

Charitable Giving

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For many families, charitable giving is a significant aspect of their overall wealth management objectives. In fact, in Canada, charitable giving to private foundations, where 50% or more of funding comes from one person or group, reached \$2.5 billion in 2017, accounting for nearly 40% of all foundation giving.

Historically, private foundations have been viewed as entities only the ultra-wealthy could set up. However, today, a variety of alternatives exist for families who wish to create a charitable legacy without the high cost of setting up and administering their own foundation.

Families looking to establish a named foundation in an efficient and cost-effective manner can do so through the Cidel Foundation, Cidel Trust Company's public foundation. This avenue allows clients to enjoy the benefits of creating a long-term giving legacy without the administrative burden that comes with running a foundation themselves.

Similar to a registered charity donation, when you establish your named foundation with Cidel Trust Company, you receive a tax receipt for the amount donated. You may donate cash, publicly listed shares, stock options and, in certain cases, other assets. Oftentimes, a family will make an initial donation which serves as a cornerstone or the basis for their long-term giving strategy. You may, at any stage, add additional funds in the future. However, you are required on an annual basis to gift a minimum of 4% of the assets in your named foundation to other registered charities.

Establishing a named foundation with Cidel Trust Company provides benefits beyond tax savings. For example, the foundation can form an integral part of your estate planning. By naming your foundation within your will or as a beneficiary of a trust, you can establish a legacy of giving that passes through to future generations. In addition, many families use their named foundation as a great way to define and pass down family values to future generations, by engaging and involving their children in the various gifting and investment decisions.

No matter what your charitable objectives are, Cidel has vast experience working with clients to find the best solution to meet their goals. Please contact us to learn more about how we can help.