



Advisor Introduction

BENEFACTION FOUNDATION

Welcome to Benefaction!

We are proud to partner with Advisors across the country to provide Donor-Advised Funds for their clients. Once a Fund is established, the assets continue to be managed by the Advisory Team, on Benefaction's behalf. The Advisory Team on the account plays a key role in our process which is outlined below.

Donations: A donation of \$25,000 is required to establish a Fund with Benefaction. However, donors (as well as any 3rd party donors) can make ongoing donations into their Fund over the course of their lifetime, and beyond. Every donation accepted by Benefaction must be in accordance with our [Gift Acceptance Policy](#) and will be issued a charitable tax receipt if larger than \$50. When your client makes a donation, please remember to email Benefaction (info@benefaction.ca) with copies of the following documents in advance of the donation being received:

- Letter of authorization signed by the donor(s) - include name of account donating and details of asset to be donated; OR
- Internal transfer form signed by donor(s) that includes account holder's name (personal or corporate); OR
- Copy of the cheque deposited with the donor address and email address included; OR
- [Gift Form](#) signed by donor; AND
- A copy of the Corporate Resolution or Articles of Incorporation and the corporate address (if a corporate donor makes the donation for the first time)

Granting: Once the Fund has been established, clients can make [grant recommendations](#) to Benefaction. These can either come through you (although we require written confirmation from your client) or they can come to us directly. The minimum grant amount is \$250. Grants may be recurring or one-time and the default disclosure chosen on the Donor Agreement will determine how the donor is acknowledged to their chosen charity. Once Benefaction receives the recommendation, our Grants Team will conduct due diligence on the eligibility of the grantee(s) and will enter the grant(s) into our system. From there, a member of our team with trading authorization will contact you to request the funds. You will need to raise the funds from the account and send them to Benefaction's account as directed. Once the funds are received, we will process the grant(s). We have a 10-business day turnaround from when we receive the funds, to when grants are issued. Your client will receive a confirmation once processed. Please let us know at the time of submission if there is any urgency to the request.

The minimum annual disbursement requirement is 5% of the average assets in the Fund, in accordance with CRA. Benefaction has no cap on granting however, as long as the minimum Fund balance is maintained. It takes a couple of years for the full 5% quota to be reached for a new Fund due to the nature of the calculation, and granting is not required in the first year of the Fund's establishment. Grant recommendations received before November 15th will be processed in that calendar year. Any grant recommendations received by Benefaction after this date will be processed on a best efforts basis, so we strongly encourage your clients to get their recommendations submitted as early as possible.

Fees: All fees are paid out of the Benefaction account. Benefaction collects two types of fees – Donation Fee and Annual Fee – to cover our administrative services on behalf of the Fund, including the issuance of tax receipts, ongoing disbursements and reporting, and ongoing fiduciary responsibilities. The Fund is also responsible for any investment advisory or management fees payable by Benefaction to the investment firm managing the assets held in the Fund. The Donation Fee is 1% on initial and subsequent donations to a Fund below \$1 million, based on the tax receipt value. Funds which have accumulated donations of \$1 million but below \$2 million, pay a donation fee of 0.5%. Funds which have accumulated donations of \$2 million but below \$3 million, pay a fee of 0.35%. Donation Fees for cumulative donations of \$3 million and above can be negotiated with Benefaction. The Annual Fee is 0.5% of the Fund value up to \$1 million, 0.35% on the next million, and 0.15% on the remainder, and is collected quarterly. The maximum annual fee is \$20,000.

Donor Portal: Our online portal offers advisors and their clients easy access to information regarding the Fund. This includes copies of tax receipts, granting and donation history, and allows clients to submit grant recommendations online. You will receive an email inviting you to join the portal after the Fund is established and has been funded, and the first month's data has been verified and loaded to the portal.

Resources: Benefaction has a myriad of resources available on our website. If you can't find the answer you're looking for, we are happy to help.

- [Resources](#) page on our website.
- [Program Guide](#).
- [Gift Planning Checklist](#).
- [A Guide for Professional Financial Advisors](#), from CAGP.

If you have any questions about the Benefaction process, please don't hesitate to contact us on the channels below!

- Donation or general inquiries: info@benefaction.ca
- Granting inquiries: donor_services@benefaction.ca
- Investment Questions: meredith@benefaction.ca

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