



FREQUENTLY ASKED QUESTIONS

What are donor-advised funds?

Donor-advised funds (DAFs) are separate accounts within a public foundation held in the family or donor's name. DAFs are a cost effective and flexible alternative for setting up and managing a private family foundation.

How easy is it to set up a DAF account?

A DAF account can be set up in one day. A private foundation requires a two-step registration process with the Canada Revenue Agency. That can take up to 11 months.

To open a DAF account, there are no set-up costs at Canada Gives. A private foundation registration will cost up to \$15,000 in legal fees.

What is the minimum amount required to open a Canada Gives DAF account?

A Canada Gives DAF account is an ideal framework for establishing an endowment fund starting at \$100,000.

Private foundations are recommended for families who can fund an endowment fund starting at \$2million.

What are the costs of a Canada Gives DAF account?

Administrative fees depend on the size of the account, starting at a minimum fee of \$1,500 per annum.

What are the administration benefits of a Canada Gives DAF?

There are no legal, tax, audit or recordkeeping time and costs for the family or donor.

Canada Gives is responsible for tax receipts, banking, book-keeping, communications with charitable organizations including cheque preparation, CRA filing and reporting, and reports to the family or donor.

Does the family maintain control?

The family and advisor retain control of the investments, subject to CRA guidelines and the Canada Gives Investment Policy.

The family has complete control over the charitable gift-giving plan of the foundation, again subject to CRA guidelines.

How does Canada Gives help families give to charities?

Canada Gives simplifies the donation process, and executes the family's gift-giving plan.

If requested, Canada Gives will conduct due diligence on charitable organizations on behalf of the family.

Who does the investing?

Families may continue to work with their existing advisor. Assets directed to the DAF account stay on-book with the advisor. The family/advisor has discretion over the investments subject to CRA guidelines and the Canada Gives Investment Policy.

Canada Gives provides quarterly investment reports.

How easy is it to close a Canada Gives DAF account?

A family or donor can collapse or move their account after 10 years. The CRA allows funds to be transferred to any private or public foundation, or registered charity.

What are the advantages of a Canada Gives DAF account over a private foundation?

Canada Gives DAFs are lower cost and come with less administrative complexity than private foundations.

For some families, however, the biggest advantage may be ability to keep their charitable gift-giving activities completely anonymous.

How are the family's successors treated?

The family or donor can name the successors to the Canada Gives DAF account.

The successors can support the charities originally selected, or they can make changes to align with their own vision and passions.

If no successor is available the foundation will continue to support the charities originally selected.

For more on Canada Gives

www.canadagives.ca

Call, 1-844-583-4483

Or email, advisorsupport@canadagives.ca