

CHARITABLE BEQUESTS



TYPES OF BEQUESTS

1. Specific: either a specific amount or a specific piece of property which is usually paid out before any residual gifts
2. Restricted: stipulates that funds should be used for a specific purpose
3. Residual: a share or percentage of the residue of the estate, after all debts, expenses and specific bequests have been paid
4. Contingent: a “disaster clause” bequest that names an alternate beneficiary in case the terms of the original bequest cannot be met

YOUR LEGACY

"You have more power to make a difference than you realize. By giving even a small portion of your estate to charity you can make a significant impact on the causes you care about, and still support those you love. In short, you can do both."

CAGP's 2019 report on Gifts in Wills in Canada, showed that nearly 90% of Canadians have a Will by the age of 75, but less than 5% include a gift to charity in their will. The report suggests that this low number is caused by challenges in choosing which organizations to support and then discussing decisions with family members.

The objective of this guide is to assist potential bequest donors in this decision process.

WHAT IS A CHARITABLE BEQUEST?

A charitable bequest is a gift by Will to a charitable organization. Donors leave charitable bequests for a variety of reasons including: to continue support of the causes they believe in, to leave a tribute honouring a family member, or to minimize their estate's exposure to taxes, to name just a few.

BEQUESTS TO A DONOR ADVISED FUND

The advantage of a bequest to your Donor Advised Fund (DAF) is the flexibility to update your bequest directions (beneficiaries, amounts, etc.) without needing to engage your lawyer to update your Will.



HOW TO CREATE A CHARITABLE BEQUEST TO YOUR DAF

1. Notify your DAF administrator of your intention to leave a bequest to your Fund. For Benefaction Foundation, it's as simple as ticking a box on your initial Donor Agreement.
2. Discuss your intentions with your lawyer and add the appropriate bequest clause to your Will. On the next page, we have included some sample wording as a starting point.
3. Document your wishes for the disbursement of grants from your Fund and provide to the successor(s) you have identified for your Fund. Remember to choose your successor wisely, knowing that they will have full authority over your Fund and future granting activity. At Benefaction Foundation, you can appoint the Directors of Benefaction as successors to your Fund and they will follow your instructions, according to Benefaction's then-current granting policy. To help you in documenting your intentions, we have an easy to use process and template which can be amended at any time without needing to update your Will.
4. Notify the recipient charities of your intention to facilitate an estate gift to their organization. This is not strictly necessary but is recommended as it allows them to better plan for the future.

A BEQUEST TO YOUR DAF AT BENEFACTION FOUNDATION

Below is sample wording that can be shared with your lawyer to include a charitable bequest to your Benefaction DAF in your Will.

To pay to BENEFACTION FOUNDATION, (Registration # 80421 3759 RR0001), the [sum of _____ Dollars (\$ _____)]/ or the residue (OR ___ % of the residue) of my estate for the purpose of establishing an endowment fund to be known as the _____ (the "Fund"), to be held and invested by Benefaction Foundation in accordance with the investment policy as approved by the Board of Directors of Benefaction Foundation from time to time, until the Fund is depleted.

OR

To pay to BENEFACTION FOUNDATION, (Registration # 80421 3759 RR0001), the [sum of _____ Dollars (\$ _____)]/ or the residue (OR ___ % of the residue) of my estate to contribute to the existing endowment fund known as the _____ (the "Fund"), to be held and invested by Benefaction Foundation in accordance with the investment policy as approved by the Board of Directors of Benefaction Foundation from time to time, until the Fund is depleted.

CONTINUED

Annual distributions from the Fund shall be made in accordance with the Donor Agreement signed _____ (date) and the granting policy of Benefaction Foundation in effect from time to time.

I declare that the receipt of the person professing to be the Treasurer or other proper officer of Benefaction Foundation shall be a sufficient discharge to my Trustees who need not see to the application thereof. I specifically authorize my Trustees, in their absolute discretion, to satisfy all or part of this legacy by way of an in specie transfer or transfers, of one or more securities forming part of the residue of my estate at the time of my death.



For further information or to discuss establishing your own Donor Advised Fund, please contact your Financial Advisor, or contact Benefaction directly at 416-915-0700 (toll free: 1-866-910-8227) or at info@benefaction.ca