

# Comparing three approaches to giving

Discover the benefits of working through The Calgary Foundation



	Community Foundation Fund	Commercial Donor Advised Fund	Private Foundation
<i>Items to consider</i>			
<b>Background</b>	<p>National network of 155 local foundations, created by, and for, their communities. Work in collaboration with local charities.</p> <p>Pioneered Donor Advised funds in Canada establishing first fund in 1952.</p>	<p>Led by financial institutions and investment management firms.</p> <p>Came to Canada in 2004.</p>	<p>More than 2,300 active foundations in Canada. 85% are family foundations.</p>
<b>Administrative Requirements</b>			
<i>Start-up costs</i>	None.	None.	Legal and accounting expenses. Filing fees.
<i>Minimum contribution</i>	Accessible to individuals of more modest means >\$10,000. Some foundations allow several deposits to reach minimum. Minimum depends on individual community foundation.	Varies from \$10,000 to \$250,000.	No mandated minimum but expert opinion varies from capital of \$1-million to \$5-million.
<i>Ongoing costs</i>	Pooled administration provides economy of scale, lowers annual fee to the 0.5% to 1.5% range.	Fees vary from 1.5% to more than 2.5%. Additional fees may be charged for grant distribution, reporting and trailer fees.	Administrative fees vary from .75 to 1.5% of assets, depending on size and staffing.
<i>Reporting</i>	Community foundation handles reporting.	Foundation administering commercial gift fund handles reporting.	Accountant, lawyer or staff person handles reporting.
<b>Governance</b>	Arm's length Board of Directors and committees comprised of cross section of local community leaders.	Board membership varies but generally includes members of financial institutions senior staff and board of directors.	Board comprised of trustees/directors initially chosen by the donor. More than half of Board may be persons in a non-arm's length relationship with donor.
<b>Tax Status</b>	Public charity.	Public charity.	Private charity.
<b>Donor Involvement</b>	<p>Donor can recommend grants to qualified non-profit groups. Grants are approved by community foundation board of directors.</p> <p>Donor can name fund for family or other loved ones. Can involve family in process and appoint successors to advise on fund after death.</p> <p>Local foundation can help donors develop focus and process for their granting.</p> <p>Opportunity for involvement in high-impact community leadership initiatives, foundation events, site visits as desired.</p>	<p>Donor can recommend grants to qualified non-profit groups. Grants are approved by trustees of the gift fund.</p> <p>Donor can name fund for family or other loved ones. Treatment of fund after death varies.</p>	<p>Donor appoints board, which controls investments and grantmaking.</p> <p>Donor can name foundation for family or other loved one and involve family in process.</p>

	Community Foundation Fund	Commercial Donor Advised Fund	Private Foundation
<b>Donor Options</b>	<p>Work with local experts in philanthropic administration and grantmaking to choose from wide variety of funds. Giving and granting tailored to individual's needs and goals.</p> <p>Can coordinate giving and support entire range of charities.</p> <p>Gift agreements could take as little as 24 hours to complete.</p>	<p>Usually one fund offered with several investment options.</p> <p>Can coordinate giving. Some limits on number of grants per gift.</p> <p>Gift agreements could take as little as 24 hours to complete.</p>	<p>Donor sets up foundation according to his/her wishes.</p> <p>Can coordinate giving and support entire range of charities</p> <p>Set up of foundation can take 6 to 12 months.</p>
<b>Tax Considerations:</b>			
<i>Tax Credit</i>	Donors can claim credit to a maximum of 75% of their net income. Excess can be claimed in any of the next five years.	Donors can claim credit to a maximum of 75% of their net income. Excess can be claimed in any of the next five years.	Donors can claim credit to a maximum of 75% of their net income. Excess can be claimed in any of the next five years.
<i>Appreciated stock</i>	Capital gains tax is eliminated.	Capital gains tax is eliminated.	Capital gains tax is eliminated.
<i>Private company shares stock</i>	Immediate tax savings for most gifts of private company shares	Immediate tax savings for most gifts of private company shares	Tax savings are deferred and may be denied. Donation receipt can only be issued at time of disposition which must be within five years.
<b>Grantmaking Support</b>	<p>Professional staff and board of community leaders can help identify and assess local grantees, provide input on changing community needs, and verify non-profit status of groups</p> <p>Foundation makes grant payments, monitors performance, reports to donor.</p> <p>Expertise and advice in broad range of granting areas including the arts, health, education, social services, the environment.</p> <p>Understanding of issues and connections in community creates opportunities for innovative work on pressing issues such as poverty.</p> <p>Strong relationships with government bodies, other funders and agencies.</p>	<p>Only Bank of Montreal FG offers local charitable expertise at national level.</p> <p>Foundation makes grant payments and reports to donor.</p>	<p>Foundation board and/or staff arrange and support grantmaking and monitoring structure.</p> <p>Foundation can adopt innovative approach to grantmaking, based on foundation's chosen mandate.</p>
<b>Investment Management</b>	<p>Community foundation board sets investment policy</p> <p>Investment committee made up of volunteer investment and finance professionals who recommend the hiring of investment managers and monitor their performance.</p>	<p>Participating financial institution sets investment policy in conjunction with public foundation.</p> <p>Financial institution's investment arm manages the funds.</p>	<p>Trustees/directors set the investment policy.</p> <p>Trustees/directors manage the funds directly or hire professional investment managers and monitor their performance.</p>