

Linking good
people



**Charitable Gift Fund
Program Guide**

with
good causes

130 King Street West, Suite 1800, Toronto, Ontario M5X 1E3
Data & Client Services Centre: 645 Gardiners Road, Suite 202, Kingston, Ontario K7M 8K2

Charitable Registration Number: 89671 3500 RR0001

Table of Contents

Introduction.....	3
Benefits of a Charitable Gift Fund	4
o Flexibility in Charitable Giving – Today and Forever.....	4
o Immediate Tax Benefit Eligibility	4
o Grant Recommendation Privileges.....	4
o Choice of Investment Options.....	4
o Enhanced Giving Power over Time	4
o Enduring Family Legacy	4
o Simplicity.....	4
Establishing a Charitable Gift Fund.....	5
o Opening An Account	5
o Charitable Gift Fund Options	5
o Acceptable Gifts.....	7
o Third Party Contributions	7
o Deferred Contributions.....	8
Valuation of Contributions	8
o Contributions of Cash.....	8
o Contributions of Securities	8
o Valuation of the Fund	9
Investment Options	9
Grant Recommendations.....	9
o Source of Funds for Grant-Making	9
o Spending Policy Calculation.....	10
o Annual Grant Amount.....	10
o Grant Distribution	10
o Enhanced Grant-Making Feature	11
o Restrictions on Grants.....	11
o Recommending Grants	11
o Number of Grants.....	11
o Grant Notifications	11
Income Tax Considerations.....	13
o Charitable Tax Credits and Deductions.....	13
o Contribution Limits	14
o Tax Treatment of Investments and Grants	14
Allocating CGFCF’s Operating Costs	15
o Charitable Services.....	15
o Investment Expenses	15
o Activity Charges	15
Other Information	16
o The Charitable Opportunities Fund	16
o Corporate Gift Programs and Charitable Gift Funds	16
o Foundation Structure and Service Agreements	16
o Conflict of Terms.....	16

Introduction

Gift Funds Canada - The Charitable Gift Funds Canada Foundation (CGFCF) is an independent, non-profit charitable organization registered as a public foundation with the Canada Revenue Agency (CRA). Established in 2003, the Foundation specializes in the management and administration of *charitable gift funds* (CGFs)¹, and is dedicated to helping donors increase and sustain their charitable giving to deserving organizations across Canada.

This document describes the features of a charitable gift fund and the benefits of opening a CGF account with Gift Funds Canada. Contributions to a Charitable Gift Fund are *irrevocable*², resulting in a combined federal and provincial tax credit, consistent with guidelines established by CRA. Donors are eligible for a donation receipt on the date the gift transaction is completed (under BN# 89671 3500 RR0001).

The Foundation is subject to the laws applicable to Canadian charities, and participation in this program is subject to the terms and conditions of CGFCF articles of incorporation, bylaws and this document. Gift Funds Canada reserves the right to modify the terms and conditions of its Charitable Gift Fund program and/or any of the associated documents at any time without notice.

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

² **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.

Benefits of a Charitable Gift Fund

Donors who contribute to a Charitable Gift Fund with the CGFCF enjoy the following benefits:

- ***Flexibility in Charitable Giving – Today, Tomorrow and Forever***

Donors make irrevocable charitable contributions of cash and/or appreciated publicly listed securities to a Charitable Gift Fund *today*. They recommend grants to favoured, eligible³ organizations at any time thereafter, from the funds identified as *available for grant-making*.

- ***Immediate Tax Benefit Eligibility***

Donors receive an official donation receipt for the *fair market value* (FMV) of their contributions. Gifts of qualifying securities are eligible for a full capital gains tax exemption.

- ***Grant Recommendation Privileges***

Donors are invited to make recommendations to the CGFCF on how the *funds available for grant-making* might be disbursed to their favourite charities, throughout their lifetimes and if desired, in perpetuity.

- ***Choice of Investment Options***

Donors are also offered an opportunity to select from a wide variety of investment options, many *pre-approved* for use by the Foundation's Board of Directors. The Gift Funds Canada program features attractive investment products to choose from, all professionally managed by some of the country's most respected money managers.

- ***Enhanced Giving Power over Time***

Because the Foundation is a registered charity, any growth in the asset value of a Charitable Gift Fund account accumulates *tax-free*, enhancing the potential to recommend increasingly larger charitable grants in the future.

- ***Enduring Family Legacy***

The Charitable Gift Fund Program encourages the creation of enduring legacy funds that donors can share with their families to build a perpetual plan for charitable giving. This is often best accomplished by naming *grant advisors* and *successors* to the account.

- ***Simplicity***

Donors enjoy simplified, comprehensive administration of their charitable gift planning over time. Additional gift contributions – each *eligible for a donation receipt* - can be made at any time.

³ The *Income Tax Act* permits Gift Funds Canada to make disbursements only to *qualified donees*. Registered charities are one example of a qualified donee. Others include Canadian municipalities, registered Canadian amateur athletic associations (RCAAA), and some international universities. For further information, please contact our office.

Establishing a Charitable Gift Fund

Interested individuals, families and organizations are invited to establish a Charitable Gift Fund (CGF) with the Foundation by making an initial *irrevocable* donation of assets, with a value of at least \$25,000.

Establishing a CGF allows a donor to:

1. Make irrevocable contributions of cash, publicly-traded securities or mutual fund units to the CGFCF at any time;
2. Receive an official donation receipt for the full *fair market value* (FMV) of such contributions, enjoying the associated tax benefits that result;
3. Recommend an investment advisor (IA) of their choice and options for the investment of their gift proceeds from a list of well-known investment products, and
4. Recommend to the CGFCF, grants to be made from the *funds available for grant-making*, to registered charities and other qualified donees.

○ *Opening An Account*

To establish a CGF, it is necessary to open an account with the Foundation. An account may be opened by completing the *Charitable Gift Fund Agreement Form*, available online at www.charitablegiftfunds.ca, or by calling 1-866-712-5988.

○ *Charitable Gift Fund Options*

The Foundation currently offers the following **two** Charitable Gift Fund options. Donors may select *either* the *Classic* or the *Flex* option, depending on their personal objectives.

Options	Description/ Objective	Grant-Making Source of Funds	Investment Policy	Gift Capital Required	Expense Recovery
Charitable Gift Fund Classic	<ul style="list-style-type: none"> • Preserve Gift Capital • Grow Fund Value • Build Grant-Making Capacity 	Annual spending policy amount PLUS any portion of new gifts designated by the donors as “available for grant-making”	Conservative, long-term growth with a targeted asset allocation of 55/45	\$25,000 (minimum)	Standard schedule of charitable expense recovery costs.
Charitable Gift Fund Flex	<ul style="list-style-type: none"> • Fully Flexible • Unlimited Grant-Making Privileges 	All or a portion of the Gift Capital and Accumulated Net Income may be disbursed on the recommendation of the donor(s)/grant advisor(s)	Will vary from 100% capital preservation to conservative, long-term growth with a targeted asset allocation of 55/45, depending upon the donors’ intentions	\$100,000 (minimum)	Standard schedule of costs PLUS an additional % of the applicable rate (varies). Minimum first year expense recovery calculated on the value of each gift. Minimum monthly charge of \$100.

Individuals may also arrange to have an Account opened after their death. Please see “Estate Gifts” on page 13 of this Guide for further information.

Account Opening Information:	
Initial Contribution	A fund may be established with an initial gift contribution of <i>at least</i> \$25,000 for the <i>Classic</i> or \$100,000 for the <i>Flex</i> fund option, if chosen.
Additions to the Account	Subsequent contributions can be made at any time.
Donor Direction	<p>Donors may designate a portion of each gift as <i>funds available for grant-making</i>⁴ – grants to qualifying charitable organizations will <i>initially</i> be funded using these monies.</p> <p>The remaining portion of each gift contribution will be treated as <i>capital</i>⁵ by CGFCF, according to the donor’s direction (Note: <i>This split must initially yield a capital balance of at least \$25,000 in the fund</i>).</p>
Joint Accounts	Charitable gift fund accounts may be established and maintained jointly.
Irrevocable Contributions	Contributions to a CGFCF Charitable Gift Fund are irrevocable and unconditional.
Types of Contributions	Contributions of cash, publicly listed securities and mutual fund units are all acceptable. Donors should speak with their investment advisors (IA’s) about the other types of financial assets (i.e. life insurance, RRSP/RRIF accumulations, etc.) acceptable to CGFCF that they might like to contribute and the many benefits of doing so.
Naming the Account	As part of the account-opening process, donors enjoy the right to <i>personalize</i> the account by naming it for use in correspondence and for publication use. The account name may be generic (<i>The Fund for Emergency Care</i>) or include a family name (<i>The Davis Family Foundation</i>). Donors may also want the name to reflect particular charitable interests; for example, <i>The Chang Family Fund for the Environment</i> , or <i>The Robert Jones Endowment for the Arts</i> .
Grant Advisors	Donors may appoint one or more advisors (the “grant advisor”) to an account who can help recommend grants during the donor’s lifetime. A grant advisor is usually a spouse, child, relative or friend the donor believes will recommend grants from the account intended to be consistent with the donor’s known areas of interest.
Successors and Charitable Beneficiaries	<p>Donors may appoint one or more successors (the “fund successor”) or charitable beneficiaries to an account. A successor assumes all ‘advisory rights’ for the account upon the death or incapacity of all the original donor(s), including the ability to make additional contributions, work with an investment advisor, recommend grants and appoint advisors and successors.</p> <p>If a CGF account is maintained jointly, upon the death of one donor, the surviving donor retains the rights to recommend grants and designate successors. Successors become effective only after the deaths or incapacity of all donors named on the CGF account.</p>

⁴ Funds designated by donors as available for grant-making are not subject to the Foundation’s charitable services fee. Therefore, such amounts - in excess of 5% of the value of each gift contribution - may be subject to a ‘hold period’, prior to becoming available for grant-making.

⁵ *Capital* is defined as “the total fair market value of the CGF *less* the value of undistributed funds *available for grant-making*”.

	<p>A successor must provide written notification and sufficient proof to the CGFCF of the original donor's death or incapacity and will then succeed to all rights and duties of a donor-advisor, including the ability to recommend subsequent grants. If a successor individual is a minor, the Foundation requires that the minor's legal guardian make the grant recommendations.</p> <p>Upon notification of the death or incapacity of a donor-advisor where there is no surviving donor-advisor and no documented succession plan, the Foundation's Board of Directors will award grants to eligible charities from the CGF account, consistent with the donor's original intent and stated areas of interest (when known).</p> <p>A charitable organization may be named as the account beneficiary if the donor prefers to have it receive all of the eligible distribution (as determined annually by the CGFCF) upon the death of all original donors. In the event a recommended charity no longer exists, the CGFCF Board of Directors will award grants to a charity similar to the original charity identified, consistent with the donor's original intent.</p>
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Please note that the CGF account and its assets are the property of the Charitable Gift Funds Canada Foundation.

- **Acceptable Gifts**

A Charitable Gift Fund account may be funded in the following ways:

Cash: Cash must be in Canadian dollars and delivered by direct deposit, cheque or wire. Cash will not be accepted directly. Cheques should be made payable to *The Charitable Gift Funds Canada Foundation* and mailed to the Foundation for processing. Agreement forms, with instructions, are available for reference and use in the donor information kit or online at the Foundation's website: www.charitablegiftfunds.ca.

Publicly Listed Securities: Appreciated securities can be transferred 'in kind' to a brokerage account in the name of CGFCF. Forms and instructions are available in the donor information kit or online at www.charitablegiftfunds.ca.

For contributions of appreciated, publicly listed securities, an official donation receipt will be issued for the fair market value (FMV) of the securities. If for any reason a contribution is not accepted, it will be returned to the account of origin.

Other Contributions: If the contribution involves mutual funds, bonds, segregated funds or any other asset types, the donor should contact their financial advisor for further information or the Foundation directly at **1-866-712-5988 (Toll Free)**.

- **Third Party Contributions**

Third parties (individuals or organizations who are not recorded as the primary donor(s) on a fund) may make contributions to a charitable gift fund. These third parties will receive an official donation receipt from the CGFCF for their gift contributions. Third party donors do not, however, acquire any advisory privileges (including grant recommendation privileges) with respect to such contributions, except as otherwise approved by the originating donor(s).

- **Deferred Contributions**

A Charitable Gift Fund account may also be established 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. 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 account.

Donors should first consult their tax, legal and financial advisors when setting up any deferred contribution or trust. To open an account with a deferred contribution, donors should complete a *Charitable Gift Fund Agreement Form*, naming the CGF and choosing grant advisors, fund successors and/or a charitable beneficiary. The completed form should then be submitted to the Foundation for its review.

The CGFCF will review and approve all deferred contributions and donors will receive a written confirmation once a contribution has been approved for acceptance. Where applicable, donation receipts will be issued for eligible assets when received.

Valuation of Contributions

- **Contributions of Cash**

The Charitable Gift Fund account will be credited with the full value of a donor's cash contribution.

- **Contributions of Securities**

For publicly listed securities, valuation occurs as at the date⁶ the gift is *received* by the Charitable Gift Funds Canada Foundation. Such donations give rise to a deemed disposition of the securities at their then fair market value (FMV).

As a general rule, securities donated to the Foundation will be sold at the earliest practical date under prevailing market conditions. The donor's CGF account will be credited with the net proceeds, after liquidation costs actually realized by the CGFCF (if any) are deducted from the sale of the contributed securities.

These trades may be executed through a donor's investment advisor (or other licensed agent approved by the Foundation). Any additional costs incurred by the CGFCF to sell the securities will also be deducted from the proceeds of the sale. Thinly traded or illiquid securities often require special treatment and therefore, the Foundation reserves the right to decline a donation of illiquid securities or any other securities at its sole discretion.

Donors wishing to contribute appreciated securities to the CGFCF are cautioned that the process of transferring securities electronically between financial institutions is effectively out of the Foundation's direct control. As a result, delays in processing and additional transfer fees may occur.

⁶ Valuation of gifted securities is based on either i) the day's closing market price or ii) the actual value realized for the sale of the securities, if sold before the end of day.

Advance notice provided to the Foundation can sometimes help facilitate the securities transfer process, and to this end, donors are encouraged to have their financial advisors alert Foundation staff to a pending transfer.

- **Valuation of the Fund**

At any point, the value of a CGF will be computed as the sum of all net contributions plus interest, dividends and other investment income, including realized and unrealized capital gains and losses, less operating expenses and any grant disbursements made.

Investment Options

Donors may recommend how the *capital* portion of each gift contribution – initial and additional – is to be invested, selecting from the *pre-approved* investment options presented with the *Charitable Gift Fund Agreement Form*. A donor may suggest an investment of 25% to 100% of a single donation in any of the eligible investment products/programs. Some of Canada's foremost investment firms provide the professionally managed funds that make up the various investment solutions.

Donors working with trusted investment advisors may recommend the use of any *pre-approved*:

- Mutual Fund Product, or
- Individually Managed Account.

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

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 may, 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.

Grant Recommendations

- **Source of Funds for Grant-Making**

A portion of an original gift contribution may be designated as *available for grant-making* by a donor. Grants may also be funded with a portion of the net investment returns (namely, interest, dividends and capital gains) and, if required, an encroachment on the original gifted capital as approved by the Foundation's Board of Directors, consistent with its spending policy.

Investment returns earned by the Foundation will vary from year to year and may be non-existent in some years. As a result, the *funds available for grant-making* in each account may also vary in availability and amount.

Funds identified as *available for grant-making*, whether designated by the donor and/or calculated by CGFCF will be held *centrally* in a capital-preserving account – free from financial market volatility – to be available for grant-making at any time.

- ***Spending Policy Calculation***

The Spending Policy Calculation (SPC) is performed annually during the last calendar quarter to determine the funds *available for grant-making* for the following year. The SPC is performed for each CGF with a minimum capital balance of \$20,000 (where funding has occurred by July 1st) and is based on the previous eight quarters average capital value of the CGF. The Board of Directors sets the annual Spending Policy Target for grant-making (currently 4% with a minimum of 2%). The resulting Spending Policy Amount for each CGF is funded from its accumulated net income, unless insufficient to fund the 2% minimum. In such situations, the Spending Policy Amount will be funded by encroaching on the Fund's capital.

- ***Annual Grant Amount***

The Foundation is subject to rules under the Income Tax Act that specify the minimum amount it must annually disburse to qualified donees. CGFCF will determine how much it must disburse from its total assets each year to satisfy CRA's requirements⁷. If donors fail to make grant recommendations by December 1 of any year, the Foundation reserves the right to disburse grants from their individual gift funds, consistent with the past grant-making recommendations of the donors (if any), on the approval of its Board of Directors, should this action become necessary to comply with CRA's requirements.

- ***Grant Distribution***

Donors or their designates may recommend grants to eligible organizations at any time when funds are available in a CGF account for grant-making. Requests for grants can be made by completing a *Grant Recommendation Form* available online from the Foundation's website at www.charitablegiftfunds.ca or by completing a paper form and delivering it to the CGFCF directly or through a financial advisor. Upon receipt of a donor's recommendations, the CGFCF will verify that the charitable organization is eligible to receive the proposed grant.

If grants to multiple charities are recommended, the suggested percentage or specific dollar amount to be allocated to each organization must be indicated on the recommendation form. The minimum grant amount is \$250.00. If approved by the CGFCF, the recommended grants will be paid out of the donor's CGF account to the grantee(s).

Grant recommendations and allocations to specific qualified donees are subject to review and approval by the Board. The Board has sole discretion with regard to all decisions pertaining to the use of CGFCF's funds, including grants made to qualified donees.

⁷ Currently, the Foundation must meet a minimum disbursement obligation equal to 3.5% of the average value of its *total assets* annually.

- **Enhanced Grant-Making Feature**

The Foundation offers an additional grant-making feature to donors who may wish to *periodically* enhance the grant-making capacity of their fund beyond the level determined by the annual spending policy calculation. This feature applies *only* to gift capital held for *at least* ten years in a *Classic* CGF and is designed to help fund a special, perhaps ‘one-time’ grant for an amount greater than the current *funds available for grant-making* would otherwise permit.

In such cases, all or a portion of the original gift capital may be made available for grant-making in the year of the redemption request. Redemption charges apply.

- **Restrictions on Grants**

Gift Funds Canada **will not approve** grants to:

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

Grants can only be made to registered charities, registered Canadian amateur athletics associations (RCAAA), municipalities, universities outside Canada that are prescribed to be universities the student body of which ordinarily includes students from Canada, and charitable organizations outside Canada to which the federal government has made a gift in the current calendar year or the previous calendar year.

Also, the Foundation will not approve grants for any private benefit such as membership dues or fees, tuition or goods purchased at a charitable auction. Furthermore, it will not support political lobbying and related campaigns or other political activities.

- **Recommending Grants**

Early in each calendar year, Gift Funds Canada will prepare for donors, a *fund activity report* showing the balance available for grant-making from the fund for that year. Donors (and/or their grant advisors) may recommend that grants be made to specific qualified donees by completing the *Grant Recommendation Form* available from the Foundation for this purpose.

- **Number of Grants**

Each year, a CGF founding donor (and/or grant advisor) is permitted to recommend an *unlimited* number of grants (subject to a minimum of \$250 per grant), when funds are available in the account for grant-making.

- **Grant Notifications**

Grants are made with cheques bearing the name of the ***Charitable Gifts Funds Canada Foundation***. A covering letter will accompany the cheque referencing the CGF account name and (when specified by the donor) the donor’s name, any commemorative message

(e.g., memorial or tribute gift messages) or, if requested, *partial* or *full* anonymity⁸. *Fund activity reports* are regularly prepared for donors – on a *quarterly* and *annual* basis – and list the grants disbursed from the Charitable Gift Fund in these time periods.

Information on Recommending Grants:	
Anonymous Grants	Donors can request that a grant be made anonymously (<i>partial</i> or <i>full</i> anonymity) or be given in the name of another individual or the name of the fund.
Minimum Grant Amounts	The minimum amount that can be recommended for any grant is \$250.
Number of Grants	Donors may recommend an <i>unlimited</i> number of grants from their fund, subject to the availability of funds for grant-making.
Timing of Disbursements	Cheques for grants approved for disbursement will normally be prepared for distribution within ten (10) days of receiving the original grant recommendation.

⁸ *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.

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.

Gifts of Cash

Generally, a donor is entitled to an official donation receipt for the full amount of a cash contribution.

Gifts of Publicly Listed Securities

Upon receipt of the donated securities, the Foundation will establish, at its sole discretion and in accordance with the administrative position of the Canada Revenue Agency, a *fair market value* (FMV) for the donated securities for the purpose of issuing an official donation receipt.

This disposition *will not* give rise to a taxable capital gain (assuming an accrued gain), as special rules apply that exempt the donor from having to include the realized gain in income.

Gifts of Life Insurance

Donors can use life insurance to establish a new charitable gift fund or increase the size of an existing one. CGFCF can accept an existing *whole life, universal life* or *term to 100* policy, or can assist your insurance advisor with the purchase of a new one that will be used to fund a gift contribution. Donation receipts will be issued for a policy's Fair Market Value (often the cash surrender value (CSV) of an existing policy) when the transfer of policy ownership to the Foundation is completed. Receipts will also be issued for insurance premiums paid in the future to maintain the policy in force.

Estate Gifts

Donations may be made to a new or existing fund by naming the Foundation as a beneficiary under a Will, a life insurance policy, a qualifying retirement plan (e.g. RRSP or RRIF) or a private foundation.

To minimize the potential for future disputes over estate donations made to a CGF, the donor must specify in writing that the estate gift is to be made payable to: ***The Charitable Gift Funds Canada Foundation*** and that the gift proceeds are to be *designated* to the Donor's preferred CGF account (ie. the specific CGF account name should be referenced).

A donor wishing to establish a *new* CGF account with an estate gift should carefully review this Guide and the Program's forms to ensure that complete instructions are provided to their executor(s). Donation receipts for estate gifts will be issued (where applicable) in the name of the estate.

Donations made to Gift Funds Canada prior to death do not form part of the donor's estate and therefore are not subject to probate. Bequests made by Will to the Foundation may not be so exempt. Donors should consult their legal and tax advisors regarding the best ways to include the Foundation in their overall estate planning.

- ***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***

Income and capital gains from the investments made in a CGF account are income and capital gains of the CGFCF. The donor is *not subject to tax* on any income or capital gains from any of the Foundation's investments. When Gift Funds Canada makes a grant from an account, 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.

Allocating the Foundation's Operating Costs

The expenses of operating Gift Funds Canada are allocated across all charitable gift fund accounts. The Foundation allocates these costs on the following basis:

- **Charitable Services**

Each charitable gift fund account is allocated an annual administrative cost (depending on fund type – *classic* or *flex*) of not more than 1.2% of the account's *capital* or *invested* assets to help offset the Foundation's operating expenses. This cost⁹ is subject to reduction for accounts with assets above \$500,000 as set out below:

Month End Account Balance	Allocated Costs Schedule (per CGF per annum)	
	<i>Classic</i>	<i>Flex</i>
Up to \$500,000	1.0%	1.2%
\$ 500,001 to \$ 2,500,000	0.9%	1.1%
\$ 2,500,001 to \$ 5,000,000	0.75%	0.95%
Additional Balance	Contact the Foundation	

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

Talk to your advisor or contact the Foundation directly for further information concerning the investment expenses of specific investment options.

- **Activity Charges**

Gift Funds Canada does not currently apply an activity charge to charitable gift fund accounts to process grants to eligible organizations, but reserves the right to do so without

⁹ The costs allocated to a CGF are calculated *only* on the month-end value of the endowed assets, accrued monthly and collected periodically.

notice, should circumstances change or the level of grant-making activity in a CGF warrants.

Other Information

- ***The Charitable Opportunities Fund***

In addition to charitable gift funds established by donors, Gift Funds Canada also maintains a *Charitable Opportunities Fund*, a general reserve fund that the Foundation's Board of Directors ("Board") may use to make charitable grants at its discretion. No donor has the power to recommend grants from this fund. However, donors may recommend, if desired, that grants be made from a CGF account consistent with the disbursements made from the *Charitable Opportunities Fund* in that year.

- ***Corporate Gift Programs and Charitable Gift Funds***

Some corporations or other business entities may choose to create a corporate Charitable Gift Fund rather than start a separate foundation or other corporate Gift program. While the terms and conditions described in this document generally apply to all donor entities, corporate CGF accounts are subject to different administrative procedures and account charges depending on the amount of account activity they generate.

- ***Foundation Structure and Service Agreements***

Gift Funds Canada is a non-share capital corporation registered with the Canada Revenue Agency as a public foundation. An independent board governs the Foundation and exercises full discretion over its activities.

Gift Funds Canada may indemnify the Board against any liability to the fullest extent allowed by applicable law, and/or purchase appropriate insurance policies on behalf of the Foundation and its directors.

The Foundation has entered into a service agreement with PlanGivCapital, Ltd., a third-party firm with considerable experience and expertise in philanthropic program management, to perform and/or arrange for the administrative, gift processing and donor information systems, program marketing, fundraising and certain other services for Gift Funds Canada.

- ***Conflict of Terms***

In the event of an inconsistency between the terms of this document and the Foundation's bylaws and articles of incorporation, CGFCF documents will govern the rights and obligations of the Foundation's Charitable Gift Fund Program and its donors.

