



CANADA  
GIVES 

# Frequently Asked Questions

DONOR ADVISED FUNDS (DAFS) ARE COMMONLY USED THROUGHOUT NORTH AMERICA TO SET UP PHILANTHROPIC FOUNDATIONS.

## What are Donor Advised Funds?

Donor Advised Funds (DAFs) are restricted accounts within a registered charity held in the family or donor's name. A Canada Gives DAF is used as a cost effective and flexible alternative for setting up and managing a private family foundation.

## How easy is it to set up a DAF account?

A Canada Gives DAF (called a "Foundation account") can be set up in one day. A private foundation requires a two-step registration process that can take up to 9 months or longer.

There are no set up costs to open a Foundation account. By comparison, a private foundation may cost anywhere from \$5,000 to \$15,000 in legal fees to fully establish.

## What is the minimum amount required to open a Canada Gives (DAF) Foundation account?

A Canada Gives (DAF) Foundation account is an ideal framework for establishing an endowment fund starting at \$100,000 or more, and can be opened with an initial donation of \$25,000.

Private foundations are recommended for families who can fund it with a donation of at least a \$2 million.

## What are the costs of a Canada Gives (DAF) Foundation account?

Administrative fees depend on the size and type of Foundation account, starting at a minimum cost of \$1,500 per annum.

## What are the administration benefits of a Canada Gives (DAF) Foundation account?

There are no legal, tax, audit or recordkeeping time and costs for the family or donor. Canada Gives is responsible for tax receipts, banking, book-keeping, funding and vetting selected charitable organizations, CRA filing and reporting, and reports to the family or donor.

## Does the family maintain control?

The donor /family has complete control over the charitable gift-giving plan of the foundation, subject to CRA guidelines and Canada Gives' approval.

The family's trusted advisor retains discretionary control of the investments, subject to CRA guidelines and Canada Gives' investment policy.



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## How does Canada Gives help families give to charities?

Canada Gives simplifies the donation process, and executes the family's gift-giving plan. Canada Gives will conduct due diligence on charitable organizations on behalf of the family, and assist with research, impact measurement and other services upon request.

## Who does the investing?

Families may continue to work with their existing advisor. Donated assets held in the DAF Foundation account stay on-book with the advisor, and can stay with that advisor if he/she moves.

The family's advisor has discretion over the investments subject to CRA guidelines and the Canada Gives Investment Policy.

Canada Gives provides Quarterly Foundation Reports.

## How easy is it to close a Canada Gives (DAF) Foundation account?

A family or donor can disburse 100% of the funds in their DAF Foundation account at anytime. The CRA allows funds to be disbursed to any registered charity or other qualified donee.

## What are the advantages of a Canada Gives (DAF) Foundation account over a private foundation?

Canada Gives DAFs are lower cost and come with less administrative complexity than private foundations. There is also no need to set up a Board and incur Director's liabilities or CRA risk.

For some families, however, the biggest advantage may be ability to keep their financial information and charitable gift-giving activities completely private.

## How are the family's successors treated?

The family or donor can name the successors to the Canada Gives (DAF) Foundation account.

The successors can support the charities originally selected, or they can make changes to align with their own vision and passions.

If no successor is appointed, the Foundation account will continue to support the charities selected by the original donor(s).

### For more on Canada Gives

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