



THE CANADIAN  
MEDICAL FOUNDATION

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LA FONDATION  
MÉDICALE CANADIENNE

## **Canadian Medical Foundation Donor Advised Fund Program Guide**

The Canadian Medical Foundation  
407, 2647 Alta Vista Dr, Ottawa, ON, K1V 7T5  
Phone: 613.518.6010 Email: [info@cmf.ca](mailto:info@cmf.ca)

Charitable Registration Number 11921 9327 RR0001

## What is the Canadian Medical Foundation?

Founded in 1987, the **Canadian Medical Foundation (CMF)** is a **federally-incorporated, independently governed, charitable organization** (BN 11921 9327 RR0001) focused solely on supporting Canada's physicians, their families and all Canadians through unique charitable programs and services.

For over three decades the Canadian Medical Foundation has been in operation and during this time has worked collaboratively with our donors to gift millions of dollars to charitable work. While the vast majority of charitable programs are domestic, the Canadian Medical Foundation has, over the years, also supported a wide variety of international projects.

### What Makes the Canadian Medical Foundation Unique?

Unique among Canada's approximately 188,000 not-for-profit organizations, the Canadian Medical Foundation has both charitable programs but also offers charitable services to individuals and organizations in the hopes of supporting and growing philanthropy.

### The Canadian Medical Foundation's Mission:

The Canadian Medical Foundation improves health outcomes through philanthropy and services focused on:

- Programs for vulnerable Canadian communities;
- International humanitarian causes;
- Assistance to physicians-in-training in Canada; and, Expert assistance to like-minded individuals and organizations.

### The Canadian Medical Foundation's Vision:

The vision of the Canadian Medical Foundation is to support Canadian medical professionals caring for communities through philanthropic activity.

### The Canadian Medical Foundation's Strategic goals:

The Canadian Medical Foundation is a national charitable organization focused on the following priority areas:

1. Support for global/international humanitarian efforts;
2. The medical needs of indigenous Canadians;
3. Addressing rural medical needs in Canada;
4. The medical needs for immigrant and refugee communities in Canada; and, Support for the unique medical needs for the armed forces personnel in Canadian communities (post-combat).

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# About the Canadian Medical Foundation's Donor Advised Fund Program

## Canadian Medical Foundation Donor Advised Funds: Your Personalized and Customizable Charitable Giving Program

A Canadian Medical Foundation Donor Advised Fund (DAF) provides a unique opportunity to create an enduring legacy while realizing significant tax advantages. The Canadian Medical Foundation can help you give wisely—in a manner that maximizes the benefits to you and your chosen charities. To facilitate your giving, we have developed and refined our Donor Advised Fund (DAF) program, and we offer our experience in working with caring people like you to support philanthropy and to create enduring charitable legacies.

### What is a Donor Advised Fund?

A Donor Advised Fund (DAF) is a very special way to give—it is a charitable fund that is established by you and managed by the Canadian Medical Foundation. A portion of the annual income from your Fund supports your favourite charity or charities, typically providing them with a stream of income and creating a charitable legacy for you. You can create a Donor Advised Fund (DAF) during your lifetime or as part of your estate plan using any assets that can be converted to cash including securities, bonds, real estate, insurance, etc.

### Why create a Donor Advised Fund?

Using the Canadian Medical Foundation to create your legacy can benefit both you and your charities! The Canadian Medical Foundation can help you support good causes now, with a Donor Advised Fund (DAF). We can provide ongoing support for charities that matter to you—easily and effectively. We can make it possible for you to maintain flexibility, allowing you to change your mind about the charities you support or adjust your giving as you and your family decide which charities make the best use of your donations. In addition, our Donor Advised Fund (DAF) program can help you realize any tax advantages that your generosity makes possible. This guide explains the benefits and process of establishing your own Donor Advised Fund (DAF) with the Canadian Medical Foundation.

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## Who creates a Donor Advised Fund?

Anyone can establish a donor advised fund (DAF) with the Canadian Medical Foundation.

One such individual is Dr. Tracy Thomson, a physician from Canmore, Alberta. Dr. Thomson has a unique approach to financial planning that integrates spending, saving and philanthropy.

*“My dad was an entrepreneur, and he taught me that being frugal and savvy, combined with a strong work ethic, would create possibilities, not limitations.”* Dr. Thomson says that she and her partner *“talk very freely with the children about spending, saving and giving—something I think ought to be on the radar screen even with young children. My three boys identify issues and causes based on what they observe, see on television or read about. They are allowed to designate funds to the causes they choose.”*



**Dr. Tracy Thomson, with sons Cole, Noah and Jonah, and partner Gord**

Dr. Thomson has a Donor Advised Fund (DAF) with the Canadian Medical Foundation and sees it as a key part of her family’s future. *“The notion of a Donor Advised Fund really appealed to me as the Fund’s principal will be held in perpetuity, and if something happens to me, the children will be able to determine the causes and issues the Fund will address.”*

## What are the advantages of a Donor Advised Fund?

A Donor Advised Fund (DAF) is a highly flexible tool that can be used to provide a continuous stream of income to your favourite charities. Your DAF can be used to give back during your lifetime, or it can exist in perpetuity. It can support many different charities. It is a special way of giving that offers great flexibility and attractive tax advantages and creates the potential to grow your charitable dollars—resulting in more support for your favourite charities. Certainly, your DAF can simplify your annual charitable giving. But it can do much more—it can provide a perpetual family legacy.

## How do I create a Donor Advised Fund?

The Canadian Medical Foundation makes it simple to create your legacy with a Donor Advised Fund (DAF), by following these four steps:

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**Step one:** Working with the philanthropy experts at the Canadian Medical Foundation, select registered charitable organizations that you're interested in supporting. CMF recommends that you select no more than five (5) beneficiaries to ensure that your giving will make a difference but we have many funds that support dozens of worthy causes annually.

Once the beneficiaries are selected, determine what portion (percentage or set amount) of the annual gift each should receive. Per the Canada Revenue Agency (CRA) gifts to any DAF are irrevocable; however, with a written request you can recommend a change in charities to be supported annually.

**Step two:** Name your DAF. Most DAF's are named after the donor (e.g., The Dr. Robyn Bernard Charitable Family Fund). Alternatively, you can name your DAF in memory or honour of a loved one, or if you prefer, your DAF can be anonymous.

**Step three:** Complete the paperwork. With your input, the Canadian Medical Foundation is pleased to draft the necessary paperwork establishing your DAF. The principle document is a deed of gift but a securities transfer form will also need to be completed if your DAF is being established using securities. You are encouraged to share the documents with your professional advisors.

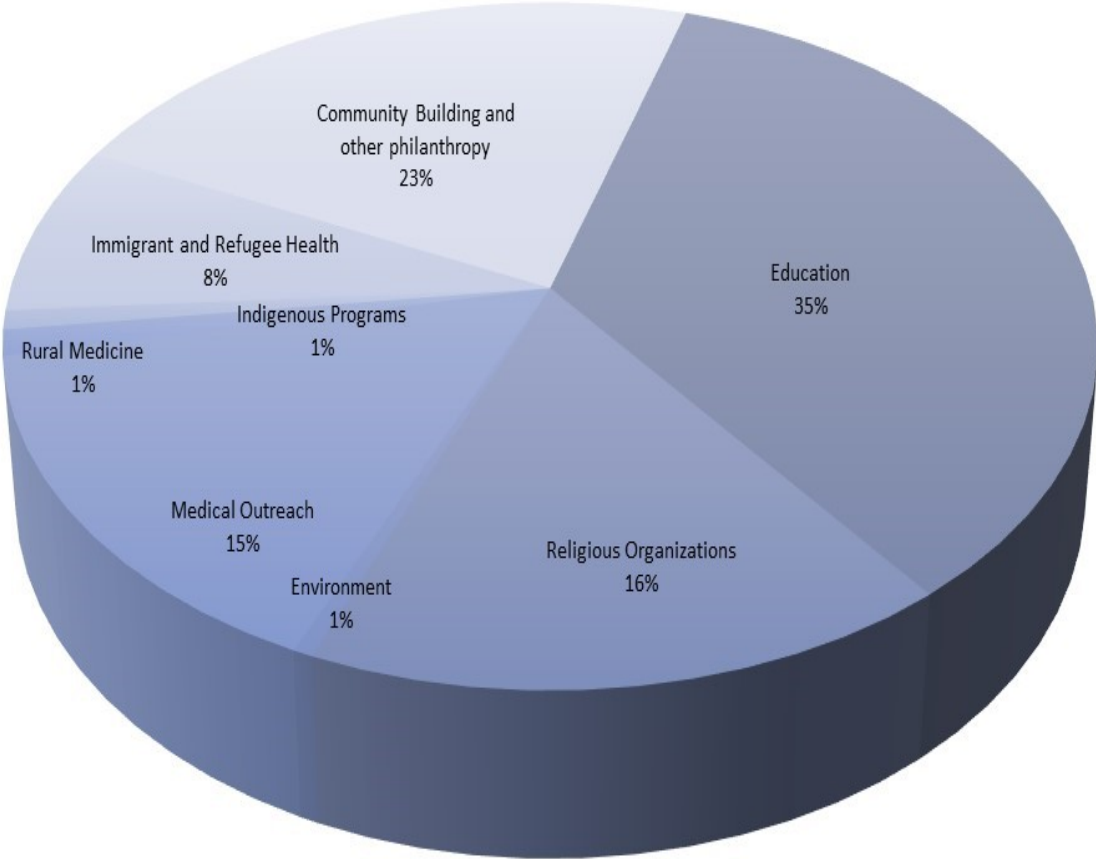
**Step four:** Make your initial gift and receive a tax receipt. Gifts can be made in several ways, and you and your friends can also add to your DAF over time with additional contributions over time should you wish.

Gifts to the Canadian Medical Foundation are eligible for a charitable tax receipt that you may claim as a non-refundable tax credit. If you are using your corporation to make the gift, you can claim a tax deduction for the corporate donor on the donor's income tax return.

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The following causes are currently supported through the CMF's Donor Advised Fund program:



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## How does the Canadian Medical Foundation's Donor Advised Fund (DAF) Program Work?

### **The Canadian Medical Foundation oversees your program, minimizing your administrative duties**

When you establish your donor advised fund (DAF) with the Canadian Medical Foundation, you can be assured that the Canadian Medical Foundation will oversee your program and be your direct link to your chosen beneficiaries. The Canadian Medical Foundation's Donor Advised Fund Program is a personalized service, designed to meet the philanthropic and charitable goals of you and your family. Our management services include accounting, legal, investment and disbursement functions. Your Donor Advised Fund will be professionally managed. The Canadian Medical Foundation retains Fiera Capital to manage the Donor Advised Fund (DAF) portfolios and **guarantees the lowest management fees of any charity that is operating a donor advised fund program in Canada.**

### **The Canadian Medical Foundation will work with beneficiaries on your behalf**

The Canadian Medical Foundation can provide information about charities of interest to you and act as a liaison between you and your beneficiaries, should you desire.

### **Your giving options**

With a donor advised fund (DAF), you have great flexibility. You can give during your lifetime, or later, using your estate. Others, such as family members and friends can also give to your fund. The minimum irrevocable gift needed to establish your DAF is \$25,000. You (or anyone else) may contribute additional capital to your Fund at any time, in amounts of \$5,000 or more.

### **A Donor Advised Fund can help you enjoy substantial tax benefits**

The maximum amount of charitable contributions you can claim for credit in any one year is 75 percent of your net income. After factoring in provincial and federal tax savings, your donations could save you anywhere from 44 percent to 53 percent in taxes, depending upon where you live and assuming the top marginal tax rate. Any unused charitable contributions can be carried forward for up to five (5) years, subject to the 75 percent limit. When gifting publicly traded securities or mutual funds, such as those from your own corporation, there may be no tax on the capital gain (subject to certain conditions).

If you make a gift through your estate planning, e.g. will, your estate can claim an amount of charitable donations up to 100 percent of your net income in the final year of your life and in the year immediately before you pass away. We suggest that you speak with your accountant or financial advisor regarding the most tax-efficient gift for you.

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**Please consider supporting the Canadian Medical Foundation and its core programs with your Donor Advised Fund.**

You can set up a DAF to benefit the CMF with a minimum gift of \$25,000. In this way, you'll be supporting our strategic priorities of:

- Support for global/international humanitarian efforts;
- The medical needs of indigenous Canadians;
- Addressing rural medical needs in Canada;
- The medical needs for immigrant and refugee communities in Canada; and, Support for the unique medical needs for the armed forces personnel in Canadian communities (post-combat).

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# Frequently Asked Questions about Canadian Medical Foundation Donor Advised Funds

## Why Create a Donor-Advised Fund (DAF)?

The Canadian Medical Foundation (CMF) Donor Advised Funds (DAF) provide donors like you with the freedom to fund the charities most important and personal to you with privacy and without administrative burden and high costs. The Canadian Medical Foundation manages all disbursements and communication from your Donor Advised Funds to the charities of your choice, freeing you from the burden. Donors receive a tax receipt for every gift made, regular advisories when disbursements are made, and communications such as thank-you letters from the recipients if desired. It's important to note that the philanthropy surrounding your gift can also be provided anonymously at your direction.

## What are the administrative fees of a CMF DAF?

The Canadian Medical Foundation regularly undertakes a market review to ensure any fees and charges are in keeping with leading industry practices. At present, CMF DAF administrative fees are competitive at 1.5 per cent if CMF is a beneficiary of the fund and 2.5 per cent if CMF is not. **The CMF guarantees that we will match or beat any management fees provided by any Canadian charity operating a donor advised fund program.**

## What is the minimum gift required to open a CMF DAF?

The minimum gift required to open a Canadian Medical Foundation donor advised fund (DAF) is \$25,000.

## Can additional gifts be made to a CMF DAF?

Yes. Additional gifts must be at least \$5,000, and can be made by anyone.

## Can donations made to a CMF DAF be rescinded?

No. All charitable donations are irrevocable.

## When will I receive my tax receipt?

The Canadian Medical Foundation issues tax receipts within thirty (30) days of receiving any gift.

## How are recipients of a CMF DAF selected?

You may select the recipients as well as the percentage of funds you would like each to receive, the only requirement is that beneficiaries must be recognized by the Canada Revenue Agency (CRA).

## How often are disbursements made?

Donor advised fund (DAF) disbursements are made on your behalf by the Canadian Medical Foundation annually, typically in the Spring.

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### **Do I have any administrative responsibilities?**

The Canadian Medical Foundation ensures all disbursements are made in a timely manner, and also takes care of all other associated administrative tasks and reporting. You don't have any administrative responsibilities or obligations

### **How often will I be contacted about my DAF?**

You may choose whether to receive notifications of annual disbursements and other communications. You may also contact the Canadian Medical Foundation (CMF) at any time with questions regarding your donor advised fund (DAF).

### **How are the CMF DAF details finalized?**

Working with you, the Canadian Medical Foundation (CMF) drafts all the necessary paperwork. In particular, CMF prepares a deed of gift (gift agreement), which clearly defines the expectations, costs and responsibilities of all parties.

### **For how long does a Donor Advised Fund need to be established?**

The Canada Revenue Agency (CRA) stipulates that Funds be held for at least ten (10) years. As determined at the time a donor advised fund (DAF) is established, following completion of the 10-year period, the Fund can be closed and the monies disbursed to charitable beneficiaries. Most commonly, donors choose to establish perpetual or endowed funds that gift the interest annually; in so doing the principle is protected.

### **What percentage of a DAF is given to its beneficiaries each year?**

The current minimum disbursement percentage as set out by the Canada Revenue Agency (CRA) is 3.5 per cent annually. However, donors may also choose to have greater amounts disbursed.

### **What types of gifts are accepted?**

Cheques or gifts by wire transfer are accepted, as are gifts of qualified publicly listed stocks, bonds, mutual funds, life insurance policies, RRSPs, RRIFs, gifts-in-kind and will bequests. Indeed, anything that can be converted to cash can be used to establish your donor advised fund (DAF) with the Canadian Medical Foundation.

### **What types of securities can I donate?**

The Canadian Medical Foundation (CMF) generally accepts gifts of publicly listed securities that have an active secondary market, are not subject to a volatile market, and can be readily converted into cash. Typically, the CMF liquidates gifts of securities as soon as possible. Upon confirmation of the receipt of a gift of publicly listed securities, the CMF issues a tax receipt for the eligible amount, based on their fair market value at the end of the day they were sold.

### **Do I need to be a physician to set up a Fund?**

No. Anyone can set up a donor advised fund (DAF) with the Canadian Medical Foundation.

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### **Do my chosen charities need to be medical?**

No. You can choose any registered charity recognized by the Canada Revenue Agency (CRA).

### **Can a company or organization set up a DAF?**

Yes. Anyone can establish a donor advised fund (DAF) with the Canadian Medical Foundation, as long as the gift minimum of \$25,000 is respected.

### **Can a Fund be jointly held between two or more people?**

Yes.

### **Can a DAF be created anonymously?**

Yes. A donor advised fund (DAF) can be created using any name (e.g., The Charitable Medical Fund).

### **Can restrictions be put on the funds gifted to the DAF's beneficiaries?**

Gifts transferred to beneficiaries are most often for "general charitable purposes"; however, more specific designations are possible. The Canadian Medical Foundation will work with you to ensure your charitable goals are met.

### **What are the tax implications of charitable giving?**

For individuals, the maximum amount of charitable donations that may be claimed for credit in any one year is 75 per cent of net income (100 per cent in the year of death and the year immediately before death). Unused donations can be carried forward for up to five (5) years, subject to the 75 per cent limit in each year claimed.

### **Can I change my DAF beneficiaries?**

Funds used to create or maintain a Canadian Medical Foundation (CMF) donor advised fund (DAF) are irrevocable; however, donors may recommend a change to their beneficiaries by sending a written notice to the CMF.

### **What happens if one of my beneficiaries ceases to exist?**

If a donor advised fund (DAF) beneficiary ceases to exist, the CMF works with you our donor or your estate Trustees to find one or more new beneficiaries.

### **What happens to DAF income?**

Annual donor advised fund (DAF) income is used for disbursement to the DAF's beneficiaries and to cover administrative fees. Any remaining income is then re-capitalized in the DAF in order to grow its value.

### **What happens if income earned is less than 3.5 percent?**

In years in which income of 3.5 percent is not earned, the CMF could encroach the Fund principal to meet income disbursement and fee requirements.

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### **What is the last date donations can be made in a year?**

Cheques must be dated and postmarked by December 31 in any given year. Gifts can be wired on the last business day of December. Gifts of securities must be electronically transferred within ten (10) business days of the end of December.

### **How can I get additional information about the Canadian Medical Foundation and their giving options?**

**For Additional Information about the Canadian Medical Foundation's Donor Advised Fund Program, or Other Planned Giving Options, please contact the Canadian Medical Foundation directly at 613.518.6010 or [info@cmf.ca](mailto:info@cmf.ca), or online at [www.medicalfoundation.ca](http://www.medicalfoundation.ca).**

**You may also contact your Financial Consultant directly for additional information on how the Canadian Medical Foundation's (CMF's) giving options will work for you.**



*Dr. Kassa and his wife approached the Canadian Medical Foundation in 2010 to create a Donor Advised Fund of their own. Today, this fund continues to grow and change the lives of people in Canada, Ethiopia and around the World.*

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