



A Guide for Professional Advisors

**For Community
By Community
Forever**



A helpful guide for Professional Advisors

Charitable and philanthropic giving is an important aspect of planning for many Canadians. In fact, according to Statistics Canada, 84% of Canadians make financial donations to charitable or not-for-profit organizations each year.

This guide is developed specifically for the Professional Advisor – so you can understand the work that The Community Foundation of Portage & District does and feel comfortable recommending the Foundation to your clients.

What is The Community Foundation of Portage & District?

The Community Foundation of Portage & District Inc.(CFPD) is a public foundation serving the charitable needs of donors and grant seekers in the City & RM of Portage la Prairie. We are governed by a volunteer board of community leaders, administering endowment funds donated by community-minded citizens for the benefit of our community. These donations are pooled into permanent endowment funds and only the interest income earned is used to provide funding for local community priorities for years to come.

Why use this guide?

Most often, your clients are looking for ways to plan for the future. Whether it's the best way to prepare for tax season, or looking to leave a lasting impact in their community – your clients are looking to you for advice. There are a number of options that you can present to your clients, but CFPD offers your clients a wide array of options while dealing with one organization.

We can help you provide choice to your clients. CFPD has a number of options within our portfolio that will help your clients meet their philanthropic goals, whatever they may be. But more than that, CFPD is committed to the community where your clients live, work, and play.

Introducing your clients to the benefits of working with CFPD shows that you understand their desire to make a lasting impression within the community. We want to help you, help your clients make a difference.

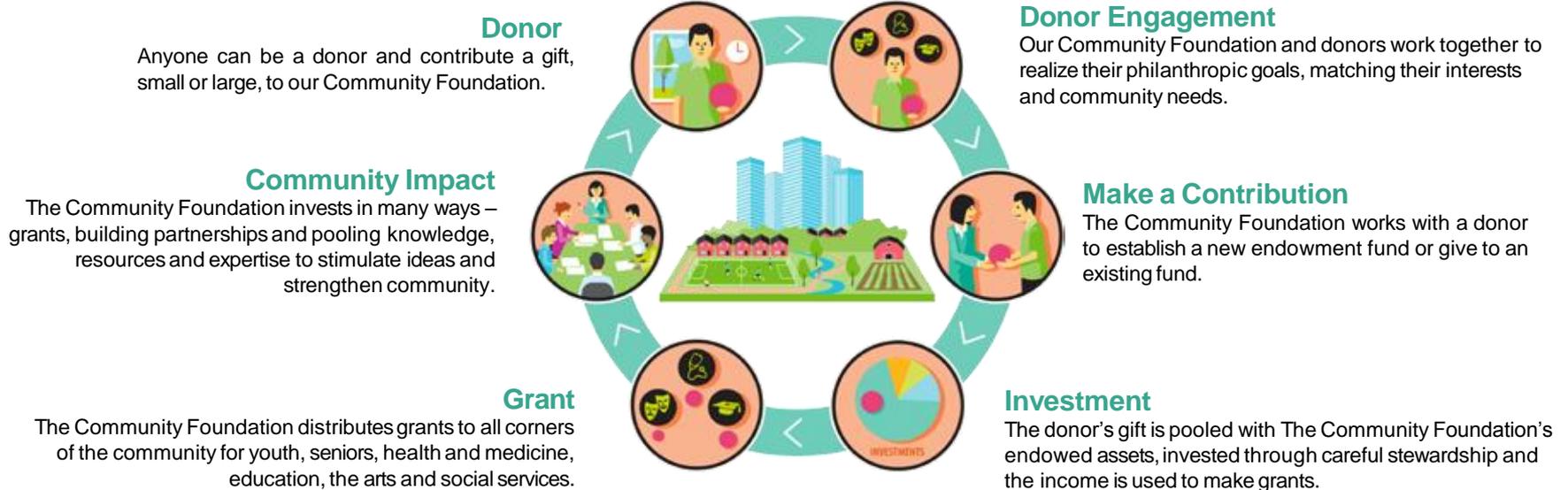


How exactly does the Community Foundation work?

The Community Foundation plays a vital role in Portage la Prairie. It has been a source of grants and funding for many community groups, organizations and programs for 25 years. Whether your clients are looking to donate to a general fund to support the community at large, or they're looking to establish a fund that will leave a legacy for themselves or a family member – we're here to support you and your clients to achieve those goals.

Here's a simple graphic that shows our process, as well as how we make your clients' funds work harder over the long term.

Giving to The Community Foundation of Portage & District





Is partnering with the Community Foundation right for your Clients?

There are so many options when it comes to charitable giving. Often, it's difficult to even know where to begin. Here are some questions you can ask so you better understand your clients' philanthropic goals:

- Do they give to one or more charitable causes?
- Do I have clients who care deeply about their community?
- Do they want to receive maximum tax benefit for their charitable contributions?
- Do they want to make a difference, but aren't sure where or how to start?
- Are they interested in creating a personal or family legacy in their community?
- Do they want their donation to have a lasting impact in the community, or for a particular group?

If you answered yes to any of these questions, then your clients could benefit from a partnership with The Community Foundation of Portage & District.

CFPD has been committed to the Portage la Prairie area for 25 years supporting projects and programs annually with grants in the areas of social services, arts & culture, medical services, physical fitness & health, welfare of children, family well-being, youth developments and the environment. We also manage and administer a number of bursaries that benefit many local students. CFPD has supported a wide array of charities and students - often acting as a kick-starter for projects that have had a lasting impact on the community at large.

We're so appreciative of the support from our donors throughout our Community. If your clients are looking for a more integrated donor experience, we are more than happy to meet with you. We can provide you with the tools to show your clients how the Foundation works, and how a donation can help meet their goals and support causes they care about.



Reasons to support the Community Foundation of Portage & District

We are local.

We live here. Our donors live here. Our recipients live here. We support a growing number of local charities and students every year.

We are connected.

Because we are truly local, we're connected to our community's needs. We play an integral role in many community leadership initiatives. We can responsively address needs, fill gaps, and fund progress.

We listen.

We fund programs and projects that address our community's priorities, even some that would not otherwise get off the ground. But further to that, we help our donors create the kind of fund that fits with their goals and vision.

We care.

Our Board of Directors is comprised of talented, passionate residents of Portage la Prairie. Each Director is committed to our core values of trust, stewardship and leadership.

We focus on impact.

We support grant recipients who demonstrate strong, sustainable impact for our community. We know even a very small grant can have a tremendously large impact.

We pool for benefit.

Donations to our Community Fund have the benefit of strength in numbers. By pooling resources, we can generate bigger returns over time – which in turn means more money goes back to our community.

We are forever.

Forever is a long time – but that is at the very core of how we are structured. Our funds are designed to last in perpetuity, which means the Portage la Prairie area can count on our continued support.



How to Donate to the Community Foundation of Portage & District

CFPD offers all donors a number of ways to give to the foundation.

Gifts of Cash

When a donor makes a gift of cash or property to a community foundation, every dollar goes to work the moment it is given, providing vital current support to local programs and/or building endowment funds to provide support for the future.

A gift of cash gives a donor the satisfaction of seeing their gift at work today and knowing that lives are being touched right now because they cared.

Gift Examples

- Cash
- Cheques or Money Orders
- Payments on Credit Card
- Pre-Authorized Contributions (PAC), usually paid monthly

Benefits to the Donor

- Donation receipt for the full amount of gift
- Straightforward, easy-to-understand transactions
- Significant immediate tax benefits
- Satisfaction of seeing the gift at work immediately

Most Appropriate for

- Everyone (any age) who can afford to give up some principal and the income it would otherwise earn



How to Donate to CFPD continued

Gifts of Appreciated Securities

Gifts of appreciated securities that are publicly listed have an added benefit of eliminated capital gains. Donors can benefit from this added incentive to reduce the real cost of their charitable giving or increase the amount of their gifts without increasing the cost. The transaction is generally a simple electronic transfer of shares undertaken by the professional advisor but can include gifts of paper shares when that is what the donor holds.

The recipient charity will require a direction signed from the donor indicating they are the registered holder of the shares, and this document will also, in most cases, be used to inform the charity and their custodian of the imminent transfer.

Gift Examples

- Publicly listed shares, rights and debt obligations
- Shares of a Canadian public mutual fund corporation
- Units of widely held Canadian mutual fund trusts

Benefits to the Donor

- Immediate donation receipt for fair market value of security, generally determined as the closing price on the day the gift is received by the charity
- Favourable reductions in capital gains taxation
- Gifts can be given during donor's lifetime or after, through their estate.

Most Appropriate for

- Donors with investment portfolios that include significantly appreciated securities.



How to Donate to CFPD continued

Gifts made through Wills

A Will used to be referred to as a “Testament”. It is not just a document divesting assets. When one adds up all the accumulated assets and possessions of a lifetime, the impact on the lives of loved ones and their community can be powerful. Making a Will ensures an individual distributes their possessions and wealth as they see fit, rather than as the government determines.

When a donor includes the community foundation in a will, they are making a powerful public statement of values and leaving a legacy of support to help strengthen causes they care for and community programs for generations to come.

Gift Examples

- Gifts funded with cash or cash equivalents
- Publicly Listed Securities (including segregated and mutual fund units)
- Proceeds from Retirement Plan Accumulations (RRSPs and/or RRIFs)
- Gifts of Real Estate
- Gifts of other tangible property

Benefits to the Donor

- Revocable during the donor’s lifetime by changing the will
- Donation receipt for use in final income tax returns against 100% of taxable income
- Satisfaction of providing for a future gift while retaining full control of property

Most Appropriate for

- All individuals (any age), but especially older persons



How to Donate to CFPD continued

Gifts of Life Insurance

For the young parent with limited dollars, Life Insurance is a way to protect the family against economic loss in the event of a parent's premature death. For the business owner, it may provide dollars to buy out a deceased partner's interest or compensate for the loss of a key manager. For older individuals, it provides the liquidity needed to settle an estate and pay taxes.

Life insurance has another important use: it is a popular and practical way to make a significant gift to charity.

Gift Examples

- Any whole life policy
- Many term policies
- Many group insurance policies

Benefits to the Donor

- Donation receipt for cash surrender value and any future premiums paid on policies where the ownership is transferred to the charity. Small current outlay leveraged into larger future gift
- If policy ownership rights retained by donor during lifetime and charity named as beneficiary:
 - donation receipt to estate for full value of death proceeds;
 - satisfaction of providing a future gift while retaining full control of policy.

Most Appropriate for

- Persons (generally ages 30-60) who:
 - have an older policy no longer needed, or
 - want to make a large gift but have limited resources
- Persons (any age) whose personal needs and family situation may be subject to change
- Professionals with good cash flow, but limited capital assets.



How to Donate to CFPD continued

Gift of Real Estate

A gift of real estate can enable a donor to make a bigger charitable difference than they thought possible. If given as a bequest, it can minimize or eliminate a burden placed on heirs. Charitable gifts of real estate range from personal residences and vacation homes to rental properties, farmland, and commercially developed land.

A donor may also choose to give the gift immediately if they realize they no longer require a property, or they may consider retaining the use of the property during their lifetime and leaving the property to their chosen charity in the form of a Charitable Remainder Trust and claiming a tax credit for the charitable portion of the gift.

Gift Examples

- Principal Residence
- Cottage or vacation property
- Investment property
- Farmland
- Vacant land

Benefits to the Donor

- Donation receipt for fair market value of property
- Tax on capital gains (except for gifts of principal residence or ecologically sensitive land) is offset by donation receipt

Most Appropriate for

- Donors who no longer wish to retain vacation or investment properties



How to Donate to CFPD continued

Gifts made through Charitable Remainder Trusts

A charitable remainder trust (CRT) involves transferring property into a trust whereby the donor retains a life interest in the property but makes an irrevocable gift of the residual interest to a registered charity. A registered charity can issue an official donation receipt for the fair market value of the residual interest in the property at the time that the residual interest vests in the charity. These can be of interest to donors who have significant assets and wish to continue the income of the assets for their or their heirs' lifetime and are interested in gifting the remainder to their favourite charity.

Gifts of residual interest are a similar structure but refer to gifts of real property, such as a principal residence or vacation home, where the donor will retain the use of the property during their lifetime or that of a specified heir and afterwards the property will be gifted to the charity.

Gift Examples

- Investment assets for CRTs
- Principal residence, vacation property, artwork, cultural property

Benefits to the Donor

- Donation receipt for the present value of the remainder interest
- Donor retains income generated
- Elimination of probate fees if trust is established during lifetime of donor

Most Appropriate for

- Donors who have considerable assets and still require income or wish to provide income for an heir but are interested in making a gift of the remainder interest.
- Donors who wish to continue to enjoy property or art collections but would like to make a gift of the residual interest to their chosen charity



Community Foundation of Portage & District Fund Options

The process of establishing a fund may seem overwhelming, but we make it as simple and convenient as possible. We offer a variety of different fund types, including designated funds, bursaries, and the Smart & Caring Community Fund. The donor chooses the name of the fund and how it will work to benefit the community and fulfill their charitable goals. Depending on their wishes the fund will fall into one of the following categories:

Smart & Caring Community Fund – Undesignated Funds (Named or Unnamed)

A named fund is a fund that exists within the Smart & Caring Community Fund and is named for a specific person or cause. Those who create an undesignated Named Fund do two things – they create a fund that provides a lasting legacy and they keep the funds unrestricted allowing the earnings to be used to address the evolving needs of the community. The donor relies on the Board of Directors to make Grantmaking decisions that meet the current community priorities and needs.

Designated Funds

A Designated Fund is established to benefit something specific within our community. The earnings from that fund can only be used to support that specific purpose. These funds require a fund agreement that specifies granting criteria and other pertinent details.

Field of Interest Funds

A Field of Interest Fund allows the donor to designate a specific area of interest (e.g., education, children's needs or seniors) in which charitable grants can be made. The Board of Directors uses its discretion in selecting the most appropriate recipients, year after year.

Awards & Bursaries

Award and Bursary Funds allow the donor to provide assistance and encouragement to promising young students challenged by the cost of education. Funds are distributed to the post secondary institution on behalf of the student.



Community Foundation Charitable Giving Options continued

Donor Advised Funds

Donor Advised Funds allows the donor to make recommendations to the Foundation's Board of Directors regarding proposed charitable distributions from their fund. Your suggestions are considered, although final determination on all grant awards is the responsibility of the Board.

Agency Endowment Funds

Charitable organizations may establish permanently endowed funds to provide a source of annual income for operations or programs.

Administration Funds

A donor may establish these funds to support the administration of the Foundation's various programs in community leadership, development, grant making and communications.

All named funds require a minimum of \$5000 with the exception of a Donor Advised Fund which requires a minimum of \$25,000. All named funds can be built over time.



Why the Community Foundation of Portage & District makes sense

Your clients have the flexibility to direct their own charitable giving to reflect their personal goals. Whether they want to address what they see as an urgent need in the community, memorialize a loved one, or support students seeking post-secondary education, we have a giving option to help them make an impact and improve the lives of others in their community.

-  **Several charitable organizations or causes can be provided for with a single gift.** For example, a life insurance policy establishes a permanent capital fund in the name of the donor(s) and the annual earnings divided in thirds between university, the Boys & Girls Club, and disadvantaged children.
-  **During his or her lifetime, the donor can alter charitable purposes.** For example, the original agreement with the Community Foundation of Portage & District designates “Bereaved Families”. If that organization dissolves or the donor becomes disaffected, the agreement is easily altered at no cost.
-  **The donor is assured that the specified cause or organization will be appropriately varied if it ceases to be viable or serve a useful purpose.** For example, a fund directed to polio could be redirected to a current health issue such as AIDS without court or other costs.
-  **The donor is assured of professional management of a fund whose designated beneficiary may not have financial expertise.** For example, a donor admires and wishes to leave a large bequest to a small art school but knows they do not have the financial skills necessary to manage an endowment fund.
-  **The donor is assured that the fund will remain intact in perpetuity.** For example, all too often, endowments disappear over time as charitable organizations are tempted to “borrow” from them to expend the capital. When managed by the Community Foundation of Portage & District, the organization has access only to the annual earnings.



Tools and Resources

As you work with your clients to develop their planned giving decisions, please feel free to reach out to The Community Foundation with any questions that may help your clients.

Opportunities to talk about philanthropy

There are a number of opportunities to discuss philanthropy with your clients. Here are a couple of scenarios when a conversation about charitable giving may be useful to your clients:

1. Year-end tax planning
2. Strategic giving
3. Marking a milestone
4. Estate Planning
5. Significant financial events like business or real estate sales

Canada Revenue Agency - CRA's website provides a search facility for Canada's charities. CRA also provides a full listing of interpretation bulletins and information circulars related to federal tax laws. <https://www.canada.ca/en/services/taxes/charities.html>

Canadian Association of Gift Planners is a national association that exists to support strategic charitable gift planning. <https://www.cagp-acpdp.org/>

Leaving a Legacy is an initiative of CAGP, this organization has over 25 regional civic groups that exist to encourage Canadians to include a charity in their will or estate plan. <https://www.cagp-acpdp.org/en/leave-a-legacy>

Community Foundation of Portage & District - our website will provide you and your clients with complete details of our organization www.cfpci.ca



For more information on how you can make a difference in your community, contact:

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