

SELECTING THE RIGHT CHARITABLE GIVING VEHICLE

In Canada, there are two common vehicles generous people and families can establish to support their charitable giving – a private foundation or a donor-advised fund (DAF).

Some families may establish a private foundation, but also use a donor-advised fund for distinct purposes such as discretionary family giving, next-generation engagement or funding strategies they wish to keep separate.

The table on page 2 demonstrates how the decision to select one vehicle over the other, or the use of both, should reflect your objectives, tax circumstances, and time available for philanthropy.

We offer professional advice specific to your circumstances to help you decide. Additional details can be found in **Burgundy's Family Giving Guide**.

Consideration	Donor-Advised Fund	Private Foundation
Starting point for creating the structure	A registered charity that offers DAFs	Lawyer
Time to establish	Immediate	Typically 3-6 months
Costs to establish	None	Legal costs (Can range \$3,000-\$8,000)
Minimum funds required to establish	Varies by DAF provider. Burgundy Legacy Foundation, \$250,000	Typically \$5 million - \$10 million recommended
Ongoing administrative and investment management fees	Varies by DAF provider. Burgundy Legacy Foundation: \$1,000 annual flat fee, plus investment management fees	Typically range from 1.5%-5% of assets
Tax treatment of donations	Personal tax credit, 15% on first \$200 then 33% on remainder up to 75% of income Corporate deduction, up to 75% of total income May carry forward over 5 years	Personal tax credit, 15% on first \$200 then 33% on remainder up to 75% of income Corporate deduction, up to 75% of total income May carry forward over 5 years
Annual gift disbursements	Recommended but not required	Required as per CRA guidelines
Grantmaking	Donor makes grant recommendations to the DAF provider	Full control over grantmaking, within guidelines established by Canada Revenue Agency
Privacy	The name of the fund holder is not disclosed publicly, and grants to charities can be made anonymously	Publicly available regulatory filings must disclose assets, grants, director names, staff compensation, etc.
Administration responsibilities	Recommend grants to charitable causes	Manage assets, keep records, select charities, administer grants, prepare and submit regulatory filings, establish and manage a board, maintain board minutes and records, etc.
Fiduciary responsibilities	None. Held by the DAF provider	Full fiduciary responsibility held by the board of directors

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