



The Harbourside Foundation

The Legacy and the Opportunity



The Opportunity – Giving to the Foundation

Some key questions around charitable giving:

- How much is enough – for me, for my family?
- What do I want my money to do?
- How do I give?





The Opportunity – Charitable Giving

How much is enough?

- For your lifestyle needs
- For your family

“If my children are competent, they don’t need my money. If they are not, leaving them a lot of money is only doing them harm.”

Yu Pengnian



The Opportunity – Charitable Giving

- What do I want my money to do?
- Example of wealthy making significant gifts:
www.givingpledge.org





The Opportunity – Charitable Giving

- Giving during lifetime
- Giving on death
 - Will
 - Other “testamentary” document
 - Still need to set it up while you are alive



The Opportunity – Charitable Giving

What can be gifted? - Some of the options:

- Cash gifts
- Gifts of marketable securities
- Gift of life insurance
- Gift of RRSP or RRIF



Charitable Giving – Some Tax Considerations

- Gift by individual – tax credit
 - Lifetime gift – limited to 75% of net income for the year
- Gift by corporation – deduction from income
- Special rules for gifts of marketable securities
 - No capital gain realized on the gift
 - Tax credit is based upon the full value



Charitable Giving – Some Tax Considerations

Example - Gift marketable securities

	Sell Shares – Donate Cash	Donate Shares
Proceeds of sale/donation	\$10,000	\$10,000
Cost	\$5,000	\$5,000
Taxable capital gain (50%)	\$2,500	\$0
Tax on capital gain (44%)	\$1,100	\$0
Donation tax credit (44%)	\$4,400	\$4,400
Net tax benefit from donation	\$3,300	\$4,400



Charitable Giving – Some Tax Considerations

Tax Consequences of Dying

- Deemed disposition of capital property at fair market value
- RRSP and RRIF become fully taxable
- Exception when property left to surviving spouse or qualifying spousal trust
- Charitable gifts made as a result of the death - tax credit can be used against the income tax triggered on death



Charitable Giving – Some of the Methods

- Gift of life insurance
 - Lifetime gift
 - New policy – pay the premiums on behalf of the charity
 - Of an existing policy – value of the policy is the amount of the gift
 - On death – charity as named beneficiary – receives the “death benefit”
 - Tax credit based upon value of death benefit



Charitable Giving – Some of the Methods

- Gift of Registered Plan (RRSP, RRIF, TFSA)
 - Name the charity in the plan as a beneficiary
 - On death, the plan (or amount specified) is transferred to the charity
 - Tax credit is based upon the full value received by the charity on the death



Charitable Giving – Some of the Methods

- Gift made by Will
 - Amount specified in the Will
 - Fixed amount
 - Percentage
 - In cash
 - Direction to gift marketable securities “in kind”

The Opportunity – Charitable Giving Equation



Desire + Means = Gifting