

Ways to Give

There are many ways to make a gift to the Thunder Bay Community Foundation. It is important to take the time to determine how to make "the best gift", the gift that provides maximum benefit to the community within one's capacity to give. The Thunder Bay Community Foundation accepts the following gifts

Online

Using Canada Helps, online donations can be made through various payment methods. You can make a one-time gift or even setup a recurring donation to your favourite fund!

Cash

Gifts of cash (cheques, money order, etc.) are a very straightforward way of making a gift to the Thunder Bay Community Foundation. This is an attractive form of gift for the donor who has cash in the form of a cheque readily available and wants to make an immediate donation. The Foundation is able to invest the donation immediately to generate funds to support charity.

Make cheques payable to:

Thunder Bay Community Foundation
312-101 North Syndicate Avenue
Thunder Bay, Ontario P7C 3V4

If individual donors wish to liquidate assets and make a cash gift, the possibility of gifting the asset rather than cash should be considered. There may be tax advantages, particularly with appreciated securities and possibly with other types of assets as well. With a gift of cash, the donor receives an income tax credit (for a corporation a deduction is claimed) for all amounts up to 75% of net income as defined in the Income Tax Act. For amounts over \$200, the donation reduces tax liability at the full marginal tax rate.

The donor may carry excess donations (those not claimed in the current tax year) forward for five taxation years. In many cases, retired or self-employed persons can obtain immediate benefits by reducing quarterly tax

installments. Employed persons may obtain immediate authorization to reduce employer income tax withholdings.

Since this gift is made prior to death, it does not form part of the Estate and is therefore not contestable and does not attract various estate settlement fees.

Appreciated Securities

Gifting appreciated securities enables the donor to give the most to the Thunder Bay Community Foundation for the least cost. Over the past several years, federal budgets have effectively reduced the taxable portion of the capital gain on gifted appreciated securities from 25% to NIL. In effect, the tax payable on the appreciation of the gifted securities is zero so the donation tax credit can be used to offset taxes on other income. Publicly-traded securities are securities that are regularly traded on a public stock exchange and mutual fund units.

Electronically held securities: The receipted value of a gift will be the closing price of the securities on the date the gift has been received by the custodian. There may be exceptions to the valuation of the gift at the discretion of senior staff members.

Physical securities: The receipted value of a gift will be the closing price of the securities on the date physically received at the Foundation's office or its representative's locations. Private company shares are not publicly traded and therefore these securities present special concerns. Gifts of such closely-held securities may only be accepted after consultation with the Board.

\Field of interest funds allow donors to identify the issues that are important to them in our community

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and the Foundation grant-making team make effective grants on behalf of the donor.

Insurance Policies

A gift of life insurance, by either making the Foundation the owner and beneficiary of an existing policy or purchasing a new policy and making annual premium payments, has many benefits. It allows you to make a significant gift at a fraction of the value from your disposable income. You can provide for your gift now. Your annual payments are generally modest and eligible for tax credit, giving you annual relief on your income tax return.

Existing Insurance Policy: For existing policies, the donor donates the policy, designating the Thunder Bay Community Foundation as both owner and beneficiary. If the policy is paid up, no further premium payments are required. If the policy requires further premiums, the donor continues to make premium payments. The Foundation issues a charitable receipt for the cash surrender value at the time of the transfer. A further receipt is issued for premiums paid subsequent to transfer. Normally, the donor makes payments directly to the insurance company. In December of each year, the insurance company issues a letter to the foundation specifying premium payments for which the Foundation issues a receipt to the donor. This type of gift is especially of interest to younger donors who want to provide significant benefit but currently lack wealth to make an immediate substantial gift. Whether donors decide to make the Foundation the owner and beneficiary or simply have the proceeds paid to the Foundation as a beneficiary, it is important to know that proceeds pass outside of the estate and therefore will not be subject to probate fees.

New Insurance Policy: For new policies, the donor makes arrangements with a life underwriter for a policy designating the community foundation as both owner and beneficiary. The donor clarifies their intent by letter to the foundation regarding designation. The

donor makes premium payments on schedule directly to the insurance company. Annually, the Insurance Company informs the foundation of the premiums paid. The Foundation issues a charitable receipt annually to the donor.

Charitable Bequest

A bequest in your will may specify a certain sum of money, a particular asset, or a portion of your estate to be donated to the Thunder Bay Community Foundation. You may specify that your bequest be used to establish a new fund in your name, be added to an existing fund or be added to a fund that you or your family have established during your lifetime. Because a bequest is revocable, it provides no current income tax credit. However, the estate will be entitled to a donation receipt for the full value of the bequest. This can significantly reduce the tax payable with the estate's final income tax return. Any unused portion of the receipt may be carried back one year.

In gifting by bequest, donors should provide the Foundation with a copy of the clause in the Will pertaining to the bequest. This is particularly helpful when issuing a receipt to the estate at the appropriate time. Below are sample will clauses, these are samples that can be adapted to meet the donor's needs and must be approved by the donor's legal representative.

Sample Will Clauses

I give and bequeath the sum of \$ _____ to the Thunder Bay Community Foundation (Charitable Number: 119264224RR0001) to be held in perpetuity.

I give, devise and bequeath the residue of my estate to the Thunder Bay Community Foundation to be held in perpetuity.

In case any bequest made by this will shall by reason of the death of the beneficiary in my lifetime, or for any other reason fail to take effect, the property so bequeathed shall be transferred to the Thunder Bay Community Foundation, to be held in perpetuity.

Ways to Give

After the death of _____ (life tenant) I give, devise and bequeath the residue of my estate to the Thunder Bay Community Foundation, to be held in perpetuity.

Charitable Remainder Trust

This is an arrangement under which you irrevocably transfer property (cash, securities or real estate) to a trustee, usually a trust company. You retain the right to the income from the trust, either for life or for a specified term of years. At the end of that time, the residual capital is payable to the Thunder Bay Community Foundation. Expert council is needed to complete this type of transaction. When you establish a Charitable Remainder Trust, you receive a charitable donation receipt for the value of the remainder interest, providing certain criteria are met. Generally, the valuation is relatively straightforward and is based upon a valuation of the gift property, the expected duration of the life-interest, representative interest-rate and life expectancy. There are several advantages to the donor when establishing an irrevocable Charitable Remainder Trust:

- Provision of lifetime income to the donor
- Provision of an immediate tax receipt
- Provides beneficial treatment of capital gains
- Donor is free from investment decisions since the trustee can arrange for professional management of the trust assets
- Avoids probate and other estate costs because the assets in a trust pass outside of the estate process
- Not contestable
- Provides privacy for those donors who wish their philanthropy to remain a private manner

Donors should be aware that there are a few issues to consider when looking establishing an irrevocable

Charitable Remainder Trust. Since the gift is irrevocable, title of the property has been transferred and in the case of a financial reversal, the donor cannot regain access to the principal. Most financial institutions will not establish a trust for amounts under \$100,000, there are set up fees and ongoing costs charged by the trustee (if a financial institution) which the donor must incur. It is very important that donors considering this type of gift seek professional counsel.

Other Assets

Property, art, royalty interests, closely held corporate securities, gifts-in-kind

The Foundation will consider gifts of other assets on an individual basis because there are several factors to consider with each type of gift. Please contact the Foundation office if you are considering this type of gift.