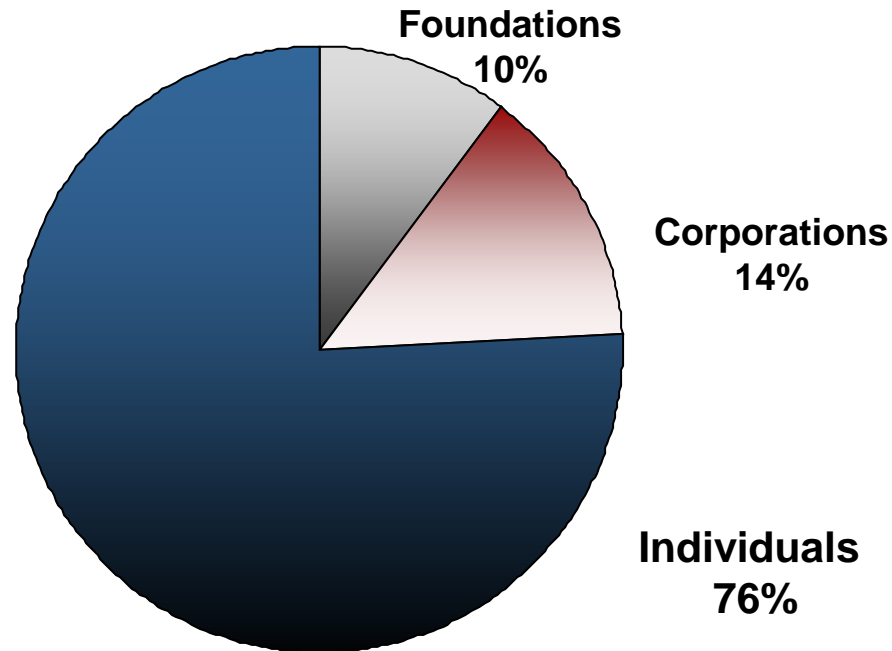
- Manages all the donated assets in partnership with leading financial institutions. More than **\$100 million** in assets under management (2010).
- Registered charitable organization with the Canada Revenue Agency (CRA) as a tax-exempt *public foundation*
- Neutral grant-making capabilities promotes grants to charities across Canada. To date, more than **\$17 million** disbursed to more than 300 charities.
- Independent Board of Directors comprised of leading experts from private, financial and philanthropic sectors providing Management oversight.

## PlanGivCapital, Ltd.

- Develops and distributes a Canadian Charitable Gift fund program, to financial service institutions and nonprofit organizations.
- Markets its products through highly rated financial institutions across Canada.
- Management team with extensive experience in both the financial sector and the not-for-profit sectors in Canada.
- Professional services organization offering technology, back office administration, marketing strategy and distribution training and support.

# Charitable Giving in Canada

- Total Charitable Contributions 2008: \$ 8.1 billion (estimated)



CRA, Statistics Canada 2009

# The Multi-Trillion Dollar Opportunity

- Intergenerational **transfer of wealth**: aggregate transfer of wealth in Canada - Estimated between \$15 and \$20 trillion by mid-century
- Growing **high-net worth** population in Canada: currently estimated at more than 300,000 households
- Charitable Giving is **dominated by individuals**: Account for more than 75% of all donations in Canada annually.
- The affluent want to **give more**: 85.4% of North American multimillionaires are interested in being more philanthropic
- Giving in Canada has **grown steadily** over the past decade, resulting, in part, from favourable changes in Federal/Provincial legislation

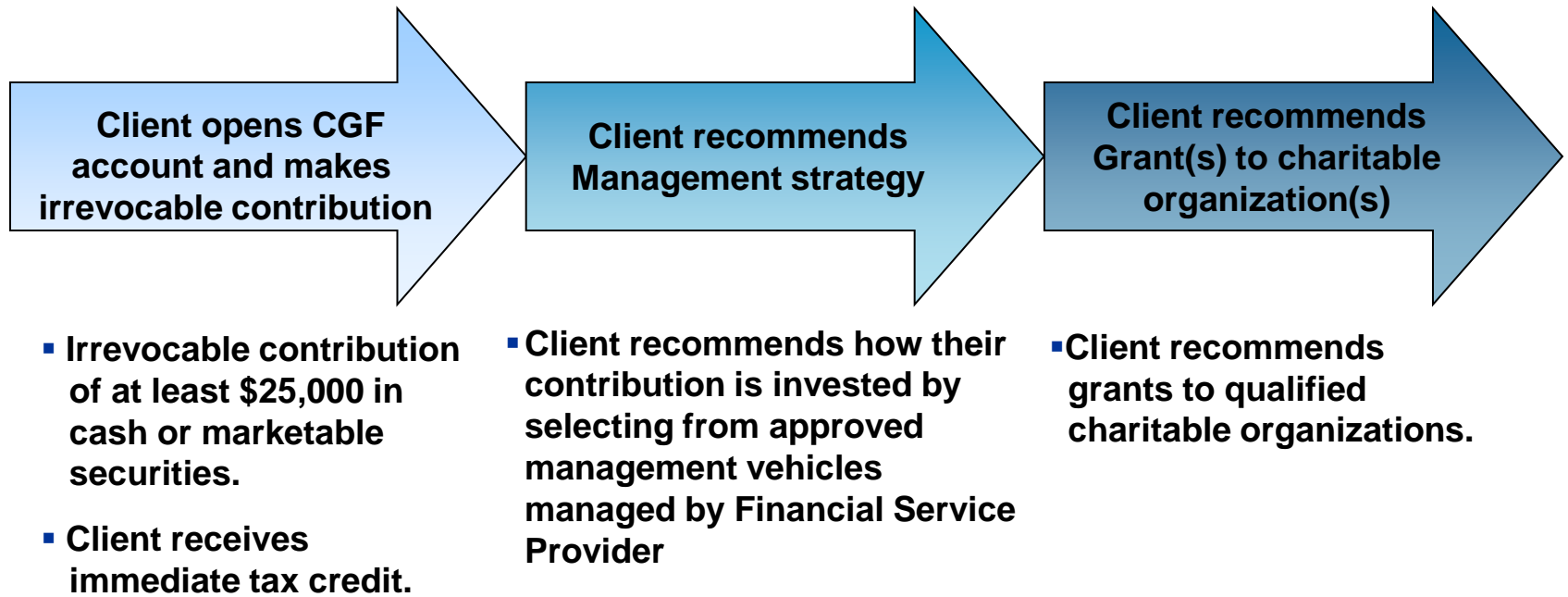
# Charitable Gift Funds

Charitable Gift Funds (CGFs) are giving vehicles created by donors for the purpose of managing charitable contributions on behalf of an individual, family or organization. A CGF offers the opportunity to create an easy-to-establish, low cost, *flexible* vehicle for charitable giving as an alternative to direct giving or creating a private foundation. They enjoy administrative convenience, cost savings and tax advantages by conducting their grant-making through the fund. CGFs are sometimes called Donor Advised Funds (DAFs).

Donors make *irrevocable* contributions of capital that are invested *in perpetuity*, in exchange for:

- Immediate **charitable donation receipts** and generous tax credits
- **Preferred capital gains tax treatment** on contributions of appreciated securities transferred to establish CGF.
- The opportunity to build up the perpetual fund and **give more** over time
- **Lower fees and administrative hassle** relative to other charitable giving vehicles, such as setting up a private foundation

# How a Charitable Gift Fund Works



# Key Benefits of CGF Program to Financial Service Providers

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- Expand current product line
- Retain assets that may otherwise be liquidated and redirected
- Retain clients with charitable interests
- Acquire new assets
- Multi-generational tool
- Deepen existing and build new client relationships
- Fee-based product

# Key Benefits for Your Clients

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- A *flexible* charitable giving vehicle
- Donation receipts and immediate tax credits for all gifts and reduced capital gains and income taxes
- Reduction in tax liability during peak earning years
- Enhanced giving power *in perpetuity*
- Separation of tax planning and charitable decision-making - eliminates traditional fiscal year-end pressure
- Clients can avoid having to establish a private foundation with all its attendant reporting, privacy issues, administration and investment management expenses.

# The Financial Service Provider's Charitable Gift Fund Program

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- Private-labelled, integrated with existing operations
- Extensive marketing strategy and distribution support
- Management of donor accounts
- Professional client support infrastructure
- Asset transfer and liquidation expertise
- Fiduciary oversight of all Charitable Gift Fund activities
- Compliant with all federal and provincial regulations
- Independent grant-making capabilities and expertise

# Key Program Benefits

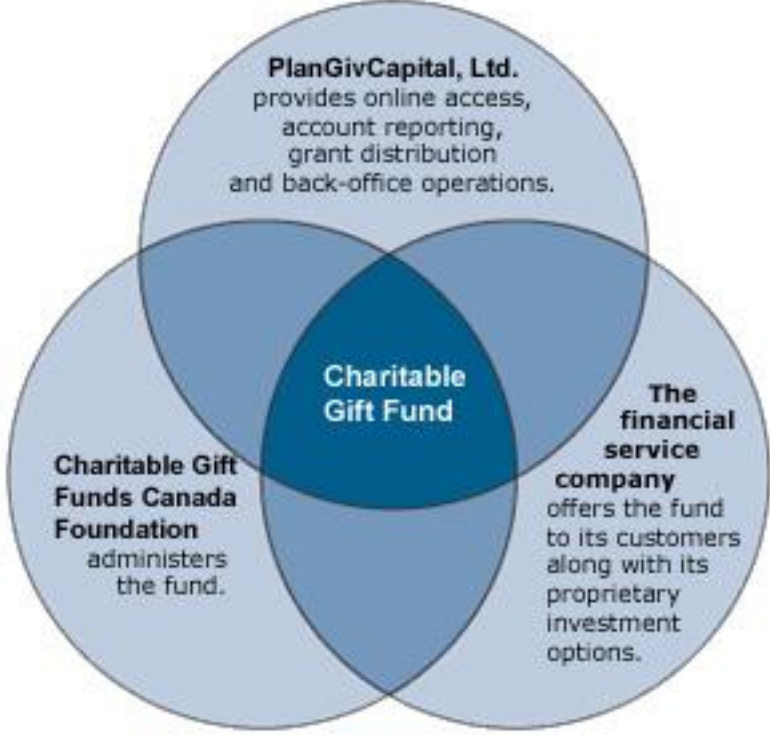
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- **Speed** to market
- Significant **flexibility** without long and costly integration
- Managed by **financial and philanthropic professionals**
- **Leverage corporate brand name** through private-labelling
- **Selection of approved mutual, pooled and/or managed fund investments**
- Donor **contact remains 100% with you**
- **Complete solution** off- and online from day one for advisors, clients and client service teams

# Strategic Relationship

**PlanGivCapital provides technology, back office support, client service marketing and distribution support**

**CGFCF, an independent Canadian public foundation, provides fiduciary oversight and administers the Fund**



**FSP provides investment management & distribution**

Our Charitable Gift Fund Program

# Financial Service Provider's Role

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- Investment management
- Product development & distribution
- Develop customized marketing materials with support from PlanGivCapital

# PlanGivCapital's Role

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- Develop private-labelled program
- Design account procedures
- Maintain back-office operations and support in harmony with Financial Service Provider current practices
- Contribution and grant processing
- Robust system architecture
- Provide client service support
- Extensive marketing strategy and content for Financial Service Provider advisors and clients
- Distribution and training support to advisors

# The Charitable Gift Funds Canada Foundation - Role

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- Public Foundation registered by CRA in Canada to receive and administer contributions in all provinces and territories
- Fiduciary oversight of all Charitable Gift fund activities
- Policies and procedures for handling asset transfer and liquidation
- Verification of recommended charities' tax-exempt status
- Timely process for grant research, review and release
- Annual CRA filings, audit management, provincial registration
- Donor education and support