



BBBS ENDOWMENT FUND “How-to” make a contribution

So you are interested in helping BBBS build an endowment fund to provide a sustainable source of annual operating income in perpetuity – wonderful! This document is intended to outline some of the various ways that you can make a contribution to the BBBS Fund.

RRSP/RRIF – make the BBBS Fund a beneficiary of your RRSP/RRIF:

Upon death, the entire value of registered investment accounts such as RRSPs/RRIFs flow onto the final tax return as income – often at a very high marginal tax rate. Although the assets in these funds can transfer to a spouse tax free, that may only leave the spouse with an even terminal tax bill on these funds. By completing a simple “Beneficiary Designation” form from your investment firm, you can make the BBBS Fund a partial (a fixed \$ amount or a %) or full beneficiary of your registered investment account. This can be done at no cost. Your estate would receive a charitable tax receipt for the value of the donation that can be used to offset the income taxes on the value of the registered plan.

LIFE INSURANCE – make the BBBS Fund a beneficiary of life insurance:

If you have a permanent (universal or whole life) insurance policy or policies that will pay a death benefit that is more than you require to fulfil other wishes in your estate, you can name the BBBS Fund as a partial or full beneficiary of one or more insurance policies. Your estate would receive a charitable tax receipt for the value of the donation. This can usually be done at no charge through your life insurance provider by completing a simple beneficiary designation form.

You can also donate insurance policies that you no longer require during your lifetime and receive a charitable tax receipt that can be used immediately to offset income taxes. The BBBS Fund becomes owner of the policy and receives the death benefit.

CHARITABLE BEQUEST – make a bequest to the BBBS Fund in your will:

At any time you can have the estate lawyer who drafted your will write a codicil to your will to add a charitable bequest to the BBBS Fund of a specific amount or a proportion of the remainder once other wishes have been fulfilled. This can also be done as part of your regular review and updating of your will (which you should do every 5-10 years). There is some legal cost to this option but can be as low as \$350.

APPRECIATED SECURITIES – transfer securities in kind to the BBBS Fund:

If you own stocks that are worth much more than you paid for them, you have an unrealized capital gain that will trigger income tax when you sell the stock. If you donate the shares by transferring them “in kind” to the BBBS Fund, that capital gain is tax-free and you will receive a charitable tax receipt for the full value of the donation. This receipt can then be used to offset income tax payable on other sources of income.

EXTRAORDINARY EVENTS – make a donation to the BBBS Fund from proceeds of an extraordinary event:

At certain times, you may have extraordinary events take place in your life such as receiving an inheritance or selling a recreational property or other valuable asset. These events may in some cases trigger significant taxes and using some of the proceeds to make a donation to the BBBS Fund can provide a charitable tax receipt.

Thank you for your interest in the BBBS Fund!