

DONATE

# FUNDRAISING

*Understanding How To Make A Difference.*

ARTS GROUPS NEED YOUR SUPPORT

## How To Donate



### Cash

#### **Straight Cash Donation**

You will receive a charitable tax receipt for the year in which you make the charitable donation.

### Life Insurance

#### **Donation Of A Policy**

Find out how you can make your life insurance policy work to support the arts in your community.

### RRIF's

#### **Donate Your RRIF**

There are two ways however to ensure that the proceeds of your registered plan or life insurance will go to the foundation and your estate will benefit from a tax credit.

### Life Annuity

#### **Create A Life Annuity**

A Charitable Life Annuity allows you to make a charitable gift now and continue to receive a lifetime income from the assets you've donated for you or for you and your spouse.

### Gifts In Kind

#### **Property Etc.**

Gifts in kind usually take the form of property or business inventory and qualify for a charitable tax receipt based on the appraised value of the donation.



SUPPORTING THE ARTS  
IN WESTERN MANITOBA

Giving Back

Arts groups everywhere find it difficult to get funding . You can help. Find a way to make a difference in your Manitoba Community.



## GIVING BACK TO YOUR COMMUNITY

Some days it seems like there's no end to people tapping on your shoulder looking for donations to support some project or other. Teams, Disease Research, Schools, everybody has a hand in your pocket.

The arts are important to each and every community, but are not heavily funded by government, nor are they on the radar of most businesses to receive donations of support. Yet somehow we continue to see community arts groups producing quality performances, productions, art shows etc. despite the fact they continually have to stretch their budgets to make ends meet. So, how do they do it, and more importantly, how do we ensure that these performances, productions and art shows continue in our communities?

How they do it, is through the generous donations of time from thousands of volunteers, and grants from organizations like community foundations and charitable arts foundations.

These foundations help to make a difference in the community, but the number of requests for funding is growing each year, and only a small number of projects can be supported. This Spring newsletter is dedicated to covering the topic of how the average person can make a great difference in their community, and support the continued success of their museums, art galleries, theatre and musical groups.

Please read on to find out more about donating, and thank you for your time.

# It's Possible To Make A Donation And Control Which Group It Will Benefit.

Can I make a large donation to a foundation and have it distributed according to my wishes?

It is possible to do that and make it last forever if only the investment income is spent. Here are several possible ways a person can make a donation.

**Donations of cash** are usually smaller amounts of money and do qualify for a charitable tax receipt for the amount donated.

**Life Insurance Policies** may be donated, allowing you to give generously while you are still alive, and enjoy a tax credit. When you donate your life insurance to a charitable foundation, you ensure the foundation gets the exact amount you wish to donate. Instead of canceling an existing policy you no longer require can donate it to the foundation of your choice. You'll receive a charitable tax receipt for the year in which you make the donation, based on the current surrender value of the policy plus accumulated dividends, but minus any outstanding loans. You'll also receive a charitable tax receipt annually for any premiums you keep paying.

You can donate a paid up policy that you no longer require. You'll receive a charitable receipt for the surrender value, plus accumulated dividends, minus any outstanding loans.

You can take out a new policy for the foundation of your choice. Although the policy has no current surrender value, if it's structured properly, you will be eligible to receive a charitable receipt annually for the premiums you pay.

As tax laws stand now, you cannot claim any tax credits **during your lifetime** if you name a foundation as the beneficiary of your life insurance.

**There are two ways** you can donate an RRIF and ensure that the proceeds of your plan will go to the foundation of your choice and your estate will benefit from a tax credit.

1. You can name your estate as the beneficiary of the plan and make a bequest to a specific foundation in your will.
2. You can name a specific foundation directly as a beneficiary.

**Make a donation which keeps working for you.** A Charitable Life Annuity allows you to make a charitable gift now and continue to receive a lifetime income from the assets you've donated for you or for you and your spouse. This annuity income is tax-free to you as long as the amount you expect to receive during your lifetime (based on actuarial estimates at the time of your donation) is less than the amount you've donated. A charity receipt may also be available depending on your life expectancy and your elected annuity income.

**A gift in kind is usually** a gift of property or goods. It is possible for a person to donate their home to a foundation and have their estate receive a tax receipt for the appraised value at the time of the transfer. It is also possible to donate inventory to a foundation and receive a tax credit for the appraised value, provided the foundation has a need for said goods.

No matter what approach you want to consider, no decision should be made without first consulting family, then appropriate professionals such as your accountant or lawyer.

You should make an appointment with the Manager of the foundation of your choice to discuss the nature of your donation, and the parameters you wish to apply to its management.

You should realize that a foundation operates with a board of directors. The board will make decisions about how your donation is invested, and how the investment income is spent. Board members will hear grant applications and decide which arts groups will receive funding from your donation. If you want to ensure the board will respect your wishes, you should meet with the foundation manager to set out all the parameters for the management of your donation. Depending on the size of your donation you might specify having a seat on the board, and who should hold that seat.

Some of this gets complicated but a person should not let themselves be put off by all the rules and jargon. If you really want to make a lasting difference in your community, select a foundation whose mandate covers the types of things you wish to support and set up a meeting to discuss what you are looking into, with no obligation. Make sure your choice of foundation is registered with the **Canada Revenue Agency**. They will have a Federal Tax Number.

**The information contained in this newsletter is current to the best of our knowledge. Persons wishing to consider charitable donations for tax credits must consult with their accountant and legal advisor to ensure they are getting the most up to date information regarding their specific circumstances.**