

Linking good  
people



Charitable Gift Fund  
Program Guide

with  
good causes

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## WELCOME

Thank you for choosing Gift Funds Canada to help create your charitable legacy.

This guide provides important information about the options, policies and procedures of the various programs Gift Funds Canada offers. Please keep this with your other important personal papers and use it as a reference.

If you are working with an Investment Advisor then please contact him/her directly to establish your Charitable Gift Fund or to assist you with any matters related to your fund. If you wish to get in touch with Gift Funds Canada then call 1-866-712-5988 at any time during regular business hours or send an email to [contactus@giftfunds.com](mailto:contactus@giftfunds.com). Another resource for program information and documents is the Gift Funds Canada website ([www.giftfunds.com](http://www.giftfunds.com)).

## ABOUT GIFT FUNDS CANADA

Gift Funds Canada (the Foundation) is an independent, not-for-profit charitable organization registered as a public foundation with the Canada Revenue Agency (CRA) under the name The Charitable Gift Funds Canada Foundation (BN# 89671 3500 RR0001).

Established in 2003, the Foundation specializes in the management and administration of *charitable gift funds* (CGFs)<sup>1</sup>. It is dedicated to helping donors increase and sustain their charitable giving in support of worthy causes. The Foundation offers its programs directly to donors, through independent investment advisors and through the professional advisors of Canada's leading Financial Service Providers.

Contributions to a Charitable Gift Fund are *irrevocable*<sup>2</sup>, resulting in a combined federal and provincial tax credit for the donor, consistent with guidelines established by CRA. Donors are eligible for a donation receipt as valued on the date the transfer of gift ownership is completed. Once contributed, assets are wholly owned by Gift Funds Canada and are ultimately the fiduciary responsibility of the Foundation, however, founding donors & their appointed grant advisors/fund successors retain advisory rights over the assets. These rights are described later in this guide.

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<sup>1</sup> *Charitable gift funds* (CGFs) are also known generically as 'donor-advised funds'.

<sup>2</sup> Individuals considering a contribution to a Charitable Gift Fund should consult their legal and tax advisors regarding tax credits and related planning benefits, based on personal considerations.

## THE PROGRAMS – AN OVERVIEW<sup>3</sup>

Gift Funds Canada currently offers<sup>4</sup> four program options to donors wishing to create a charitable gift fund (CGF):

### ***Classic Charitable Gift Fund***

An endowed fund intended to provide a steady, predictable, flow of money for grant-making funded from the *Accumulated Net Income* earned by its invested *Gift Capital* while preserving that capital for a minimum of ten years. This fund can be created with an initial contribution of \$25,000 (minimum).<sup>5</sup>

### ***Flex Charitable Gift Fund***

A current fund with unlimited grant-making privileges designed to satisfy short, medium or long term philanthropic objectives using customized investment solutions. This fund can be created with an initial contribution of \$100,000 (minimum).

### ***Legacy Charitable Gift Fund***

A CGF for a donor wishing to establish a fund during their life-time that will largely or entirely be funded upon their death (e.g. by bequest).

### ***Foundation Builder Charitable Gift Fund***

A starter fund to facilitate the solicitation of support through on-line donations. The fund will have a term of three to five years within which to convert to a Classic or Flex CGF. This fund can be created with an initial contribution of \$1,000 (minimum).

### ***All CGF programs feature:***

- Extensive advisory rights
- Acceptance of a wide variety of gifts - including complex gifts-in-kind
- A broad range of investment solutions for gift capital
- No annual disbursement requirements
- Grant cheques issued on demand - 250 days a year
- Personal, customized online donation pages – if desired

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<sup>3</sup> For more detailed comparison of program options see Appendix 1.

<sup>4</sup> The programs may be amended from time to time without notice.

<sup>5</sup> Due to the donor direction signed to establish & make additional contributions to a Classic CGF it is not possible to ever convert such a fund to a Flex CGF. The direction is considered a Trust Agreement by the office of the Public Guardian & Trustee.

## GENERAL FEATURES

Some features and processes are common to all of the CGF program options:

### Creating a Charitable Gift Fund is Easy:

Establishing a Charitable Gift Fund is a process that can be done quickly & easily. To start the process, simply complete the appropriate *Charitable Gift Fund Agreement Form*, available online at [www.giftfunds.com](http://www.giftfunds.com), or by emailing [contactus@giftfunds.com](mailto:contactus@giftfunds.com) or by calling 1-866-712-5988 (Toll Free in Canada).

### Advisory Rights of the Founding Donors:

1. To name the Charitable Gift Fund.
2. To name fund successors<sup>6</sup> and/or grant advisors if desired.
3. To recommend an investment advisor if desired.
4. To recommend investment options for the CGF gift capital that reflect their philanthropic objectives within the parameters of the chosen program.
5. To recommend grants to their favourite, qualified organizations from the available grant money in their CGF.
6. To change the fund name, appointments or recommendations during their lifetime consistent with regulations & Gift Funds Canada's policies.

### Advisory Rights of Grant Advisors:

1. To advise, act for, or act with the founding donors on making grant recommendations during the donors' lifetimes. Grant advisors do not succeed the donors.

### Advisory Rights of Fund Successors:

Upon the specific direction, incapacity or death of the founding donors, fund successors will assume the advisory rights on the Fund and may therefore make the following choices and/or recommendations:

1. To re-name the Charitable Gift Fund.
2. To name their own fund successors and/or grant advisors if desired.
3. To recommend a change in investment advisor if desired.

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<sup>6</sup> If no fund successors are ever named, then Gift Funds Canada will assume the role by default and make grants based on the grant-making pattern established during the founding donor's lifetime. If no grants were made during the donor's life then the Foundation will seek input into areas of interest from those who knew the donor or from researching published sources (e.g. obituary)

4. To recommend a change in investment options for the CGF gift capital assets that reflect their philanthropic objectives within the parameters of the existing program.
5. To recommend grants to qualified organizations from the available grant money in the CGF.
6. Fund successors may recommend that the assets of the original fund be split amongst multiple successors' CGFs (existing or new). The assets will be divided by mutual agreement of the successors amongst their funds. If the assets are used to establish new CGFs then program minimums apply (e.g. \$25,000/Classic CGF; \$100,000/Flex CGF).
7. To change the fund name, appointments or recommendations during their lifetime consistent with regulations & Gift Funds Canada's policies.

## Types of Donations to Gift Funds Canada:

Gift Funds Canada accepts a wide variety of assets to establish or make additional contributions to a CGF. Gifts are accepted at the Foundation's discretion consistent with its current policies and procedures. The Foundation has the right to refuse any donation. All gifts are irrevocable. All contributed assets in a CGF are the property of Gift Funds Canada.

**Cash:** Cash can be delivered by direct deposit, cheque or wire. Cash will not be accepted directly. Foreign currencies are accepted at the discretion of the Foundation consistent with its policies and procedures. Cheques should be made payable to Gift Funds Canada or Charitable Gift Funds Canada Foundation and handled as per the instructions on the appropriate Charitable Gift Fund Agreement or Additional Contribution Form.

**Publicly Listed Securities:** Appreciated securities can be transferred 'in kind' to a brokerage account in the name of Gift Funds Canada. If the donor is working with an investment advisor on their CGF then these transfers would be done through them. If a donor is working directly with the Foundation without an advisor, then gifted securities will be accepted & sold through the Foundation's discount brokerage account. Forms and instructions are available online at [www.giftfunds.com](http://www.giftfunds.com), or by emailing [contactus@giftfunds.com](mailto:contactus@giftfunds.com) or by calling 1-866-712-5988.

**Other In-Kind Gifts:** The Foundation has a gift acceptance policy that allows it to consider a wide range of gifts-in-kind (e.g. mutual fund units, bonds<sup>7</sup>, private shares, options, real estate, thinly-traded shares, existing & new life insurance policies, and other asset types) as long as there is a practical liquidation plan in place to monetize the contributed assets or a customized solution that satisfies both the philanthropic objectives of the donor & the

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<sup>7</sup> Mutual & segregated fund units and bonds qualify for the zero capital gains rate.

Foundation's policies/procedures. The donor should contact their professional advisor or the Foundation directly at 1-866-712-5988 if they are considering using such assets to make a gift.

If a donor chooses to contribute a life insurance policy during their lifetime by transferring ownership to Gift Funds Canada then they will receive donation receipts for the policy's fair market value (FMV), if applicable, and any premium payments made during their lifetime either directly to the insurance company or through Gift Funds Canada once the Foundation owns the policy.

**Credit Card Contributions:** Donations using credit cards are accepted through Gift Funds Canada's secure, online EasyDonate© service where the founding donors/fund successors have opted to create customized fundraising pages for their CGFs. Each online donor receives an electronic donation receipt for the gross contribution via email. These donations net of credit card<sup>8</sup> & online processing fees<sup>9</sup> are credited to the primary donor's CGF.

**Deferred Contributions:** A donation to establish or make an additional contribution to an existing Charitable Gift Fund may be done by naming Gift Funds Canada as the beneficiary of a charitable bequest, a life insurance policy, a qualified retirement plan (RRSP or RRIF) or a charitable remainder trust (CRT). The Charitable Gift Funds Canada Foundation should be identified formally as the recipient for all such deferred contributions and each gift should be designated specifically in writing to the donor's Charitable Gift Fund.

Donors should first consult their tax, legal and financial advisors when setting up any deferred contribution or trust.

### **Additional Contributions to an Existing Charitable Gift Fund:**

Additional contributions using any of the donation types described in the previous section, may be made to an existing CGF. Please begin the process by completing the relevant *Additional Contribution Form*, available online at [www.giftfunds.com](http://www.giftfunds.com), or by emailing [contactus@giftfunds.com](mailto:contactus@giftfunds.com) or by calling 1-866-712-5988.

**Third Party Contributions:** Third parties (individuals or organizations who are not recorded as the primary donor(s) on a fund) can make cash or in-kind contributions to a charitable gift fund. These third parties will receive official donation receipts from the Foundation for their gift contributions with a FMV of \$250 or more. Third party donors do not, however,

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<sup>8</sup> Set by the financial institutions managing the credit cards.

<sup>9</sup> Set by the Foundation and subject to change without notice from time to time.

have any advisory privileges (including grant recommendation privileges) with respect to such contributions.

## Donation Receipts & Valuation of Contributions:

It is the current practice of the Foundation to mail paper donation receipts to a donor for all qualified & accepted gifts valued at \$250 or more, using the contact information provided by the donor. The Foundation will also provide business receipts for contributions of \$250 or more made by a corporation.

The Foundation does not, as a common practise, issue receipts for individual contributions of less than \$250 other than for those made online by credit card using the EasyDonate© service. At its discretion, the Foundation may agree to issue electronic or hard copy receipts for contributions under \$250 but only as arranged on a fund-by-fund basis prior to handling.

Donations to the Foundation generally qualify for an individual income tax credit or corporate tax deduction for the year in which the gift is made. Individuals may claim a credit up to a maximum of 75% of net Canadian income in any one year. The claim may be 100% in the year of death & the year immediately preceding death. Unused donations can be carried forward, but not backwards, for up to five years beyond the year of the donation, subject to the 75% limit in each year claimed.

**Contributions of Cash:** The Charitable Gift Fund account will be credited with the full value of a donor's cash contribution in Canadian dollars on the day of transfer/deposit. Foreign currencies will be converted to Canadian dollars as per the exchange rate at the time of transfer/deposit. If the cash gift is retained in a foreign currency beyond the transfer/deposit date then it is valued as per the closing Bank of Canada rate on that day.

**Contributions of Gifts-in-Kind:** For any gift-in-kind, valuation occurs as at the date the ownership of the asset is transferred to Gift Funds Canada as verified by an objective resource (e.g. the stock values published online by the Toronto Stock Exchange<sup>10</sup>, a written appraisal by a qualified expert, etc.). Donation receipts are provided for the FMV of the asset at the point when it is wholly owned without encumbrances by the Foundation.

**Deferred Contributions:** Donation receipts will be issued for all beneficiary gifts made to the foundation and credited to your CGF (with the exception of CRTs) so that the donor's estate will be able to claim a tax benefit on the final tax return or in the preceding year.

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<sup>10</sup> Valuation of gifted securities is based on either: i) the transfer day's closing market price or ii) the actual value realized for the sale of the securities, if sold before the end of day of transfer.



## Valuation of a Charitable Gift Fund:

At any point in time, the value of a CGF is the sum of all contributions plus investment income (including realized/unrealized capital gains/losses, interest & dividends) less fund expenses and grants made.

A CGF's assets are revalued monthly based on data provided by investment service providers and recorded fund activity (e.g. contributions made, grants disbursed, expenses incurred). Fund Activity Reports showing the value and activity of each CGF are published quarterly. The reports are sent to the primary contact on each CGF with copies going to the fund's investment advisor (where applicable).

## Grant-Making:

As an incorporated & registered public foundation, Gift Funds Canada is subject to the Income Tax Act (the "Tax Act"). Amongst other things, the Act specifies a minimum amount that the Foundation must disburse each year (i.e. its Disbursement Quota). Gift Funds Canada calculates the amount needed to satisfy the annual disbursement requirement and compares that with the total amount actually granted out on behalf of all the charitable gift funds in the year plus any accumulated surplus it has built up from exceeding its disbursement quota in past years.

Due to the high level of grant-making activity across all of Gift Funds Canada's programs, the Foundation has always more than satisfied its disbursement quota without ever having to ask that grants be made from individual CGFs with available funds. Consequently, there is no requirement for every charitable gift fund to make grants each year. If the balance of funds available for grant-making in a CGF is not disbursed in a given year then it will roll forward into the next calendar year.

***What is the Source of Grant Money in a CGF:*** The source of funds available for grant-making varies from program to program. For specific source information and program comparisons, please look at the chart provided in Appendix 1.

***Grant Requests:*** Grants to CRA-qualified organizations may be recommended by the founding donor(s) on a CGF or by the grant advisor(s) or fund successor(s) – when their role becomes active. Disbursements are made from funds available for grant-making<sup>11</sup> in the CGF. Requests for grants can be made at any time by completing a Grant Recommendation Form available through the investment advisor, or; online at [www.giftfunds.com](http://www.giftfunds.com), or; by emailing [grants@cgfca.ca](mailto:grants@cgfca.ca), or; by calling 1-866-712-5988. Grant requests are fulfilled on demand within no more than ten (10) working days of receipt in

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<sup>11</sup> See Appendix 1 comparison chart for the source of grant money for each program option.

the Foundation's office barring any issues related to the recommendation, the grant recipient, the purpose or the volume of grants being processed.

Completed forms may be returned to the individual fund's investment advisor, or; scanned and emailed to [grants@cgfcf.ca](mailto:grants@cgfcf.ca), or; faxed to the Foundation at 1-800-747-9683, or: mailed to Gift Funds Canada. Upon receipt of a donor's request, the Foundation will verify that the charitable organization is eligible to receive the proposed grant and mail out the grant cheque & correspondence as soon as possible.

While the Foundation's Board has the ultimate responsibility for all grant decisions, its policy is to support the widest range of organizations possible within CRA regulations. Grant recommendations and allocations to specific qualified donees are subject to review and approval by the Board. It is the responsibility of each grant recipient to accept/reject the grant for the purposes described in the covering letter that accompanies the grant cheque. By cashing the cheque the grant recipient is undertaking to use the funds for the specified purpose.

***CRA regulations prohibit grants to:***

- i. individuals, couples or families,
- ii. organizations *not recognized* as qualified donees with CRA, or
- iii. political candidates or parties.

Also, the Foundation will not approve grants for any personal benefit, such as membership, tuition or goods purchased at a charitable auction in accordance with CRA regulations.

***Recurring Grants:*** Founding Donors (grant advisors/fund successors – if applicable) may make standing grant recommendations that will carry on for a period of time they prescribe or in perpetuity as long as the recipients continue to be CRA qualified organizations and grant money is available above the minimum of \$250. These recurring recommendations may be amended by the founding donors (grant advisors/fund successors – if applicable) at any point during their lifetimes.

***Number of Grants:*** There is no limit to the number of grants that can be disbursed in a year. The only considerations are the amount that's available for grant-making in the CGF and the \$250/grant minimum.

***Grant Correspondence:*** Grants are made by cheques that bear the name of Gifts Funds Canada and are mailed to recipients. A covering letter containing information provided on the Grant Recommendation Form will accompany each cheque. The typical letter includes: the amount & purpose of the grant; wording for the recipient to use to publicly recognize the grant, and; the donor's (grant advisor's/fund successor's) mailing address so the

recipient may thank them directly. Partial or full anonymity<sup>12</sup> or a unique customized letter may also be requested on the form.

**Grant Reporting:** Grants disbursed are reported to donors on the quarterly Fund Activity Reports. All grants made in the year are listed on the year-end (4<sup>th</sup> quarter) report.

## INVESTMENT OPTIONS

The program options described at the beginning of this guide offer a range of investment solutions from prescribed to fully customized. Where a financial advisor is involved, each CGF's assets are invested separately through unique segregated investment accounts. Donors are able to work with their trusted financial advisors to recommend the best investment solutions to meet their philanthropic objectives. Investments must satisfy Gift Funds Canada's investment policies and be within the parameters established for each of the charitable gift fund programs (see the program chart on page 15 of this guide).

Donors not working with an advisor may choose to have their CGF invested in the Foundation's pooled investment account.

Gift Funds Canada will invest the donor's contribution as soon as administratively possible. The date of the purchase may be delayed by market deadlines and trade settlements. The value of the investments in a CGF will be based on the market value of securities held. This value will include any realized or unrealized capital gains or losses.

The Board of Directors has the sole responsibility and authority for investing the Foundation's assets and can, without notice, remove or add to its *pre-approved* list, mutual funds and/or other investment vehicles in which it invests from time to time.

Please be advised that there is no assurance that any investment option will achieve its stated objective. Market fluctuations may cause the value of securities in a charitable gift fund account to be worth more or less than their value when they were initially purchased by the Foundation.

## ALLOCATING THE FOUNDATION'S OPERATING COSTS

**Foundation Services:** The expenses of operating Gift Funds Canada are allocated across all charitable gift funds. The Foundation allocates these costs in accordance with the type of

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<sup>12</sup> *Partial* anonymity means that donors may request that only certain information be shared with a grant recipient, with the understanding that no public acknowledgement/recognition will result. *Full* anonymity means that CGFCF will not share with a grant recipient, any information about the donor(s), ensuring that the risk of public acknowledgement is eliminated.

charitable gift fund program chosen. These costs are calculated & accrued monthly and transferred to the Foundation's operating fund periodically (no less than once a year).

**Investment Expenses:** Mutual funds incur management and operating expenses that are charged within the fund and reflected in their daily net asset values (NAV). Gift Funds Canada does not pay a load or sales charge on the purchase or redemption of mutual fund securities. The management expense ratio (MER) will vary depending on the fund investment selected.

Individually Managed Accounts incur investment management and custodial fees charged directly to the account and are reflected in the month end account values. Pooled Investment Accounts also incur investment management and custodial fees which are charged against the pool assets and reflected in the month end values.

**Transaction Charges:** Gift Funds Canada does not as a rule apply transaction charges to charitable gift fund accounts to process additional contributions to a CGF or grants to eligible organizations, but reserves the right to do so without notice, should circumstances change or the level of fund-raising and/or grant-making activity in a CGF warrant it.

There are, however, processing fees assessed in two program areas. One is with regard to flowing contributions through Gift Funds Canada that are to be used to pay annual insurance premiums. Donation receipts will be issued for the full FMV of the donation. A processing fee of 1% of the annual premium with a minimum fee of \$100 will be charged for this service. This is an option of greatest appeal to donors wishing to use gifts-in-kind such as appreciated securities. Fees will be collected prior to the payment of premiums. Net proceeds from the sale of gifts-in-kind and cash contributed must be sufficient to pay premiums.

The other program area that has transaction fees is the online EasyDonate© service. Online donations are subject to a processing fee that is currently 2.5% (to a maximum of \$100 per gift) and actual credit card fees incurred. While electronic donation receipts are provided to the donor for the gross amount of the contribution, an amount net of the service and credit card fees is deposited into the relevant CGF.

## INCOME TAX CONSIDERATIONS

**Charitable Tax Credits and Deductions:** All donors who contribute to Gift Funds Canada are entitled to claim their donations for income tax purposes. Donations to the Foundation qualify for an individual income tax credit or corporate tax deduction in the current tax year as a charitable gift made to a registered charity, subject to certain limitations. Gift-in-kind donations give rise to a deemed disposition of the asset at its then fair market value. This is the value that will appear on the donation receipt.

Donations of securities to Gift Funds Canada may be eligible for enhanced capital gains treatment. As with other gifts-in-kind, donated securities are deemed to have been disposed of by the donor immediately before the donation to trigger a gain or loss for the investor. The Tax Act provides for a taxable gains inclusion rate of 0% for gains on publicly traded stocks, bonds, mutual funds and other securities donated in kind. A similar outcome & tax benefit may be achieved from the exercise of an employee stock option provided the securities are donated within 30 days of exercise in the same calendar year.

Your financial advisor can help you to select the most appropriate assets to contribute in order to maximize the tax benefits of your gift.

**Contribution Limits:** For individuals, the maximum amount of charitable contributions that can be claimed for credit in any one year is 75 percent of net income (100% in the year of death and the year immediately preceding death). Unused contributions can be carried forward for up to five years beyond the year of the gift, subject to the 75% limit in each year claimed.

**Tax Treatment of Investments and Grants:** The donor is not subject to tax on any income or capital gains earned within their charitable gift fund. This is because the Foundation owns the assets in your fund and as a non-taxable organization can accumulate investment income tax free. When Gift Funds Canada makes a grant on behalf of an individual CGF, it should be understood that the Foundation is making a grant from its own assets. Donors cannot claim an additional donation credit or deduction (if the donor is a corporation) for these grants at any time.

## OTHER SERVICES

**Pass-through Gifts:** Sometimes it is difficult for smaller charitable organizations to be able to manage complex gifts (e.g. appreciated securities). Gift Funds Canada will accept, liquidate and disburse grants of the net proceeds of the gift<sup>13</sup> to organizations approved by the Canada Revenue Agency within 90 days of receipt.

**Philanthropic Consultation:** Senior Gift Funds Canada staff can provide consulting services over and above the normal levels offered to all donors with CGFs. From helping an individual to shape and establish a charitable organization that is funded by their CGF, or; working with an existing organization to build their endowment program, or; meeting any other philanthropic planning needs; this highly customized service is available upon request.

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<sup>13</sup> Net proceeds from the liquidation of the gifted assets **LESS Administrative Costs**. Costs are: 3% on the first \$100,000; 0.5% on the remainder of the gift value, with a \$300 minimum fee per gift.

Typically, an initial exploratory meeting is offered between the prospective client and consulting staff to assess whether consulting assistance could add any value, and if so, in what areas. There is no charge for this meeting. If there is an agreement in principle, then a proposal for services would be prepared by the Foundation's staff outlining the initial assessment, work to be done, scheduling & fees to complete the work. Connect by email [contactus@giftfunds.com](mailto:contactus@giftfunds.com) or call **1-866-712-5988** for further information or to book an initial meeting.

## APPENDIX 1 – CHARITABLE GIFT FUND PROGRAM OPTIONS

Program	Description/Objective	Source of Funds Available for Grant-Making	Investment Policy	Initial Gift	Expense Recovery Rate
<b>Classic CGF</b>	An endowed fund intended to provide funds for grant-making from <i>Accumulated Net Income</i> and preserve <i>Gift Capital</i> for a minimum of ten years on each gift made into the fund.	The <i>Annual Amount Available for Grant-Making</i> PLUS any portion of gifts designated by the donor as “available for grant-making”.	Conservative, long-term growth with a targeted asset allocation of 55/45	\$25,000 (minimum)	<i>Expense recovery</i> is charged monthly on the fund’s month end <i>Capital</i> balance at the following annual rates. Up to \$100,000 0.850% Up to \$500,000 0.800% Up to \$1,000,000 0.700% Up to \$2,500,000 0.550% Over \$2,500,000 Contact CGFCF  Minimum monthly charge of \$20
<b>Program Features</b>				<b>Availability</b>	
<b>Gift Designation</b>	The ability for donors to designate a percentage of each gift made to a CGF as “available for grant-making”.	Up to 100% of the fair market value of each gift may be designated as “available for grant-making”.	Funds available for grant-making are held in a central account to facilitate disbursements and preserve the value of the <i>Grantable Funds</i> . No investment return accrues to the CGF on these funds.	All Classic CGFs with <i>Capital</i> balances above \$25,000	Designated amounts over 5% may be subject to a four month hold <b>or</b> a transaction fee before the funds are available for disbursement.
<b>Enhanced Grant-Making</b> (After the initial ten years)	An ability to recommend grants from <i>Gift Capital</i> that was contributed at least ten years prior.	<i>Gift Capital</i> .		All Classic CGFs	<b>No additional charge for Normal Activity.</b>
<b>On-Line Donations</b>	Ability to create a personalized on-line donation page which can be used to solicit support to grow the CGF <i>Capital</i> .	Up to 15% of the net proceeds of on-line gifts may be designated as “available for grant-making”.		All Classic CGFs	On-line processing costs of 2.5% of the donation amount (maximum of \$100 per donation) plus actual credit and debit card processing fees

Program	Description/Objective	Source of Funds Available for Grant-Making	Investment Policy	Initial Gift	Expense Recovery Rate
<i>Flex CGF</i>	A current fund with unlimited grant-making privileges designed to satisfy short to medium term philanthropic objectives.	<i>Gift Capital</i> and <i>Accumulated Net Income</i> may be disbursed on the recommendation of the donor/grant advisor.	Fund assets will be invested in a manner consistent with the anticipated distribution of the <i>Capital</i> contained in the original charitable gift fund agreement.	\$100,000 (minimum)	<i>Expense recovery</i> is charged monthly on the fund's month end balance at the following annual rates. Up to \$100,000 0.850% Up to \$500,000 0.800% Up to \$1,000,000 0.700% Up to \$2,500,000 0.550% Over \$2,500,000 Contact CGFCF Minimum first year expense recovery calculated on the value of each gift. Minimum monthly charge of \$45.
<b>On-Line Donations</b>	Ability to create a personalized on-line donation page which can be used to solicit support to grow the CGF <i>Capital</i> .	All of the net proceeds of on-line gifts are "available for grant-making".		All Flex CGFs	On-line processing costs of 2.5% of the donation amount (maximum of \$100 per donation) plus actual credit and debit card processing fees
Program	Description/Objective	Source of Funds Available for Grant-Making	Investment Policy	Initial Gift	Expense Recovery Rate
<i>Foundation Builder CGF</i>	A starter fund to facilitate the solicitation of support through on-line donations. The fund will have a maximum term of three years within which to convert to a Classic CGF.	Up to 15% of the net proceeds of on-line gifts may be designated as "available for grant-making".	Fund assets will be invested in a balanced investment pool until the fund <i>Capital</i> equals the account minimum for a Classic CGF.	\$1,000 (minimum)	<i>Expense recovery</i> is charged monthly on the fund's month end balance at an annual rate of 1%. On-line processing costs of 2.5% of the donation amount (maximum of \$100 per donation) plus actual credit and debit card processing fees



Other Charitable Gift Fund Service	Description/Objective	Availability	Administrative Costs
<b>Consulting Services Donors</b>	Philanthropic Services for Donors: i) Clarifying goals/charitable interests, ii) Options for involving family members, iii) Expert technical assistance with gift structuring, iv) Drafting/Reviewing proposals and agreements.	Current and prospective donors	No additional charge for <i>Normal Activity</i> .
<b>Consulting Services Professional Advisors</b>	Philanthropic Services for Professional Advisors: i) One-on-one coaching and 'case-specific' advisory services, ii) Education, training and tools to assist advisors in helping clients develop philanthropic goals and plans.	Financial service partners and related professional advisors	No additional charge for <i>Normal Activity</i> .

## Notes:

<b>Minimum Grant Amount</b>	\$250
<b>Minimum additional contribution amount</b>	For the Classic and Flex CGF programs - \$250 (unless exception arranged prior to handling) For Foundation Builder CGF program and on-line donations - \$10

## Definitions:

<b>Expense Recovery Rate</b>	CGFCF allocates its expenses on a fund-by-fund basis according to a schedule that is subject to change from time to time at the discretion of the Foundation. Costs are apportioned on a sliding scale as published.
<b>Capital</b>	The total fair market value of the CGF assets <b>LESS</b> the value of undistributed <i>Grantable Funds</i> held in CGFCF's central account.
<b>Gift Capital</b>	The capital portion of each gift made <b>LESS</b> any <i>Accumulated Net Loss</i> incurred and grants from Gift Capital.
<b>Grantable Funds</b>	The total of any gift amount designated as "available for grant-making" <b>PLUS</b> the annual spending policy amount approved by the CGFCF Board of Directors <b>LESS</b> the value of grants made from the CGF.
<b>Net Income (Loss)</b>	The total investment return (including interest, dividends and capital growth) on the invested capital of a CGF <b>LESS</b> investment fees and administrative costs.
<b>Accumulated Net Income (Loss)</b>	<i>Net Income (Loss)</i> <b>LESS</b> funds transferred to the <i>Grantable Funds</i> account.
<b>Normal Activity</b>	The nature and frequency of transactions in a CGF and consultations with donors and professional advisors as deemed reasonable by the CGFCF Board of Directors subject to review from time to time.

**Annual Amount Available  
for Grant-Making**

The annual amount available for grant-making is determined during the last calendar quarter of each year. For all Classic CGFs with a minimum capital balance of \$20,000 that have been funded by October 1<sup>st</sup>, the annual amount available for grant-making is calculated based on the previous four quarters average *Capital* value of the CGF times the annual spending policy target (currently 4% with a minimum of 2%). The resulting targeted amount is funded from *Accumulated Net Income*, unless insufficient to fund the 2% minimum. In such situations, the minimum amount will be funded first from *Accumulated Net Income* and then from *Gift Capital*.