

Dear Donor:

The Carefor Health and Community Services has asked CIBC Wood Gundy to provide you with a list of the types of donations that can be made to the Institute. Remember, it is important that you discuss any type of donation with your tax advisor.

Sincerely,  
CIBC Wood Gundy

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CIBC  
Wood Gundy

[www.cibcwoodgundy.com](http://www.cibcwoodgundy.com)

## Helping Others While Helping Yourself

There are a number of tax incentives to encourage individual Canadians to lend financial support to charities. Just remember, your charitable giving strategy should be viewed as one component of a comprehensive financial plan to ensure your other objectives can also be met (i.e., retirement income needs).

**Giving Cash** - Cash is the easiest and most common type of donation. Once an official charitable donation tax receipt is obtained, a gift of cash entitles the donor to a charitable donation tax credit.

**Bequest In A Will** - A bequest is a gift through a Will. A properly drafted Will, as well as tax and legal advice, is essential to ensure your wishes are followed.

**Leaving Registered Retirement Savings Plans (RRSPs)/Registered Retirement Income Funds (RRIFs) To Charity** - The charitable donation tax credit is available when an RRSP/RRIF is donated directly to a charity through a beneficiary designation on the plan. If the estate is the beneficiary of the RRSP/RRIF and the funds are to be donated to a charity, appropriate clauses should be drafted in your Will to ensure your estate will be allowed the charitable donation tax credit.

**Giving Property** - As an alternative to giving cash, you can make a gift "in kind" (i.e., with property such as stocks, bonds, mutual fund units, real estate, artwork). The capital gain resulting from the donation of qualifying securities will attract a capital gains inclusion rate of 0%. Generally, donating qualifying securities will be more tax-effective than selling the securities and donating the cash.

**Gifts Of Life Insurance** - Where a charity is the named beneficiary, but not the owner, of the life insurance policy, the charitable donation tax credit will be available to the deceased to offset income on the terminal return. On the other hand, if the estate is the beneficiary, and the proceeds are to be donated to a charity, then, it is essential to have a properly drafted Will.

In this case of gifts of current or new life insurance policies, the charity is made the beneficiary and the owner of the life insurance policy. An irrevocable donation in this way entitles the donor to a charitable donation tax credit. Charitable giving in this way means that any future premiums will also be allowed as a charitable donation tax credit, but the policy's death benefit does not qualify.

**Charitable Gift Annuity** - Although not available in all provinces, a charitable gift annuity is an arrangement whereby an irrevocable donation is made and an annuity is purchased to provide periodic income for the donor. The charity will be entitled to the capital at the donor's death or, in the case of couples, on the "second death"; a portion of the capital may also be available to the charity before the donor's death. This method of giving is best suited for elderly donors.

**Endowment** - With an Endowment, the funds are generally invested with a view to preserving the capital, and only the income (or a portion of) is available to the charity. An Endowment provides a predictable income stream for the charity, is irrevocable and can be implemented in a number of ways, including a bequest in a Will or a gift of cash or proceeds from a life insurance policy.

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