

ACO and Planned Giving Overview



What do you want to leave behind?

At some point in our lives we consider our own legacy. Thinking about building something that will benefit others helps us focus on our personal values and be selfless at the same time.

ACO has received several bequests in past years, from people who wanted their legacies to include heritage conservation for future generations. Their generosity inspires us in the challenging work of keeping heritage alive.

We remember all our benefactors with gratitude.

A planned gift to Architectural Conservancy Ontario will enhance the historical, environmental, and economic experiences of future generations across the province, allowing them to see what came before them.

You might be surprised how much impact a bequest can have, and how easy it can be to make such a meaningful gift.

Planned giving: When is best? Who can help?

Any strongly emotional time can make decision-making even harder, so planning in advance of this is likely to be gentler on everyone who might be involved. Plus, we at ACO are not legal or financial experts, therefore any planning to make a charitable bequest should involve a lawyer or a trained and certified financial advisor. We are just generally sketching the matter out here, in broad strokes.

Planned giving can offer tax advantages to you now, or to your family later; gifts left in your will can lighten probate fees and taxes levied on your estate.

Transferring stocks or mutual funds straight to ACO eliminates tax on capital gains. Usually when you sell a security, you're required to pay tax on 50% of the capital gain, but you pay none when you donate a security directly to a charity.

You may also choose to donate real property. Donations such as this also count toward significant tax benefits for you and your estate. You can also donate your personal property while continuing to use it, and receive an immediate tax receipt. This is known as a gift of residual interest. Remember, you continue to enjoy the use of your property until the end of the term of the trust.

Why is ACO a good planned giving choice? ACO has a conservation track record going back to 1933. Your gift will be used with great respect and appreciation.

Giving while living

With proper planning, you can be remembered for making a lasting gift to charity as opposed to leaving a large portion of your assets to the CRA.

As much as society needs taxation as a way to pay for important programs, you can reduce your tax bill while directing some of your resources to a cause you especially care about.

\$2 to charity = \$1 in tax savings (personal)

\$1 to charity = \$1 in tax savings (corporate)

If somebody owes \$50,000 in tax and they give \$100,000 to charity, then they don't owe that 50k in tax.

The potential is also there for a corporation to support a special cause. If a corporation gives a sum of money to charity, it will save that same amount in tax.

Gifting options

To create an enduring legacy for families and charities

Gift in will (bequest)

Change your will: leave a fixed amount or percentage of your estate to a named favourite charity. This reduces estate taxes. (If you don't want to change your will, you can simply notify your financial institution. If you have registered money in an RRSP or RRIF, they'll give you a multiple beneficiary form in which you can name a charity to receive a portion of a fund, so that your heirs won't have to pay the taxes on that.)

RRSP / RRIF beneficiary

Notify your financial institution to include a favourite charity of your choice for some or all of your RRSP/RRIF.

People who are widowed, divorced, or simply single can be at a fiscal disadvantage when they die. At death, all of an RRSP/RRIF is taxed at 54% in Ontario. Therefore, an estate valued at \$1,000,000 would leave \$460,000 to the family. Widows, the divorced and singles are deprived in this way, because while everything is handed on to the surviving spouse tax-free when their partner dies... the surviving spouse is faced with more than half of those resources going to the government when they go -- unless you employ some basic strategy to leave more for your family by giving to charity.

Gift of stock

In the last couple of decades, the government has made it easier for us to give to charity. One of the best of these is by donating marketable securities, or stock, rather than cash. For example, if a person used to give \$50,000 every year in cash, and now they decide to give that value in stock, which they bought for a value of \$10,000, they pay no capital gains tax on ten thousand; if they had sold off the stock they'd have been taxed for the \$40,000 increase in value. Instead they get a full tax receipt for \$50,000 while making a great contribution to charity.

Remaining tax shelters in Canada

Principle residence, TFSA, lottery winnings, and...
life insurance

Gift of life insurance

Lapsed life insurance policies in Canada add up to billions of dollars. They could create constructive, creative legacies. This is a way to maximize a gift at a minimum cost. You can donate an existing policy that you find you no longer need (so why keep paying for it?), getting a charitable tax receipt for the fair market value. A donor gets a tax receipt for 10%-50% of that value. If you continue to pay the premiums on the policy you've donated, this is also considered a charitable, tax-deductible donation. The significant tax saving benefits the donor and the charity.

General gift

How do I name Architectural Conservancy Ontario in my will?

To establish a legacy gift, you can instruct your lawyer to include a statement naming ACO as a beneficiary.

How you decide your gift will be used is your personal decision. But if you give a general gift, and mention that your bequest may be used by ACO at its discretion, this will allow us to direct your donation to areas where it is needed the most.

Flowers and memorial contributions

When remembering someone dear who has passed, sometimes families offer mourners another consideration. While certainly appreciating the gift of flowers as a loving gesture, they might also welcome a donation to a charity, named in honour of the loved one.