



# Charitable Gift Matrix

Type of Gift	Benefits to Charitable Organizations	Benefits to the Donor	Gift Examples	Most Appropriate For
<b>Gift of Cash</b>	<ul style="list-style-type: none"> <li>Available for immediate use</li> <li>Liquid</li> <li>No risk</li> </ul>	<ul style="list-style-type: none"> <li>Donation receipt for full amount</li> <li>Straightforward transactions</li> <li>Satisfaction of seeing gift at work today</li> </ul>	<ul style="list-style-type: none"> <li>Cash</li> <li>Cheque</li> <li>Credit Card</li> <li>Pre-Authorized Contributions (PAC), usually paid monthly</li> </ul>	<ul style="list-style-type: none"> <li>Everyone (any age) who can afford to give up some principal and the interest it would otherwise earn</li> </ul>
<b>A Gift of Publicly Listed Securities</b> (including segregated & mutual fund units)	<ul style="list-style-type: none"> <li>Immediate Use</li> <li>Liquid</li> <li>Little risk</li> <li>Generally simple and low cost to implement</li> </ul>	<ul style="list-style-type: none"> <li>Donation receipt for fair market value</li> <li>No capital gains tax</li> <li>Satisfaction of seeing gift at work today</li> </ul>	<ul style="list-style-type: none"> <li>Stocks</li> <li>Bonds</li> <li>Mutual Fund Units</li> <li>Employee Stock Option Shares</li> </ul>	<ul style="list-style-type: none"> <li>Owners (any age) of stocks, bonds and other securities who can afford to give the asset and the interest or dividends it earns</li> </ul>
<b>Life Insurance Policy</b> (Charity named as owner and irrevocable beneficiary)	<ul style="list-style-type: none"> <li>Immediate access to cash value, assurance of death proceeds if policy retained (Term policies are often not retained as donor gets older)</li> </ul>	<ul style="list-style-type: none"> <li>Donation receipt for cash value and any future premiums paid</li> <li>Small current outlay leveraged into larger future gift</li> </ul>	<ul style="list-style-type: none"> <li>A permanent policy (whole life or universal)</li> <li>Term policy</li> </ul>	<ul style="list-style-type: none"> <li>Persons who i) have an older policy no longer needed, or ii) want to make a large gift but have limited resources</li> </ul>
<b>Life Insurance</b> (Donor as owner)	<ul style="list-style-type: none"> <li>Will receive death proceeds unless donor changes beneficiary designation</li> </ul>	<ul style="list-style-type: none"> <li>Satisfaction of providing a future gift while retaining full control of policy</li> <li>Donation receipt to estate for full value of death proceeds</li> </ul>	<ul style="list-style-type: none"> <li>Any type of life insurance policy</li> </ul>	<ul style="list-style-type: none"> <li>Persons (any age) whose personal needs and family situation may be subject to change</li> </ul>
<b>Bequest of Retirement Plan Accumulations</b>	<ul style="list-style-type: none"> <li>Future gift provided beneficiary designation(s) and/ or bequest wording are not changed</li> </ul>	<ul style="list-style-type: none"> <li>Satisfaction of providing a possible future gift while preserving personal security</li> <li>Gift receipt that offsets tax on distribution of retirement funds</li> </ul>	<ul style="list-style-type: none"> <li>Registered Retirement Savings Plan (RRSP) and Registered Retirement Income Fund (RRIF) accumulations</li> </ul>	<ul style="list-style-type: none"> <li>All individuals, but especially single persons, and surviving spouses who have made other provisions for heirs</li> </ul>
<b>Bequest by Will</b>	<ul style="list-style-type: none"> <li>Expectancy of future gift provided that bequest wording is not changed</li> </ul>	<ul style="list-style-type: none"> <li>Satisfaction of providing for future gift while retaining full control of property</li> <li>Donation receipt for use with final income tax return</li> <li>For bequest of listed securities, no capital gain tax, for most other property <b>50%</b> of capital gain will be taxable but can be offset by tax credit from gift, likely resulting in tax savings to estate.</li> </ul>	<ul style="list-style-type: none"> <li>Cash, securities, real estate, tangible personal property</li> </ul>	<ul style="list-style-type: none"> <li>All individuals (any age), but especially older persons with few or no heirs</li> </ul>



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<b>Shares in a Privately-Owned Corporation</b>	<ul style="list-style-type: none"> <li>• Share may pay dividends</li> <li>• Charity may be able to sell shares in near term, or may hold them for an indefinite period</li> </ul>	<ul style="list-style-type: none"> <li>• Public charity - Donation receipt for appraised market value at time of gift, issued immediately (if gift to public charity)</li> <li>• Private Foundation - Donation receipt issued only when foundation sells shares. Receipt value is the lesser of amount realized by foundation and the fair market value at time of gift.</li> <li>• <b>50%</b> of capital gain taxable, offset by tax credit from donation receipt</li> </ul>	<ul style="list-style-type: none"> <li>• Shares held in privately-owned corporation</li> </ul>	<ul style="list-style-type: none"> <li>• Entrepreneurs who are philanthropic</li> <li>• Venture philanthropists</li> </ul>
<b>Gift of Real Estate</b>	<ul style="list-style-type: none"> <li>• Proceeds available as soon as property is sold</li> <li>• Sometimes property itself can be retained and used</li> <li>• Valuation and ongoing maintenance considerations can add complexity to gift administration</li> </ul>	<ul style="list-style-type: none"> <li>• Donation receipt for fair market value (FMV) determined by appraisal (independently obtained by charity)</li> <li>• <b>50%</b> of gain taxable, (unless property is donor's primary residence, in which case no taxable capital gain), offset by tax credit from donation</li> </ul>	<ul style="list-style-type: none"> <li>• Real estate including principal residence, vacation properties, and investment properties.</li> </ul>	<ul style="list-style-type: none"> <li>• Owners (generally over 50) of a principal residence or investment property who do not need the property or the proceeds from its sale</li> </ul>
<b>Gifts of Tangible Personal Property</b>	<ul style="list-style-type: none"> <li>• Proceeds available as soon as property is sold</li> </ul>	<ul style="list-style-type: none"> <li>• Donation receipt (if applicable*) for fair market value determined by appraisal</li> <li>• <b>50%</b> of gain taxable, offset by tax credit from donation</li> <li>• Satisfaction of seeing gift at work now or in near term</li> </ul>	<ul style="list-style-type: none"> <li>• Artworks, furniture, equipment, collections, automobiles, musical instruments</li> </ul>	<ul style="list-style-type: none"> <li>• Owners (generally over age 50) of objects which they no longer intend to use</li> </ul>
<b>Charitable Remainder Trust (CRT)</b>	<ul style="list-style-type: none"> <li>• Irrevocable future gift of remaining trust assets</li> <li>• While often complex to administer, can be a highly effective gift planning instrument in selected circumstances</li> <li>• Trust cannot allow encroachment of capital or guaranteed income</li> </ul>	<ul style="list-style-type: none"> <li>• Net income from property for life or a term of years</li> <li>• May result in donation receipt for present value of the remainder interest issued at time trust established</li> <li>• Property not subject to probate</li> </ul>	<ul style="list-style-type: none"> <li>• Cash, securities, real estate</li> </ul>	<ul style="list-style-type: none"> <li>• Persons (generally over age 60) who want to make a future gift and obtain present tax relief but want to preserve investment income for themselves and/ or a survivor</li> </ul>



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Type of Gift	Benefits to Charitable Organizations	Benefits to the Donor	Gift Examples	Most Appropriate For
<b>Gift of Residual Interest in real estate or artworks</b>	<ul style="list-style-type: none"> <li>Irrevocable future gift of property</li> </ul>	<ul style="list-style-type: none"> <li>Ability to continue using property for life or term of years</li> <li>Donation receipt for present value of residual interest issued at time of gift</li> <li>Avoidance of tax of a portion of capital gain if donor retains life interest</li> <li>Property not subject to probate</li> </ul>	<ul style="list-style-type: none"> <li>Principal residence, other real estate, artworks</li> </ul>	<ul style="list-style-type: none"> <li>Persons (generally over age 60) who otherwise would give the property under their will</li> </ul>
<b>Charitable Gift Annuity (self-insured)*</b>	<ul style="list-style-type: none"> <li>Irrevocable gift of whatever principal remains after making required payments</li> </ul>	<ul style="list-style-type: none"> <li>Guaranteed life payments, all or substantially tax-free</li> <li>A donation receipt for a portion of contribution</li> </ul>	<ul style="list-style-type: none"> <li>Cash or marketable securities</li> </ul>	<ul style="list-style-type: none"> <li>Oldest donors (usually 65 and older) who want the security of guaranteed income payments</li> </ul>
<b>Charitable Gift Annuity (reinsured)</b>	<ul style="list-style-type: none"> <li>Irrevocable gift of that portion of the contribution retained after purchasing commercial annuity</li> </ul>	<ul style="list-style-type: none"> <li></li> </ul>	<ul style="list-style-type: none"> <li>Cash or marketable securities</li> </ul>	<ul style="list-style-type: none"> <li>Oldest donors (usually 65 and older) who want the security of guaranteed income payments</li> </ul>

\* Note: Only charities designated as charitable organizations (i.e. not public or private foundations) and authorized under provincial law, may currently issue gift annuities.

Source: Minton & Somers, Planned Giving for Canadians, Third Edition (Adapted and revised)  
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