

# MFA-P™ PHILANTHROPY SERVICES SPECIALIST



## ESPECIALLY FOR:

- Accounting and Tax Practitioners
- Estate Planning Lawyers
- Gift Planning Advisors, Trust Officers
- Wealth Advisors, Financial Planners
- Insurance Advisors

## FACULTY OF STRATEGIC GIFT PLANNING

Brought to you by:



### Strategic Planning for Charitable Giving

There is an emerging investment trend increasingly important to investors of all ages: strategic philanthropy. But few advisors deliver what clients want: integrating personal values with tax and financial plans.

### WHY BECOME AN MFA-P™ STRATEGIC PHILANTHROPY SPECIALIST?

Build trusting relationships with your clients and help them make a difference in the world through charitable giving.

### STUDY ONLINE - EVERYTHING IS INCLUDED:

- |   |   |
|---|---|
| > Personal course selection consultation and virtual campus orientation | > Practical case studies using well-known professional software |
| > Lesson plans and study plans  | > Calculators and tools you can use immediately                 |
| > Personal instructor support by email                                  | > Testing and certification                                     |
| > Comprehensive Knowledge Journal                                       | > CE/CPD accreditation by various professional bodies           |
| > EverGreen Explanatory Notes<br>- Online Research Library              |   |



**"CAGP is excited about realizing a long-time dream to offer a designation to advisors who want to work more closely with charitably-minded clients to have community impact in mind when planning their finances, retirement and succession."**

*Ruth MacKenzie,  
President and CEO, CAGP*

### Let's Connect :

Phone: 1-866-953-4769 | Email: [registrar@knowledgebureau.com](mailto:registrar@knowledgebureau.com) | [www.knowledgebureau.com](http://www.knowledgebureau.com)

## DIFFERENTIATE YOURSELF

**THE MFA-P™ provides specialized professional credentials to enable high-value philanthropic planning for individual and family legacies**

- > Learn to have highly satisfying conversations with clients about charitable giving
- > Address their big fears: that gifts will not be used
- > Plan for solutions that are tax-efficient now and in the future

### 1

#### Introduction to Strategic Philanthropy

Learn how to tap into clients' philanthropic goals. In the process, increase opportunities to build trust by understanding clients' values and critical personal causes. Engage and get multiple stakeholders on the same page, with objectives for deploying a successful charitable giving strategy. Obtain a precise understanding of how to integrate the tax aspects of charitable giving.

In this course you will learn how to plan and integrate your clients values with new technical expertise.

##### Six modules cover:

- Why Families Give
- The Role of the Advisor
- Personal Tax Aspects of Charitable Giving
- Introduction to Canadian Income Tax
- Ways to Give - Assets Other Than Cash
- Deferred Gifts - Tax Aspects
- What a Successful Plan Looks like

### 2

#### Understanding the Charitable Sector

Obtain a deeper knowledge of emerging philanthropic and fundraising trends. Learn to guide clients' giving objectives towards the investment options and charitable structures that ensure gifts will be used wisely and according to their wishes.

This course provides foundational knowledge for navigating and assessing the charitable landscape. Students will be equipped to provide guidance when evaluating giving

##### Six modules cover:

- The Charitable Sector Landscape
- Emerging Philanthropic Trends
- How Charities Operate
- Funding of Canadian Charities
- Legal and Ethical Considerations
- Planning for Impact

### 3

#### Integrating Gift Planning

Obtain a deep, broad knowledge of how to apply gift planning vehicles to the objectives of various client profiles. Learn how to stay onside with ethical and legal considerations in doing so. Using true-to-life case studies, the student will learn to anticipate how to help clients maximize their gifts and make impactful gifts while minimizing the costs of giving.

##### Six Modules cover:

- Multi-Stakeholder Planning
- Working with Vulnerable Clients
- Guaranteed 10 Pay Insurance Gift
- Legacy Planning for Business Owners
- Donation of Existing Life Insurance Policy
- Using FTS to Lower the After-Tax Cost of Charitable Donations
- Using Insurance to Make a Major Gift
- Using the CPP for Philanthropy

## RE-CERTIFICATION REQUIREMENTS

Your license to use the MFA-P™ marks must be annually renewed to meet Standards of Conduct and continuing education requirements (15 hours each year). There are no membership fees. For details on options for re-certification starting in 2020, please visit [www.knowledgebureau.com](http://www.knowledgebureau.com)

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# FREQUENTLY ASKED QUESTIONS ABOUT THE MFA-P™ PHILANTHROPY DESIGNATION

## FOR WHOM IS THE MFA-P™ PROGRAM DESIGNED?

The MFA-P™ Philanthropy Designation program is designed for advisors looking to incorporate charitable giving into their client conversations. This includes financial advisors, investment advisors, life insurance advisors, lawyers and accountants. It is also an important differentiator for advisors seeking prospective high-net worth clients. The MFA-P™ is also a valuable credential for those working in the charitable and non-profit sector.

### Why should I enrol in the MFA-P™ program?

The MFA-P™ is designed to help advisors incorporate strategic charitable giving into their client conversations. There are many reasons to discuss philanthropy with your clients:

- Charitable giving is an important part of holistic financial planning, including estate planning.
- It is an opportunity to get to know your clients on a deeper level by understanding their values and an easy way to reach out to your clients' extended families including their children and grandchildren.
- You can help to structure charitable gifts in a simple but effective way and help your clients realize their philanthropic goals while maintaining the integrity of their investment, estate, and tax planning strategies.
- Advisors who connect family values and history as part of a long-term wealth management approach will be well-equipped to address increasing concerns clients have to make a difference in today's world of heightened social awareness.
- All professional advisors interviewed in a 2014 Canadian survey entitled The Philanthropic Conversation agreed that having incorporated philanthropy into their practice has strengthened and solidified their business. It is not only the right thing to do; it is unequivocally good for your clients and your practice.

### What will the MFA-P™ program teach me to do?

The three online courses in the program focus on teaching advisors to develop plans with individuals and families looking to support their favourite charities in a strategic fashion, using a practical approach featuring real-life case studies and cutting edge calculators and a comprehensive online research library to stay up-to-date with tax changes.

### I work at a charity. Is the MFA-P™ program for me?

The program will benefit those who work in the charitable and non-profit sector, as well as consultants and other individuals who support the sector. While designed for advisors, the MFA-P™ program will provide an understanding of charitable giving using a multi-stakeholder approach. The MFA-P™ designation will add credibility to those who cultivate relationships with both their clients and the professional advisors they work with.

### How long will it take me to complete the MFA-P™ program?

Although the time will vary for each person, each course will take approximately 15-20 hours to complete for a total of 45-60 hours for the program. Taken online, study time is completely flexible to fit your busy schedule. Instructor support is available by email if needed. Take up to 9 months to complete the program. Group study sessions can be arranged.

### Why choose the MFA-P™, in a nutshell?

- Provide unique and valuable service to your existing clients.
- Prospecting for new high net worth and charitable-minded clients.
- A powerful tool to transition your service to the next generation of your clients' families.

# A Message from the Presidents

**"Thank you for your interest in the MFA-P™, Master Financial Advisor - Philanthropy Designation Program. We want to make sure you make the right decision for your professional development. Feel free to participate in a free trial of the program environment and to schedule a personal consultation with the friendly educational consultants at Knowledge Bureau for help with your registration."**

Sincerely, Ruth MacKenzie, President & CEO, CAGP; Evelyn Jacks, President of Knowledge Bureau; Brad Offman, CEO, Spire Philanthropy

## About CAGP

The Canadian Association of Gift Planners is the only organization in Canada that brings together charitable representatives with professional advisors in one association. Among our fundraising, tax, legal and financial peers, we are looked to as the experts in strategic charitable gift planning.

The 20 CAGP Chapters across the country are essential partners in achieving CAGP's vision and mission, by building and leveraging local relationships and engaging members to strengthen philanthropy and strategic charitable gift planning. Comprised of and serving CAGP's 1200+ members across the country, Chapters provide education and professional development designed for charitable gift planners, professional advisors and senior decision-makers, the opportunity to network and connect with their peers and colleagues at the local level is one of the most important and valuable benefits of membership in CAGP.

## About Spire Philanthropy

At Spire Philanthropy, we offer an innovative approach to relationship building between corporations and charities. We work with a variety of public, private and not-for-profit organizations to build long-term, meaningful relationships that have a sustainable, lasting impact.

Our basic philosophy at Spire Philanthropy is to build stronger partnerships between the corporate and charitable sectors. In order to create these partnerships, a new paradigm must be created; one where both corporations and charities recognize value and benefit equally from it. The funder-receiver paradigm, where the power in the relationship rests with the corporations, undermines the very definition of partnership.

As corporations become more strategic with their community investments, and with charities trying to maximize their limited resources, we work with both parties to develop partnerships that create real value, both intrinsic and financial, for all.

## About Knowledge Bureau

Knowledge Bureau™ is a widely respected, financial education institute and publisher. Our mission is to raise standards of practice by focusing on the evolving knowledge and skills required by professionals to manage their client's wealth with tax efficiency. We do that by providing competency-based training leading to certification, diplomas and designations, with certification marks licensed annually to graduates who have attained specialized proficiencies and follow professional Standards of Conduct.

Founded by tax expert, award-winning financial educator and best-selling author, Evelyn Jacks in 2003, our world-class education solutions feature an academic approach to professional development in a multi-disciplinary framework. Knowledge Bureau is recognized by the CRA and Human Resources and Skills Development Canada. Tuition fees are tax deductible if over \$100.

Professionals may attain ongoing CE/CPD Credits, train staff or advance professional careers by demonstrating new skills in seven specialized fields. This includes the MFA™ (Master Financial Advisor) Designations, the MFA-P™ Philanthropy Designation, the Distinguished Financial Advisor™ Designations and the RWM™ (Real Wealth Manager) Designation.



**"CAGP is excited about realizing a long-time dream to offer a designation to advisors who want to work more closely with charitably-minded clients to have community impact in mind when planning their finances, retirement and succession."**

- Ruth MacKenzie,  
President and CEO, CAGP

**"All of our partners and faculty members have worked hard to develop a designation program that will be of particular value to advisors working with high net worth clients, as well as those who put social impact at the top of their investment priorities."**

- Evelyn Jacks  
President of Knowledge Bureau

**"I am looking forward to working with firms and advisors to engage in this important industry designation that will add further trust and credibility to the work of advisors, and impact on charities in Canada,"**

- Brad Offman  
CEO of Spire Philanthropy.

# INTRODUCTION TO STRATEGIC PHILANTHROPY LESSON PLANS



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The RWM™, MFA™, MFA-P™, DFA-Tax Services Specialist™ and DFA-Bookkeeping Services Specialist™ designations are registered certification marks of Knowledge Bureau™

# MODULE 1 - WHY FAMILIES GIVE

## LEARNING COMPONENTS

Audio Presentation: Listen to the powerpoint presentation.

Practical Reading: Find the answers to the Key Questions below in your Knowledge Journal.

Practical Research: Research more deeply in EverGreen Explanatory Notes.

Practical Exercises - Apply your knowledge at the end of this lesson with practical case studies and quizzes.

Knowledge Bureau Calculators: Perform calculations using Knowledge Bureau's suite of calculators.

Knowledge Bureau Report: Stay up-to-date on tax and finance changes by reading the weekly Knowledge Bureau Report.

### KEY CONCEPTS AND ISSUES WHAT YOU WILL LEARN:

- What are the important giving trends in Canada?
- What are the key motivations for giving?
- How to approach the topic of philanthropy with your clients.
- What are the important questions to ask clients when integrating philanthropy into their wealth management plan?

### NEW SKILLS TO BE MASTERED:

- How conversations about philanthropy can help your clients understand their financial health better and as part of that process, integrate their key motivations for giving on a more fulsome basis into the development of comprehensive, long-term financial plans.
- How to prepare a gift planning checklist to broach conversations about planning with your clients.

## READING GUIDE - KEY QUESTIONS TO BE ANSWERED

1. Are affluent people becoming more philanthropic in Canada?
2. What group of donors gives the most money to charity in Canada?
3. How old are the most generous donors in Canada?
4. Who is the "Silent Generation" and how much do they give?
5. How generous is the tax system in supporting philanthropy?
6. Is it your fiduciary responsibility to make clients aware of their tax advantages?
7. What is the most significant tax event in making donations since 2006?
8. Are there any disturbing trends in the giving landscape?
9. What are key motivations for giving in Canada?
10. How do family values affect charitable giving?
11. In today's world of heightened social awareness, how important is the desire to make a difference to your clients?
12. What are the top 12 questions you should ask your clients to discover whether they want to be more philanthropic?
13. What are the 6 financial matters you need to analyze and evaluate?
14. Besides giving cash, what are the 3 gifting options you should present to a client?
15. What are at least 3 financial documents you should request to implement and monitor a proper gift plan?

# MODULE 2 - THE ROLE OF THE ADVISOR

## LEARNING COMPONENTS

Audio Presentation: Listen to the powerpoint presentation.

Practical Reading: Find the answers to the Key Questions below in your Knowledge Journal.

Practical Research: Research more deeply in EverGreen Explanatory Notes.

Practical Exercises - Apply your knowledge at the end of this lesson with practical case studies and quizzes.

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Knowledge Bureau Report: Stay up-to-date on tax and finance changes by reading the weekly Knowledge Bureau Report.

### KEY CONCEPTS AND ISSUES WHAT YOU WILL LEARN:

- Why integrating philanthropy into your practice is important.
- How to define gift planning for your clients.
- Understand why Donor Advised Funds can be used as a strategic charitable giving vehicle.
- Learn why philanthropy is good for business.
- Provide value-added charitable giving services and build and protect your business.
- Ethical implications of gift planning and potential risks, such as tax shelter schemes.

### NEW SKILLS TO BE MASTERED:

- Learn to identify the clients who wish to integrate conversations about strategic philanthropy into their tax, wealth management and estate planning goals.
- Understand how and when to address emotional triggers for giving, as opposed to the technical issues around giving and investing with tax efficiency.
- Learn how to build a network of advisors to help execute on the plans required
- Learn more about ethical and liability considerations to ensure that the donor's interests always comes first.
- Keep your educational standards up to speed with tax changes.

## READING GUIDE - KEY QUESTIONS TO BE ANSWERED

1. Are advisors discussing philanthropy to the perceived satisfaction of their clients?
2. What % of income do the majority of HNW (High Net Worth) individuals donate?
3. What is the average amount donated by the vast majority of HNW individuals?
4. What is the best way to identify agift planning prospect?
5. How would you describe the definition of Gift Planning to your client?
6. Why is your discussion of the breadth of the charitable sector important?
7. How can Canadians make gifts through foundations?
8. What is the difference between a public and private foundation?
9. What are Donor Advised Funds (DAFs)?
10. Why are gifting strategies good for an advisor's business?
11. Why is it important to build a professional network?
12. What 7 life events provide good opportunities to have a philanthropic conversation?
13. What is the best way to deal with a potential conflict of interest in managing a strategic philanthropic plan?
14. Provide 8 guidelines for avoiding conflicts of interest.
15. What is the distinction between ethics and liability?
16. What is a tax shelter and how should advisors work with them?
17. What are 4 reasons not to under-estimate the importance of your role in managing charitable pursuits you clients want to have?

# MODULE 3 - WAYS TO GIVE

## PERSONAL TAX ASPECTS OF CHARITABLE GIVING

### LEARNING COMPONENTS

Audio Presentation: Listen to the powerpoint presentation.

Practical Reading: Find the answers to the Key Questions below in your Knowledge Journal.

Practical Research: Research more deeply in EverGreen Explanatory Notes.

Practical Exercises - Apply your knowledge at the end of this lesson with practical case studies and quizzes.

Knowledge Bureau Calculators: Perform calculations using Knowledge Bureau's suite of calculators.

Knowledge Bureau Report: Stay up-to-date on tax and finance changes by reading the weekly Knowledge Bureau Report.

### KEY CONCEPTS AND ISSUES WHAT YOU WILL LEARN:

How to work effectively with family members, the client's other advisors: Using tax aspects of charitable giving.

Tax consequences matter but most donors don't understand them, advisors can add value here, for each individual in the family, the family unit as a whole.

- Basic tax aspects of charitable giving in Canada
- Using receipts and claiming tax credits
- Charitable tax implications of donating cash
- Charitable tax implications for individuals of donating assets
- Charitable tax implications of donations by corporations

### NEW SKILLS TO BE MASTERED:

Multiple stakeholders, all on the same page, require broad principles and guidance that everyone involved in the successful deployment of a charitable giving strategy will follow. Often that is driven by the tax aspects of charitable giving. In this module find out more about taxes and giving and how to integrate the right amount of individual giving to get after-tax results.

Tax consequences matter but most donors don't understand them, advisors can add value here, for each individual in the family, the family unit as a whole.

Establishing Charitable Giving Guidelines with a tax lens. Advisors will be able to articulate the ways to give to each stakeholder in the family and work with tax advisors to get the right result.

### READING GUIDE - KEY QUESTIONS TO BE ANSWERED

1. What is the definition of a charitable gift eligible for tax benefits?
2. What is the difference between a tax deduction and a non-refundable tax credit?
3. How do personal donations differ from corporate donations for tax purposes?
4. What is donative intent?
5. What are the 11 categories of qualified donees?
6. Do gifts to non-profits who are not registered charities qualify as a registered charity for tax purposes?
7. Do "GoFundMe" or crowdfunding platforms qualify for tax receipts?
8. How are donation tax credits calculated for individuals?
9. What are the contribution limits for claiming donations, if any?
10. Are the donations treated the same way if made during the person's lifetime as if they were made at death?
11. What are the tax consequences when gifts of publicly listed securities are made by a holding company?
12. What are the tax consequences when a private company donates inventory?
13. What changes were made to the definition of "qualified donees" on November 21, 2018?
14. What are 6 key strategies advisors can use to help clients better manage the tax aspects of charitable giving?

# MODULE 4 - CURRENT GIFTS OF NON-CASH PROPERTY

## LEARNING COMPONENTS

Audio Presentation: Listen to the powerpoint presentation.

Practical Reading: Find the answers to the Key Questions below in your Knowledge Journal.

Practical Research: Research more deeply in EverGreen Explanatory Notes.

Practical Exercises - Apply your knowledge at the end of this lesson with practical case studies and quizzes.

Knowledge Bureau Calculators: Perform calculations using Knowledge Bureau's suite of calculators.

Knowledge Bureau Report: Stay up-to-date on tax and finance changes by reading the weekly Knowledge Bureau Report.

## KEY CONCEPTS AND ISSUES WHAT YOU WILL LEARN:

- What are the common types of non-cash property being gifted today?
- What are some key indicators that are ideal for non-cash gifts
- ID and avoid potential red flags when dealing with gifts of non-cash
- Illustrate donations of in-kind non-cash property
- Donations of publicly listed securities from individuals
- Donations of publicly listed securities from companies
- Donations of stock optioned securities
- Donations of privately held securities
- Donations of Real Estate
- Other special donations of non-cash property

## NEW SKILLS TO BE MASTERED:

Multiple stakeholders, all on the same page, require broad principles and guidance that everyone involved in the successful deployment of a charitable giving strategy will follow. Often that is driven by the tax aspects of charitable giving. In this module find out more about taxes and giving and how to integrate the right amount of individual giving to get after-tax results.

Tax consequences matter but most donors don't understand them, advisors can add value here, for each individual in the family, the family unit as a whole.

Establishing Charitable Giving Guidelines with a tax lens. Advisors will be able to articulate the ways to give to each stakeholder in the family and work with tax advisors to get the right result.

## READING GUIDE - KEY QUESTIONS TO BE ANSWERED

1. What are the five overriding factors to keep in mind when considering a gift of non-cash property?
2. Which party bears the burden of proof for accuracy of property valuations: the donor or the charity?
3. What are the common types of non-cash property your clients may consider donating?
4. What are the key considerations in terms of tax implications and issues that may arise when transferring a publicly listed security?
5. What two methods are available for donating optioned stock?
6. How do the tax write offs for donations through a corporation differ from personal donations?
7. What limitations are there for donations from a corporation in a tax year?
8. Is it possible for a donation to be made through either a holding company or an operating company?
9. What are the differences between gifting shares of private companies and public companies to charity?
10. Is it possible to gift preferred shares of a private corporation and when would this type of property be used in a gifting strategy?
11. What is important about the RDTOH account in developing a gifting strategy?
12. What is the primary issue of concern when gifting tangible property outright?
13. When is a gift of real estate considered to be complete?
14. What is important about the gift of a principal residence?
15. What are the tax incentives available for gifts of ecological property?
16. What is the excess business holdings regime for private corporations and why is it important to discuss this with clients?

# MODULE 5 - DEFERRED GIFTS

## LEARNING COMPONENTS

Audio Presentation: Listen to the powerpoint presentation.

Practical Reading: Find the answers to the Key Questions below in your Knowledge Journal.

Practical Research: Research more deeply in EverGreen Explanatory Notes.

Practical Exercises - Apply your knowledge at the end of this lesson with practical case studies and quizzes.

Knowledge Bureau Calculators: Perform calculations using Knowledge Bureau's suite of calculators.

Knowledge Bureau Report: Stay up-to-date on tax and finance changes by reading the weekly Knowledge Bureau Report.

## KEY CONCEPTS AND ISSUES WHAT YOU WILL LEARN:

- The definition of a deferred gift.
- The key differences between deferred giving and current gifts.
- Identifying and avoiding potential red flags when dealing with deferred gifts.
- Gifts via the Will – bequests and the Graduated Rate Estate (GRE).
- Designation gifts of registered funds.
- Designation gifts of life insurance.
- Gifts using inter vivos trusts, such as Charitable Remainder Trusts (CRT).
- Gifting strategies involving combinations of current and deferred gifts.
- Charitable tax implications of donations by corporations

## NEW SKILLS TO BE MASTERED:

Planning amplifies the impact of donations. Advisors that can service all their clients' needs, and not just asset accumulation, can dramatically strengthen their value propositions. In some cases, planning for charitable gifts can lead to more assets for the advisor to manage.

It is important to note that for clients with investments, high quality charitable gift planning should not always result in compensation being paid to the advisor. Advisors need to consider all options available to the client and not only focus on the ones the advisor is paid to provide the product or service (e.g. insurance). This client's best interest standard is a keystone tenant of the Canadian Securities Administrators (CSA) most recent proposed amendments to National Policy Instrument 31-103 scheduled to come into force in 2019.

In the last module you have learned how current gifts work. In this module, we look at strategies requiring planning and implementation steps today, but the actual gift will occur later.

## READING GUIDE - KEY QUESTIONS TO BE ANSWERED

1. What is a deferred gift?
2. What are the key differences between current and deferred gifts?
3. What are the potential issues or red flags to consider in making Deferred Gifts?
4. What are the events that can render a will outdated?
5. What are the main responsibilities of an Executor?
6. What are the reasons donors choose their will for making charitable gifts?
7. What are the five different forms a bequest may take?
8. What are the financial consequences of deemed disposition?
9. What assets do not have tax consequences on death of a taxpayer?
10. To which entity/taxpayer does a charity receipt go to for a bequest gift?
11. What is the Graduated Rate Estate (GRE)?
12. Why is the GRE so important in planning a gift via the Will?
13. What are the taxable consequences of designation donations of an RRSP or RRIF?
14. What are the key issues to consider when naming charities as beneficiaries of an RRSP or RRIF?
15. What are the viable ways of using life insurance to create a charitable gift?
16. What are the benefits to donors for each type of life insurance donation?

# MODULE 6 - WHAT A SUCCESSFUL PLAN LOOKS LIKE

## LEARNING COMPONENTS

Audio Presentation: Listen to the powerpoint presentation.

Practical Reading: Find the answers to the Key Questions below in your Knowledge Journal.

Practical Research: Research more deeply in EverGreen Explanatory Notes.

Practical Exercises - Apply your knowledge at the end of this lesson with practical case studies and quizzes.

Knowledge Bureau Calculators: Perform calculations using Knowledge Bureau's suite of calculators.

Knowledge Bureau Report: Stay up-to-date on tax and finance changes by reading the weekly Knowledge Bureau Report.

### KEY CONCEPTS AND ISSUES WHAT YOU WILL LEARN:

- The virtuous circle – identifying the players involved in a planned gift.
- How to engage in a philanthropic conversation that includes all the stakeholders at the table, including the charity, aligned under one strategic plan.
- Integrating philanthropy into onboarding, KYC, annual meetings.
- Consideration for the timing of gifts (ages and stages).
- How to integrate a multi-generational approach.
- Achieving client goals with planning.

### NEW SKILLS TO BE MASTERED:

- How to work most effectively with a network of interconnected professionals in order to achieve the best outcome for my client, with respect to their charitable giving.
- How to integrate charitable giving discussions into your existing client processes (onboarding, KYC, annual meetings).
- Using a lens of client age and/or life stage to identify opportunities for a gift planning discussion.
- How to help your clients achieve their philanthropic goals using a well- established planning process.

### READING GUIDE - KEY QUESTIONS TO BE ANSWERED

1. Who are the various “players” involved in a planned gift and what role do they each play?
2. What are some of the common issues encountered within the broader team, involving the charity and professional advisors, working on a planned gift?
3. Why might a charity professional be tempted to exclude the professional advisor from the gift planning process, and vice versa?
4. What types of conflicts might exist between the various professional advisors that support an individual client? What can be done to avoid such a conflict?
5. What can I do to build my network of other professional advisors that are knowledgeable on gift planning?
6. How do I best integrate gift planning conversations into my existing client processes (onboarding, KYC, annual reviews)?
7. How does my client’s age, life stage and various life events impact gift planning?
8. Why is it important to take a multi-generational approach to planning with my clients?
9. What frameworks and tools can I leverage to structure a conversation with my clients around charitable giving?
10. What is the “one-two bequest strategy” and what is the rationale behind it?

# UNDERSTANDING THE CHARITABLE SECTOR LESSON PLANS



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# MODULE 1 - THE CHARITABLE SECTOR LANDSCAPE



## LEARNING COMPONENTS

Audio Presentation: Listen to the powerpoint presentation.

Practical Reading: Find the answers to the Key Questions below in your Knowledge Journal.

Practical Research: Research more deeply in EverGreen Explanatory Notes.

Practical Exercises - Apply your knowledge at the end of this lesson with practical case studies and quizzes.

Knowledge Bureau Calculators: Perform calculations using Knowledge Bureau's suite of calculators.

Knowledge Bureau Report: Stay up-to-date on tax and finance changes by reading the weekly Knowledge Bureau Report.

### KEY CONCEPTS AND ISSUES WHAT YOU WILL LEARN:

- An understanding of the landscape of the charitable sector in Canada and an awareness of the key players, their purposes, and how they interact.
- The legal, tax status and structural differences between two key acting entities of the charitable sector in Canada – charities and non-profit organizations.

### NEW SKILLS TO BE MASTERED:

- Being able to speak knowledgeably and confidently about the charitable sector, which will better prepare you to help guide your clients in developing their philanthropic plan and related decisions.
- Understand the key differences between these charitable structures so that you can guide your clients to the best structure suited to their needs.

### READING GUIDE - KEY QUESTIONS TO BE ANSWERED

1. How does the charitable and non-profit sector contribute to the Canadian economy?
2. What is the difference between a charity and a non-profit organization?
3. Why is it important to know the difference between a charity and a non-profit organization?
4. What are the differences between a charitable organization, public foundation and private foundation?
5. What is a related business?
6. How does the Income Tax Act define 'acquired control of a business'?
7. When is a private foundation the right choice for a client?
8. When is a donor-advised fund the right choice for a client?
9. Who are the key players in the charitable landscape in Canada?
10. Where can you look for more information on the charitable sector in Canada?

# MODULE 2 - EMERGING PHILANTHROPIC TRENDS



## LEARNING COMPONENTS

Audio Presentation: Listen to the powerpoint presentation.

Practical Reading: Find the answers to the Key Questions below in your Knowledge Journal.

Practical Research: Research more deeply in EverGreen Explanatory Notes.

Practical Exercises - Apply your knowledge at the end of this lesson with practical case studies and quizzes.

Knowledge Bureau Calculators: Perform calculations using Knowledge Bureau's suite of calculators.

Knowledge Bureau Report: Stay up-to-date on tax and finance changes by reading the weekly Knowledge Bureau Report.

### KEY CONCEPTS AND ISSUES WHAT YOU WILL LEARN:

- An understanding of the framework of “social capital” in Canada and how it ties into a values-driven gift planning process with your clients.
- A step-by-step process to help your clients articulate their strategic charitable vision.
- The difference between output vs. outcomes in the context of charitable impact.
- How to help clients properly evaluate charities and the danger of focusing on ‘overhead’ costs.
- Insight into some new players in the sector: crowdfunding, social investment and B Corporations.

### NEW SKILLS TO BE MASTERED:

- Helping clients to articulate their strategic charitable vision by documenting it in a Gift Plan.
- Using a checklist of screening and assessment criteria to evaluate charitable organizations and help clients make informed choices.

### READING GUIDE - KEY QUESTIONS TO BE ANSWERED

1. What is the difference between voluntary and involuntary philanthropy?
2. What screening and assessment criteria should be leveraged to assess charitable organizations and/or establish a short list of potential candidates?
3. What tools and resources are publicly available to evaluate charities?
4. What is a general guideline for an acceptable level of ‘overhead’ expenses at a charity?
5. What is the difference between ‘output’ and ‘outcomes’ in the context of charitable impact and why does it matter?
6. What is crowdfunding and what are some of the pitfalls?
7. What is a Giving Circle?
8. What is a B Corporation?

# MODULE 3 - HOW CHARITIES OPERATE



## LEARNING COMPONENTS

Audio Presentation: Listen to the powerpoint presentation.

Practical Reading: Find the answers to the Key Questions below in your Knowledge Journal.

Practical Research: Research more deeply in EverGreen Explanatory Notes.

Practical Exercises - Apply your knowledge at the end of this lesson with practical case studies and quizzes.

Knowledge Bureau Calculators: Perform calculations using Knowledge Bureau's suite of calculators.

Knowledge Bureau Report: Stay up-to-date on tax and finance changes by reading the weekly Knowledge Bureau Report.

### KEY CONCEPTS AND ISSUES WHAT YOU WILL LEARN:

- Distribution of charities in Canada based on size and charitable purpose
- The Canada Revenue Agency requirements for charities: filing and operation
- Reading the public T3010 data and interpreting for clients

### NEW SKILLS TO BE MASTERED:

- Establish yourself as a philanthropic expert and advisor by being able to talk about how charities work and how that might impact a gift that your client is considering.

## READING GUIDE - KEY QUESTIONS TO BE ANSWERED

1. What is the distribution of charities in Canada by size and purpose?
2. What is a federated organization and what is a common example?
3. What are the two ways a registered charity can carry out its charitable purposes and make use of its resources?
4. What are the Canada Revenue Agency guidelines and requirements for charities?
5. What is the concept of "direction and control" and why is it important?
6. What is the disbursement quota and how is it calculated?
7. How can I read the most common data (from the T3010) to help clients understand how a charity is operating?
8. How can I know if the charity my client is giving to is compliant and operating efficiently?
9. How should a charity be operating so I know my client is making a good social investment?
10. What is an example of an infraction and what is the associated penalty levied by the Canada Revenue Agency?
11. What is a Gift Acceptance policy and why is it important?

# MODULE 4 - FUNDING OF CANADIAN CHARITIES



## LEARNING COMPONENTS

Audio Presentation: Listen to the powerpoint presentation.

Practical Reading: Find the answers to the Key Questions below in your Knowledge Journal.

Practical Research: Research more deeply in EverGreen Explanatory Notes.

Practical Exercises - Apply your knowledge at the end of this lesson with practical case studies and quizzes.

Knowledge Bureau Calculators: Perform calculations using Knowledge Bureau's suite of calculators.

Knowledge Bureau Report: Stay up-to-date on tax and finance changes by reading the weekly Knowledge Bureau Report.

### KEY CONCEPTS AND ISSUES WHAT YOU WILL LEARN:

- How charities fundraise and how this impacts your clients.
- The level and type of government support charities receive and how this is changing.
- Various funding sources and strategies you can guide your clients to leverage when giving.
- How business owners can take advantage of fundraising instead of just responding to it.
- How individuals can engage in fundraising instead of just being subjected to it.
- How private foundations can establish clear, effective Grant Application Processes.

### NEW SKILLS TO BE MASTERED:

- Reinforce your role as a philanthropic expert, speaking knowledgeably about how charities are funded and the various ways your clients can provide their support.

### READING GUIDE - KEY QUESTIONS TO BE ANSWERED

1. What is the number one demographic change affecting the growth in the charitable sector?
2. What is the concept of a social deficit and why is it relevant for my clients?
3. What are the main sources of funding for charities?
4. What are the fundraising methods of charities and how would my clients typically engage in them?
5. What is the level of typical Government support and how is that shifting? This will affect how my clients are asked for support, how can I advise them on this trend?
6. How can I use this knowledge to make sure my client is leveraging all other funding sources to get the biggest bang for their buck?
7. How can my clients give as a business owner most effectively?
8. How can my clients give as an individual most effectively?
9. How can I help my clients with private foundations to identify the right charities for their causes?

# MODULE 5 - LEGAL & ETHICAL CONSIDERATIONS



## LEARNING COMPONENTS

Audio Presentation: Listen to the powerpoint presentation.

Practical Reading: Find the answers to the Key Questions below in your Knowledge Journal.

Practical Research: Research more deeply in EverGreen Explanatory Notes.

Practical Exercises - Apply your knowledge at the end of this lesson with practical case studies and quizzes.

Knowledge Bureau Calculators: Perform calculations using Knowledge Bureau's suite of calculators.

Knowledge Bureau Report: Stay up-to-date on tax and finance changes by reading the weekly Knowledge Bureau Report.

### KEY CONCEPTS AND ISSUES WHAT YOU WILL LEARN:

- Knowing the rules, regulations and guidelines to charitable giving
- Understanding ethical frameworks and guidelines of the charity sector
- Guidelines for advisors for ethical conduct in charitable gift planning
- Potential issues during estate administration and how they can be avoided
- How to help your clients plan for incapacity
- Common pitfalls for clients and advisors
- Response to possible ethical breaches

### NEW SKILLS TO BE MASTERED:

- Knowing how to conduct yourself in an ethical manner, within the context of the charitable sector
- Being able to identify if a charity you are working with is doing something they shouldn't and what to do in that situation

### READING GUIDE - KEY QUESTIONS TO BE ANSWERED

1. What are the three most influential models regarding ethical conduct? Which do you think you are most 'philosophically' aligned with?
2. What ethical frameworks and/or professional codes of conduct exist to help govern the charitable sector in Canada?
3. What is the distinction between ethics and liability, in the context of planned giving?
4. What are the key themes of the CAGP Code of Ethics?
5. What are the key guidelines for ethical conduct for advisors engaged in planned giving?
6. What are some of the common issues that may arise during the administration of an estate that contains a charitable bequest?
7. Why is a Power of Attorney (POA) relevant for charitable giving?
8. What is the financial limit associated with a charitable gift made under a POA in Ontario?
9. What is the concept of undue influence and how is it related to the administration of an estate that contains a charitable bequest?
10. What are the common issues clients and their advisors face during the giving process?
11. How do you know when a charity is breaking the rules? Intentionally or inadvertently? What can you do to safeguard your client?

# MODULE 6 - HOW TO PLAN FOR IMPACT



## LEARNING COMPONENTS

Audio Presentation: Listen to the powerpoint presentation.

Practical Reading: Find the answers to the Key Questions below in your Knowledge Journal.

Practical Research: Research more deeply in EverGreen Explanatory Notes.

Practical Exercises - Apply your knowledge at the end of this lesson with practical case studies and quizzes.

Knowledge Bureau Calculators: Perform calculations using Knowledge Bureau's suite of calculators.

Knowledge Bureau Report: Stay up-to-date on tax and finance changes by reading the weekly Knowledge Bureau Report.

### KEY CONCEPTS AND ISSUES WHAT YOU WILL LEARN:

- The virtuous circle – identifying the players involved in a planned gift.
- How to engage in a philanthropic conversation that includes all the stakeholders at the table, including the charity, aligned under one strategic plan.
- Integrating philanthropy into onboarding, KYC, annual meetings.
- Consideration for the timing of gifts (ages and stages).
- How to integrate a multi-generational approach.
- Achieving client goals with planning.

### NEW SKILLS TO BE MASTERED:

- How to work most effectively with a network of interconnected professionals in order to achieve the best outcome for my client, with respect to their charitable giving.
- How to integrate charitable giving discussions into your existing client processes (onboarding, KYC, annual meetings).
- Using a lens of client age and/or life stage to identify opportunities for a gift planning discussion.
- How to help your clients achieve their philanthropic goals using a well-established planning process.

### READING GUIDE - KEY QUESTIONS TO BE ANSWERED

1. Who are the various “players” involved in a planned gift and what role do they each play?
2. What are some of the common issues encountered within the broader team, involving the charity and professional advisors, working on a planned gift?
3. Why might a charity professional be tempted to exclude the professional advisor from the gift planning process and vice versa?
4. What types of conflicts might exist between the various professional advisors that support an individual client? What can be done to avoid such a conflict?
5. What can I do to build my network of other professional advisors that are knowledgeable on gift planning?
6. How do I best integrate gift planning conversations into my existing client processes (onboarding, KYC, annual reviews)?
7. How does my client’s age, life stage and various life events impact gift planning?
8. Why is it important to take a multi-generational approach to planning with my clients?
9. What frameworks and tools can I leverage to structure a conversation with my clients around charitable giving?
10. What is the “one-two bequest strategy” and what is the rationale behind it?

# INTEGRATING GIVING WITH CLIENT-CENTRIC PLANNING LESSON PLANS



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# MODULE 1 - Multi-Stakeholder Planning

## Approach

This case study is about a family considering a sale of their business and making a substantial gift to charity. It will explore the perspectives of the various stakeholders involved including family members, charity representatives, and the donor's professional advisors, and reinforce the importance of engaging all parties in the process, to the extent possible.

## Key Nuggets

Affluent individuals consult with multiple sources of advice regarding their family and financial affairs – this includes their accountant, lawyer and financial advisor(s). This network is even more enlarged when it comes to their charitable giving decisions, to include charity personnel and peer philanthropists. To the extent possible, it is ideal for this network of advisors to work together in a coordinated fashion, to ensure the best experience for the client. Looking beyond the network of professionals engaged in the process, we must also consider the client's family members who can play a key influencing role in your client's decisions related to their estate planning and philanthropy. The greatest success is achieved when these stakeholders are all actively engaged in the process and the ultimate outcome.

## Key Skills

- How to understand and mitigate the influence and interest of other stakeholders in a proposed major charitable gift.
- How to explain the differences between a private foundation, a donor-advised fund and an outright gift to charity and present the pros and cons of each.

# MODULE 2 - Working with Vulnerable Clients

## Approach

In this case study we will review the impact of capacity and undue influence on completing an estate gift to charity. In particular, we will determine how and when to involve family members, charity representatives, and other third parties to ensure we are acting in the best interests of all parties.

## Key Nuggets

- As the population ages, capacity issues and undue influence are often seen when working with seniors. This will only continue to increase as the baby-boomer generation moves into their senior years. Most planned gifts are made by those 65+, so knowing when these issues may interfere with a gift strategy will be an important consideration.
- As planned and strategic gifts are often complex in nature, and involve many parties, issues of influence may have a significant impact. Estate gifts in particular, can "go sideways", as challenges to capacity may not happen until the donor has passed away. As such, the ultimate execution of a gift may be impaired in the future if the advisor is not aware of these issues during the entire process.
- Elderly clients may be at risk in a number of different ways when it comes to issues of undue influence: Children, Grandchildren, new romantic partners, or even charitable organizations may have high levels of influence on the decision making of a donor.

## Key Skills

- Identifying the "red" and "yellow" flags that indicate possible capacity or undue influence issues that may interfere with the success of a gift.
- Dealing with difficult situations where you may have identified a compromised client.
- How to bring all parties "to the table" in order to ensure that a gift is executed properly.
- Understanding of what documentation is necessary in order to "prove" a gift was made with intent and understanding, should there be an issue after your client passes away.

## MODULE 3 - Guaranteed 10 Pay Insurance Gift

### Approach

This case study will review Guaranteed 10 Pay Universal Life insurance policies and how they can be used by donors to increase the impact they would otherwise have for the donations that they are able to make.

### Key Nuggets

In the past, many charities took ownership of permanent insurance policies that were designed to be paid up over a relatively short period of time (10 years or less). The premiums paid were not guaranteed and were dependent on interest rates remaining at the level they were when the policies were taken out. Interest rates have fallen since then, and many charities are left with policies that have either lapsed or require more funding to ensure that the policy stays in force. There are now better ways to structure insurance policies to be donated to charity, to help ensure the policies won't lapse. This case study will explore one such strategy.

### Key Skills

- Identifying situations where Guaranteed 10 Pay insurance could work as a charitable gifting mechanism for clients.
- Identifying which insurance companies offer guaranteed 10 Pay insurance policies.
- Determining what underwriting requirements are needed by each of the companies.
- Working with the charities to help them understand how the gift benefits them and what is required of the charity to complete the gift.

## MODULE 4 - Legacy Planning for Business Owners

### Approach

This case study will deal with a business owner that also has a holding company ("holdco") with stocks with capital gains. It will look at the best way to make a donation tax efficiently while building a legacy and also reducing the tax owed on the deemed disposition of the shares of the holdco upon death.

### Key Nugget

Business owners often set up holdcos as a way to defer tax, but they often do not do planning to extract assets out of the holdcos as tax efficiently as possible. If the business owner is philanthropically inclined, which many are, they need to be aware of the strategies available. This case study will address the tax benefits of donating through a holdco and the use of the Capital Dividend Account (CDA), as well as the use of donor-advised funds as a tax-effective way to leave a legacy.

### Key Skills

- Understand current trends in philanthropy with HNW clients.
- Learn the benefits of a holdco structure and how to extract funds from a holdco tax-effectively if your client is philanthropic-minded.
- Understand how donor-advised funds can be used to establish a legacy of giving.

## MODULE 5 - Donation of Existing Life Insurance Policy

### Approach

This case study will review the benefits of donating an existing life insurance policy to charity. It will discuss the process required to ensure that the proper tax receipts can be issued by the receiving charity, along with a strategy to ensure that any remaining premiums are paid. Finally, it will discuss some of the challenges that the charity may face in accepting the policy.

### Key Nuggets

Your clients will often purchase life insurance to cover off a protection need (for their business or their family) and there may come a time when the insurance is no longer required. A regular review of their insurance needs can identify situations where this is the case. If a policy is no longer needed, the client may wish to donate that policy to charity and receive the associated tax benefits.

### Key Skills

- Identifying clients who may no longer need their life insurance policy.
- Determining if an existing insurance policy would make a good charitable gift.
- Ensuring the donors will receive the proper tax credits for the donation of an existing life insurance policy.
- Preparing for a conversation with the charity on accepting the policy.
- Reviewing a strategy to ensure that any remaining premiums are paid to ensure the donor's charitable intent is fulfilled.

## MODULE 6 - Using FTS to Lower the After-Tax Cost of Charitable Donations

### Approach

This case study involves a high net worth, high income earning couple who are exploring alternatives to minimize the after-tax cost of a major charitable gift in support of a capital campaign at their alma mater. Considerations for donation include a cash gift, a gift of appreciated securities and a flow through share donation.

### Key Nugget

Flow Through Share Donations (FTSD) are a structured gifting arrangement first transacted under CRA and Revenu Quebec Advance Tax Rulings in 2007. Since 2007, several billions of dollars have been transacted and in recent years, in excess of \$100 million of donations per year have been facilitated with this gifting arrangement. Flow through share donation strategies enable donors to achieve their donation at a fraction of the after-tax cost of a cash donation by combining two tax benefits – flow through shares, which have been in place since the 1970's, and the donation of publicly traded securities to charity.

### Key Skills

- Understand the significant savings that can be achieved by using a flow through share donation format strategy.
- Understand how the tax, liquidity and price risk is mitigated with a FTSD.

# MODULE 7 - Using Insurance to Make a Major Gift Today While Ensuring a Legacy for Family

## Approach

This case study will provide you with a gifting strategy involving the use of insurance, to help your clients/donors set up a major gift for a charity that is important to them, while ensuring that their children will still be taken care of when they are gone.

## Key Nuggets

This case study will provide you with a strategy to help your clients/donors set up a major gift for a charity that is important to them, while ensuring that their children will still be taken care of when they are gone. It will explore how to discuss this option with your clients and any of their other advisors, as well as involving the charity in the discussions to ensure your client's charitable intentions are met. Finally, it will speak to simplicity of the strategy for ongoing maintenance and review.

## Key Skills

- Identifying scenarios where clients may be in a position to leave a major gift today.
- How to discuss with your client their ability to leave a gift now and still ensure their children are protected.
- How to work with charities to help them identify donor situations where this strategy may apply.
- How to ensure that the strategy remains intact for the life of your clients/donors.

# MODULE 8 - Using the CPP for Philanthropy\*

## Approach

This case study will present strategies for wealthy Canadians to easily use their Canada Pension Plan benefits for charitable giving, estate enhancement and tax savings.

## Key Nuggets

- Canadians now pay more taxes than ever before. Philanthropic Canadians are looking for ways to reduce that tax burden and instead provide tax-efficient funds to their favourite charities.
- With very few exceptions, every working Canadian over the age of 18 must contribute to the Canada Pension Plan ("CPP"). For many retired Canadians, CPP and Old Age Security benefits (of about \$1,100 a month) are vitally important to pay bills and other living expenses. Wealthy Canadians, in contrast, don't need those benefits to cover their expenses as they just get invested, taxed, reinvested and taxed again. We call that "never spend money".
- Using the CPP Philanthropy™ strategy, their government-supplied benefits can fund the premiums on a significant life insurance policy for the benefit of favoured charities and to enhance estate values.

## Key Skills

- How to use CPP benefits to purchase a personal insurance policy now with the estate and the charity to benefit down the line.
- How to use CPP benefits to purchase a personal insurance policy now with the client to reap the tax benefits now.
- How to eliminate RRSP/RRIF taxes through the use of CPP benefits and life insurance.

\*(Featuring the CPP Philanthropy™ strategy, trademarked and owned by WEALTHinsurance.com)