

MAKE YOUR LEGACY COUNT

DONOR ADVISED FUNDS CAN MAKE GIVING FLEXIBLE

Most successful business people feel a desire to give back, but what is the best way to make a meaningful contribution?

Is setting up a foundation better than giving direct to a charity? If so, what is involved and what are your options?

Setting up a foundation gives you much more control than simply donating to charity. Even if you are very committed to a charity, charities change over time, and so may your interests or priorities. With a foundation, you can manage how your donation is spent, and can create a legacy of charitable giving for many generations. (If you want philanthropy to be a family tradition, you will need to accommodate different choices from other family members.)

If a foundation is the best route for you and your family, there are two main options for you to consider. You can set up a private foundation or you can open a donor advised fund (DAF). Both accomplish the same goal, but they have different features and benefits. Private family founda-

tions are the traditional vehicle for wealthy donors and the prestige and total control may outweigh the features of a donor advised fund. However, DAFs allow you to enter this level of philanthropy at a much lower threshold. Most professional advisors in Canada recommend establishing a private foundation if you have \$2 million or more to donate. The initial donation to open a DAF can be as low as \$10,000, and it can grow from there.

In Canada, community foundations have been offering DAFs since the early 1920s. More recently the financial community and some independent organizations have opened DAF programs.

You can also consider opening a DAF and then moving the funds to a private foundation when it grows to a significant size. In the U.S., the trend is in the other direction and many private foundations are converting to donor advised funds.

You have many choices. Find the one that suits you and your family, and make your legacy count.

