



Resources

A four-step process to ensure you give the right gift:

For many Canadians, charitable giving is a spontaneous thing. A canvasser knocks on our door one day, we see an ad on TV, or we receive a letter in the mail, donating whatever we can to the cause.

There's nothing wrong with this kind of giving. But if you're looking to make a more significant donation, it makes sense to do a little planning first. With that in mind, here's a simple four-step process that will help you make a more effective and meaningful charitable donation.

- **Step 1: What are you trying to do?**

To make an effective charitable donation, understand your purpose, the scope, and the method for doing so. Start by researching some of the causes you care about. Ask yourself why you care about these causes rather than others. Next, ask yourself whether you would like to donate to that cause on a local, national, or an international level. Finally, consider the level of involvement you'd like with your gift. Would you prefer to be personally involved with the charity, perhaps by donating time as well as money? Or would an anonymous gift be more preferable?

- **Step 2: Articulate your giving values**

After you've determined the reason you're making a gift, it's time to articulate your giving values. You can do this by creating a "giving values statement" that covers three main areas:

1. **A core vision:** a 2-3 sentence summary of the principles that have led you to give
2. **An area of giving:** a description of the types of causes or charities you'd like to support
3. **Criteria for selecting individual charities:** a brief outline of the criteria you will apply when deciding which organizations you'd like to donate to.

- **Step 3: Screen potential charities and causes**

Once you have a written statement of giving values, you can start screening potential charities. Answering the following questions will help you create a shortlist of potential donation candidates:

- **Purpose:** what is the organization trying to do? Is this purpose focused and clear, or vague and undefined?
- **Method:** does the organization have a viable plan for achieving those goals? Will the plan produce results in a reasonable time?
- **Management/leadership:** are board members active in the cause? Are they passionate about what they're doing?

- **Step 4: Consider the end use of the gift**

Finally, you need to think about what you want the charity to do with your donation. If you're confident in the charity's ability to manage funds, you can provide the organization with an "unrestricted donation". Alternatively, some charities allow you the ability to direct funds for a specific purpose. If you're looking to provide such support, consider the following:

- **Operating expenses:** rent, utilities, office supplies, etc.
- **Program support:** donated to support or improve an existing charitable service
- **Capital campaigns:** used to build new facilities or expand existing ones
- **Leadership gifts:** large donations intended to motivate other private and corporate donors to give.

The above tax tips are just the beginning. Give your financial advisor a call to find how you can take advantage of these strategies.