

The benefits of giving through the Calgary Foundation: Comparing Three Approaches



For consideration:	Community Foundation Donor Advised Endowment Fund	Commercial Donor Advised Fund	Private Foundation
Background	National network of 191 local Foundations, created by, and for, their communities. Work in collaboration with local charities.	Led by financial institutions and investment firms along with a Registered Charitable Partner.	More than 2,300 active Foundations in Canada. 85% are family foundations.
	Pioneered National and Global Donor Advised Funds ("DAFs") in Canada, establishing first DAF in 1952.	Came to Canada in 2004.	
Administrative Requirements			
<i>Start-up costs</i>	None.	None.	Legal and accounting expenses. Filing fees.
<i>Minimum contribution</i>	Minimum contribution to establish a Fund at the Calgary Foundation is \$10,000. CF allows several deposits to reach Fund minimum.	Varies from \$10,000 to \$250,000.	No mandated minimum but expert opinion varies for seed capital at \$5-million and up.
<i>Ongoing costs</i>	Pooled Fund administration provides economy of scale, resulting in cost recover ranging from 0.80% to 1.5% based on a tiered structure (subject to change by the Board).	Fees are variable from .75 to 2%. Additional fees may be charged for grant distribution, reporting, trailer fees and investment advisor compensation.	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.
Governance	Arm's length board of directors and committees comprised of cross section of local community leaders, with diverse and complementary skill sets.	Board membership varies but generally includes members of financial institutions senior staff and board of directors.	Board of Trustees/Directors initially chosen by donor who established the foundation. More than half of board may be persons in a non-arm's length relationship with donor.
Tax Status	Registered charity - Public Foundation.	Registered charity - Public Foundation.	Registered charity - Private Foundation.
Donor Involvement	Donor can recommend grants to qualified non-profit groups. Grants are approved by Community Foundation board of directors.	Donor can recommend grants to qualified non-profit groups. Grants are approved by Trustees of the gift fund.	Donor appoints board, which controls investments and grant making.
Family Engagement	Donor can name Fund for family or other loved ones. Can involve family in grant making process and appoint successors in next two generations to advise on Fund after death. Local Community Foundation can help donors develop focus and process for their strategic giving. Opportunity for involvement in high-impact community leadership initiatives, Foundation events, and site visits as desired.	Donor can name Fund for family or other loved ones. Treatment of Fund after death varies.	Donor can name Foundation for family or other loved one and involve family in process.

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Donor Options	Work with local experts in philanthropic administration and grant making to choose from wide variety of Funds. Giving and granting tailored to individual's needs and goals.	Usually one fund offered with several investment options.	Donor sets up foundation according to his/her wishes.
	Can coordinate giving and support all qualified donees as defined by Canada Revenue Agency (CRA).	Can coordinate giving. Some limits on number of grants per gift.	Can coordinate giving and support all qualified donees as defined by Canada Revenue Agency (CRA).
	Gift agreements could take as little as 24 hours to complete	Gift agreements could take as little as 24 hours to complete.	Set up of foundation can take 6 to 12 months.
Tax Considerations			
	<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.
	<i>Publicly Listed Securities</i>	Capital gains tax is eliminated on qualifying securities.	Capital gains tax is eliminated on qualifying securities.
	<i>Private company shares stock</i>	Tax savings may be deferred. Donation receipt dependent on "appraised fair market value" of shares and upon monetization of shares.	Tax savings may be deferred. Donation receipt dependent on "appraised fair market value" of shares and upon monetization of shares.
Grantmaking Support	Professional staff and board of community leaders can help identify and assess local grantees, provide input on changing community needs, and verify charitable status.	Variable community knowledge.	Foundation board and/or staff arrange and support grantmaking and monitoring structure.
	Public Foundation makes grant distributions and requests impact reporting.	Registered charitable partner/foundation makes grant payments and reports to donor.	Foundation can adopt innovative approach to grant making, based on foundation's chosen mandate.
	Understanding of needs and connections in community creates opportunities for innovative work on pressing issues.		
Investment Management	Community Foundation Board sets Investment Policy	Participating financial Institution sets Investment Policy in conjunction with Public Foundation.	Trustees/directors set the Investment Policy.
	The Calgary Foundation's Investment Committee is supported by a VP, Chief Investment Officer and is made up of volunteer investment and finance professionals to support the Board with fiduciary responsibility of the investable assets.	Financial Institution's investment arm manages the funds.	Trustees/Directors manage the funds directly or hire professional investment managers and monitor their performance.