

# Make Charitable Bequests

Making a donation to your favourite charity, church, educational institution or non-profit organization can be very rewarding. But did you know there is a way to set up the gift so everyone benefits: you, the charity and your heirs?

Most people do not realize that what they give and how they give it can have a significant impact on the amount of money that will go towards paying tax, leaving less money for yourself, your family or charity.

Ideally, a Charitable Bequest should be set up so that:

- You and your family get the maximum tax benefit;
- The full amount of your donation goes to the charity of your choice, *and*;
- Your donation is used in the manner you wish.

Some people are concerned about short-changing their families if they make a major donation. This is where life insurance can help. The money you save from the tax credits generated by the gift is usually enough to pay for an insurance policy equal to, or greater than the amount of your donation. This strategy allows you to make a substantial donation to your favourite charity, realize the maximum tax benefits, and provide for your heirs.

There are many critical details to be considered, and **Stewart Financial Services** can help you. Your options and how they are taxed will depend on whether your donation is from a Registered Retirement Income Fund (RRIF), real estate, investments or cash. Whether you have a surviving spouse, children or grandchildren can also have a significant impact.

If you have a specific purpose in mind, such as setting up an annual bursary in your family's name, you should have a legal agreement with the organization. This will ensure your money will be used the way you wanted it to be.

Finally, if you have named a specific charity in your will, it is a good idea to name another charity as a "contingent recipient" in case the original charity has ceased to exist or amalgamated with another at the time the bequest is made.