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December 2007

Focus on Philanthropy

A Guide to Charitable Giving for Professional Advisors

Focus on Philanthropy is a tri-annual Newsletter about charitable gift planning edited and produced by **The Calgary Foundation** (TCF). It is distributed to professional advisors in Calgary and surrounding area.

At this time of year, The Calgary Foundation would like to celebrate and recognize the value of giving and pay special tribute to the partnerships being built with the professional advisor community.



Charitable Expertise Makes Good Business Sense

In his piece "Give It Away Now," Thane Stenner offers solid advice on how to take your clients through the charitable giving process.

Profiles in Excellence

Three experienced professional advisors offer their insights navigating the landscape of philanthropy: John C. Armstrong, Q.C., Jas Butalia, C.A., and Craig Matthews, C.F.P.

TCF Launches New Website Features for Donors

Simple, secure and convenient ways to donate online and access your Fund including the ability to research grantee organizations, review Fund statements and make grant recommendations.

Generosity is Booming in Alberta

A look at recent [Statscan and TCF](#) figures tell us that donations are increasing.

2007 Tax Receiving Deadlines

[Deadlines You Can't Afford to Miss](#)

Give It Away Now

By THANE STENNER

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PHILANTHROPY IS BIG IN CANADA. HOW BIG? ACCORDING TO A RECENTLY PUBLISHED SURVEY BY IMAGINE CANADA AND Johns Hopkins University, the non-profit and voluntary sector in this country accounts for 6.8% of GDP.

Much of this economic activity can be traced back to the charitable bequests of high-net-worth (HNW) Canadians. In fact, according to a report by the Canadian Centre for Philanthropy published in the year 2000 (the most recent year for which the organization tracked statistics), some 86% of Canadians with household incomes of \$100,000 or more donated to a charity.

And that's where you come in. As an advisor to the wealthy, charitable giving is an important part of your business – or it will be soon. As your clients age, their financial priorities will shift from wealth building to wealth preservation, and then to wealth transfer. They will look to you to provide them with expert advice about how best to structure their charitable bequests. Becoming an expert in structuring large charitable gifts – or adding such an expert to your team – makes good business sense.

But if you want to serve HNW clients well (and build a sustainable competitive advantage), you need to offer more than technical knowledge: you need to offer guidance and wisdom. In the context of charitable giving, you need to offer advice, perspective and insight that will enable your clients to discover and understand what they really want to accomplish through their charitable gifts. To do that, you need to take your HNW clients through a charitable giving process.

Step 1: Determine Charitable Goals

Typically, clients will come to you with vague ideas of “giving back,” or perhaps a feeling they should be helping out others. Your job will be to help them explore their motivations for giving, so you can match those motivations to an appropriate giving structure. The following questions will help:

- What kinds of gifts have you made in the past? Was the experience of giving as positive as it could be?
- Is there a specific organization or cause you would like to support? Or would you prefer to donate to wide range of charities?
- At what level would you like to make an impact: local, national, or international?
- What kind of involvement are you looking for? Would you prefer to be recognized for the gift? Or is an anonymous donation what you want?

TCF Advantage

Simplicity and Service

We work with donors and their advisors to design giving plans suited to desired charitable and financial goals.

*Thane Stenner is Managing Director with Vancouver-based Stenner Investment Partners of GMP Private Client L.P.
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Step 2: Articulate Giving Values

Just as a corporation articulates its mission statement in order to give it purpose, so too should your clients articulate their values to guide their charitable giving activities. Depending on the client, this statement might just be an informal chat with you, or it might be written down as a formal declaration. Whatever form it takes, it should cover three main areas:

- **Core vision:** A brief summary (two to three sentences) of the principles and values that have led the client to make charitable bequests
- **Area of support:** A description of the types of causes and/or organizations the client would like to support
- **Giving criteria:** A list of important factors that the client will consider when deciding which organizations to donate to

Step 3: Screen Charities And Causes

Once you have a statement of giving values in hand, you can help the client screen potential charities. Some clients will come to you with some names of organizations they're interested in helping. That's fine, but you'll want to make sure the client performs due diligence and screens any charities for the following criteria:

- **Purpose:** The charitable goals of the organization should ideally be focused and clearly articulated
- **Method:** The best organizations have a strategic plan for accomplishing their goals in a reasonable time frame
- **Leadership:** It's a good sign when board members are active in the cause and passionate about what they're doing
- **Financials:** How does the organization attract donations? What portion of those donations is directed to actual programs, and what portion to operating expenses?

These elements should help to create a short list of charities. After that, it might be a good idea to contact the organization and arrange face-to-face meetings with board members, staff, or even those who have been helped by the charity – this is particularly important when the intended gift is large.

Step 4: Consider The End Use Of The Gift

The final step in the process is to determine where the money will be put to use. In my experience, most HNW clients will want to have some say in where the organization spends the donation, particularly if the intended bequest is a large one. Consider the following options:

- **Operating expenses:** The daily expenses of running a charity, such as rent, utilities, office supplies, etc.
- **Program support:** Donation can support or improve an existing charitable service
- **Capital campaigns:** The bequest can help to build new facilities or expand existing ones. Significant donors are often recognized formally through naming programs
- **"Leadership gifts":** Large donations intended to reward an organization for its accomplishments and motivate other private and corporate donors to give

The point of this process? To become a partner in your clients' charitable work. By making the giving process easier and helping clients achieve their charitable goals, you're not only working for your client, you're working for your community too. At the end of the day, that's the best kind of work there is.

TCF Advantage

Sophisticated Gift Advice

We are able to accept sophisticated and complex gifts and offer a broad range of Fund structuring options.

TCF Advantage

Knowledge of Community

As a 360° grantmaker, we identify and address needs for long term community impact, transcending special interests and reflecting the interests of the community.

TCF Advantage

Broad Perspective

As a community convener, we develop networks in a wide range of charitable sectors and are well placed to make powerful connections between people and organizations.

Profiles in Excellence

John C. Armstrong, Q.C., Bennett Jones

By JENNIFER A. GRAY

A MONTREALER BY BIRTH, JOHN ARMSTRONG CAME west with his parents with the discovery of oil in Leduc in 1946. Armstrong has had a life-long association with the charitable sector: “If you subscribe to the belief that your roots are in your upbringing, I am very rooted in the charitable sector. Both my mother and father were very active in the community.”

In 1964 Armstrong began his legal career, having received his law degree from The University of British Columbia. Today, Armstrong is a partner with Bennett Jones LLP in Calgary, specializing in estates, wills and trusts. In addition to his practice, Armstrong is a governor of the Hong Kong-Canada Business Association (Calgary), a trustee of The Harry and Martha Cohen Foundation and president of The Calgary Chinook Scout Foundation.

In the late 1980s, Armstrong was recruited to The Calgary Foundation (TCF) by two instrumental figures in TCF’s history: Peter Jekill and Ross F. Phillips. Armstrong has long been involved with TCF, having acted as a past director of TCF and Board Chair.

Typically, Armstrong works with couples in their estate planning who express an interest in supporting charitable giving in their lifetime. “I will recommend TCF if clients are enquiring about the various vehicles available for their charitable dollars. It is a very good vehicle for endowment-type funding to support various causes or issues.”

“Once their family’s needs are met, clients see charity as a natural next step,” offers Armstrong. Armstrong will then explore various alternatives for charitable donations with his clients; Armstrong believes that TCF can do the most in terms of perpetuating real value.

Armstrong considers TCF as top of mind because it has built a reputation as a trusted recipient, investor and grantor of funds over the course of time. “The size of TCF is such that it can make an impact,” adds Armstrong. “The costs of administration are efficient while it has a very broad reach within the community.”

“It’s important to bring new ideas and new people to the cause.”

Many of Armstrong’s clients have made their fortunes in the resource business and come from humble beginnings. They are now considering bequeathing these enormous estates to their children, who are typically teenagers or young adults, and they want to ensure that their children appreciate the full value and implications of their parents’ estate. Increasingly, these parents are bringing their children into the charitable giving process so that the children can understand what their parents’ wishes are. “There are instances where the children open Funds at TCF and elsewhere and they are involved in the direction of the grants,” reflects Armstrong. “This is essentially bringing my clients’ children into the knowledge base of what charitable giving is, adding an important dimension to their lives.”

In Armstrong’s long involvement with the charitable sector, his experience is that TCF is held in high regard by nearly all of the professional advisors he knows. “It is important that organizations, public foundations and the professional advisor community remain close,” advises Armstrong. “It’s important to bring new ideas and new people to the cause.”

Profiles in Excellence

Jas Butalia, CA, BDO Dunwoody LLP

By JENNIFER A. GRAY

AT THE AGE OF 19, JAS BUTALIA HOPPED ON A PLANE in India set for Canada. It was a typically cold December in 1968, when he landed in Kamloops, BC. He had been given nine days to make a move to Canada happen, once he was offered a position (“sight unseen”) with the predecessor firm to what is now BDO Dunwoody LLP. Butalia has spent his entire career as an accountant with BDO Dunwoody LLP, retiring as a tax partner – agreeing to stay on as a consultant – four years ago. Butalia says that while the experience of moving to another country on his own at 19 was scary, he feels fortunate that Canada has welcomed him. Butalia and his family have called Calgary home now for 20 years.

It was four years ago when Butalia was asked to speak at an annual function of The Calgary Foundation (TCF), that an indelible impression and successful partnership was formed. When asked that evening if he would consider sitting on TCF’s Professional Advisor Committee, Butalia recounts that “it took me about one-and-a-half seconds to provide a big yes!”

Butalia has chosen TCF as a partner in the charitable giving process because he believes in the people who are providing the services to his clients. “I have chosen this public foundation because they have the expertise that is needed,” says Butalia. “They are extremely professional.”

Butalia rates charitable giving very high in the planning process – that it’s an important tool in engaging his clients. “I believe in it, but not everybody does.” When approaching his clients about planned giving, Butalia does so “very gingerly”, taking time to feel out the right timing and circumstances as well as his client’s approachability on the subject.

“I have chosen this public foundation because they have the expertise that is needed.”

Beyond looking at his client’s age and financial profile, Butalia considers things like his client’s net worth, what the client’s point of view on charitable giving could be and what their needs and lifestyle look like. Typically clients have realized significant capital gains, are in the midst of tax planning and gauging various options, when Butalia will offer charitable giving via a public foundation like TCF as a solid option.

Recently, Butalia says that a client experienced a true moment of joyfulness surrounding the charitable giving process. He was working with a young professional earning a sizable income who expressed a desire to give funds to charity. “When I mentioned planned giving, my client’s eyes just lit up. He got excited about the possibilities and invited his wife into the conversation,” recalls Butalia. “He and his wife are now in the process of setting up an Endowment Fund with The Calgary Foundation – it’s been a positive experience all around.”

Profiles in Excellence

Craig Matthews, CFP, The Wealth Strategists

By JENNIFER A. GRAY

CRAIG MATTHEWS BEGAN HIS CALGARY-BASED FINANCIAL planning firm, The Wealth Strategists, in 1995. He says that his firm's philosophy and value-based approach inevitably flows into philanthropy and the charitable giving process. "Quite often, what clients are looking for is time so that they can fully understand what their options are," says Matthews. "Either charitable giving interests people or it doesn't. It's that simple."

Typically, Matthews' clients have amassed a sizable net worth and once they have the peace of mind that their families will be taken care of, they want to give something back to their community. "Essentially we spend a considerable amount of time in understanding a client's philosophies around three things: their independence, their legacy and philanthropy."

"Every family is different and the beauty of a public foundation like TCF is that there is so much flexibility."

Through a unique five-step process, Matthews' firm then assists families in setting goals, developing strategies and providing solutions around these three key elements. The process is generally a smooth one for Matthews' clients as they are already predisposed to discipline surrounding money and goal-setting. "During the first or Insight Session, we ask questions that will give us insights into their strengths, fears, needs and what excites them."

"Giving to charity is a strategic decision and we educate our clients on what the opportunities are," comments Matthews. "If they wish to build something with longevity, we'll look at establishing something like an Endowment Fund with The Calgary Foundation." In Matthews' experience, The Calgary Foundation (TCF) is the best alternative for simplicity; donors can direct their funds in a myriad of ways. "TCF is the most cost-effective option and it offers a breadth of choice," adds Matthews. "Every family is different and the beauty of a public foundation like TCF is that it offers advantages along administration, price and support for clients who

are looking to strategically build, preserve and distribute their wealth."

In terms of an area of growth in his practice, Matthews is seeing two distinct groups of clients who are considering how they can make the greatest impact. One group is couples with teenage children, where the children are being involved in the charitable giving process. "These couples want to ensure that their children have enough so that they don't go without yet they don't do anything," reflects Matthews. "Inevitably, we're seeing this process bring families closer together since everyone is working together towards a common purpose."

The other group includes couples and individuals without children, trying to decide what to do with their estates. "Once they have given some to their extended families, there is something left over and they want to do something more," comments Matthews. "They realize that combining savvy tax planning and philanthropy will enable them to realize the greatest benefits."

In a business where the biggest challenge lies in obtaining someone's time, Matthews is helping his clients navigate what at first feels like a daunting landscape of options. "From the client's perspective, they want to ensure that they're doing the right things with their charitable dollars and accessing new ideas," offers Matthews. "For advisors, this process gives us a stronger foundation for learning about our clients. This process enables us to move beyond the transactional, truly enhancing our relationships with our clients."

Perhaps the greatest testament to his belief in the process and TCF is the fact that he and his wife of 22 years, Trudy, are involving their six-year-old son, Luca, in the charitable giving process. "We have established a couple of structures with TCF so that our son, who is very aware of helping other children, can help direct our charitable dollars." Luca has decided that providing books to children in impoverished countries is a worthwhile cause. According to the Matthews family, "TCF's structure really supports the family unit."

Announcing...

New Website Features for Donors

DonorCentral and **Give Online**

Simple, secure and convenient ways to access your Fund
and donate online at www.thecalgaryfoundation.org

Give Online

- instantly receive an electronic tax receipt for donations of over \$25, to any one of our 900 funds
- send an e-card with a tribute or memorial donation

DonorCentral

allows Fund holders to:

- View and print month-end Fund statements, gifts made to the Fund and grants history
- View the Foundation's current funding opportunities
- Make grant recommendations electronically
- Research grantee organizations
- Update contact information

To register for DonorCentral

If you are a current Fund holder who would like to use **DonorCentral**,
contact our Donor Grants Administrator at **802.7714** or our Information Officer at **802.7709**
or register online at www.thecalgaryfoundation.org

GROWING GENEROSITY IN BOOMING ALBERTA

According to new figures revealed by Statscan on Nov. 1st, 2007, taxpayers claimed **\$8.5-billion** in charitable gifts last year, up from **\$7.9-billion** given in 2005. The number of donors *declined* slightly in all provinces and territories, with the exception of Newfoundland and Labrador where the numbers remained relatively stable.

The increase in donations was particularly profound in Alberta. Contributions rose in 2006 by **\$177 million** for a total of **\$1.29 billion**, representing a **15.5 %** growth in charitable gifts, the largest increase of any province.

As in the rest of Canada, the gifts appear to come from a relatively small proportion of Albertans with **25%** of all taxfilers claiming charitable donations in 2006. The average donation in **Alberta was \$320**, the median donation in **Canada was \$250**.

The Calgary Foundation Giving Statistics 2006 – 2007

Returned **\$33 million** to **547** charitable organizations

	Increase over last fiscal year
2234 New Donors	+43%
\$45 million New gifts	+36%
84 New Funds	+24%
\$334 million Assets (including Managed Funds)	+12%
6.9 million Largest Single Donation	+25%

Canadian Giving Statistics 2006

1.4 per cent

Decline in the number of donors from the previous year

8.3 per cent

Increase in value of donations from 2005 to 2006

5.8 million

Number of Canadian taxpayers who gave to charity last year

\$250

Median amount given in Canada

52

Average age of donors nationwide

Source: Statistics Canada



2007 Tax Receipting Deadlines

DONATIONS OF PUBLICLY LISTED SECURITIES

DEADLINE - **December 17, 2007**

Donation must be initiated earlier than the Dec. 31st deadline to allow sufficient time to process.

For donor direction forms, please contact Irina Kovetsky at (403) 802-7717 or donations@thecalgaryfoundation.org.

DONATIONS BY PHONE (Visa/Mastercard)

DEADLINE - **Friday, December 28, 2007**

For making a donation, please contact Irina Kovetsky at (403) 802-7717 or main office (403) 802-7700.

DONATIONS IN OFFICE/BY MAIL

DEADLINE - **2 pm (MST) Monday, December 31, 2007**

NOTE: Canada Post no longer postmarks envelopes

Donation must be received in office prior to deadline to qualify for tax receipt.

Cheques to be payable to The Calgary Foundation
and must include the name of the Fund to which the donation is directed.

DONATIONS ONLINE (Visa/Mastercard)

DEADLINE - **10 pm (MST) December 31, 2007**

Log on to www.thecalgaryfoundation.org to use the new give online feature
and instantly receive electronic tax receipts for donations over \$25.00.

Individuals may claim charitable donations up to 75% of their net income for the year.

Donations in excess of the annual claim limit can be carried forward and claimed in any of the five succeeding years.