

## Annual Disbursement Quota (2024)

### What is the Disbursement Quota (DQ)?

Each Benefaction Donor Advised Fund is required to disburse a minimum of **5% of the average value of the Fund annually to qualified donees**, as per the terms of the Donor Agreement and in line with CRA regulations. This requirement comes into place the calendar year following the account funding, and the required dollar amount is reported on the quarterly Donor Report as the "Annual Disbursement Quota". The DQ is subject to the current minimum grant amount as outlined in Benefaction's Grants Policy, such that any calculations below this threshold will be stated as \$250.

### The calculation explained

As mentioned above, each fund is required to disburse a minimum of 5% of the average value of its assets annually.

The calculation uses the quarter-end asset values for the prior two calendar years (eight quarters in total). This means the required disbursement amount can be calculated once the prior year-end account balance is reconciled, and the amount reported on the donor's quarterly statements will remain static throughout that year.

Please refer to the page following if you're interested in further details on the approach for determining the asset value.

### Benefits of the approach

The objective and benefits of our approach are two-fold:

- (1) It is easy for our donors to plan their annual giving, since they will know the amount they need to disburse for the current year, from the time they receive their first quarterly statement from Benefaction; and
- (2) The calculation directly aligns with the approach used by CRA in determining Benefaction's annual disbursement requirement for the overall foundation.

### What this means for fundholders

Benefaction's Donor Advised Fund account holders can make their grants earlier in the year, knowing with certainty the total amount they are required to give that year. We strongly encourage our Fundholders to accelerate the timing of their grants as it gets the much-needed funds in the hands of their supported charities sooner and helps to alleviate the year-end rush for all parties involved.

### Questions?

The team at Benefaction would be pleased to answer any questions you have regarding our disbursement quota. We can be reached at [info@Benefaction.ca](mailto:info@Benefaction.ca) or by telephone at 416-915-0700 and toll free at 1-866-910-8227.

# BENEFACTION

The calculation explained: Perez Family Fund (inception date: November 13, 2019)

The 2023 Disbursement Quota for the Perez Family Fund is calculated as follows:

<b>Calendar Quarter-End</b>	<b>Date</b>	<b>Fund Asset Value</b>
Two years prior – Q1	31-Mar-2021	\$ 309,204
Two years prior – Q2	30-Jun-2021	\$ 337,093
Two years prior – Q3	30-Sept-2021	\$ 334,356
Two years prior – Q4	31-Dec-2021	\$ 327,012
One year prior – Q1	31-Mar-2022	\$ 333,891
One year prior – Q3	30-Jun-2022	\$ 336,792
One year prior – Q4	30-Sept-2022	\$ 336,024
One year prior – Q4	31-Dec-2022	\$ 346,281
Average Quarter-End Asset Value (for prior two calendar years)		\$ 332,582
<b>Disbursement Quota: 5% of Average Asset Value</b>		\$ 16,629

The calculation explained: Hampton Fund (inception date: December 15, 2021)

The 2023 Disbursement Quota for the Hampton Fund is calculated as follows:

<b>Calendar Quarter-End</b>	<b>Date</b>	<b>Fund Asset Value</b>
Two years prior – Q1	31-Mar-2021	\$ 0
Two years prior – Q2	30-Jun-2021	\$ 0
Two years prior – Q3	30-Sept-2021	\$ 0
Two years prior – Q4	31-Dec-2021	\$ 997,339
One year prior – Q1	31-Mar-2022	\$ 951,436
One year prior – Q3	30-Jun-2022	\$ 968,274
One year prior – Q4	30-Sept-2022	\$ 946,238
One year prior – Q4	31-Dec-2022	\$ 995,435
Average Quarter-End Asset Value (for prior two calendar years)		\$ 607,340
<b>Disbursement Quota: 5% of Average Asset Value</b>		\$ 30,367