



**COMMUNITY  
FOUNDATION**  
*of* Southeastern Alberta

## **ADVISOR MANAGED ENDOWMENT FUND**

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working with you and your  
investment advisor to build  
a stronger community

## WHO WE ARE

### Our Mission

The Community Foundation creates meaningful connections between donors and local charities for the permanent benefit of Southeastern Alberta.

### Our Vision

Vibrant, Healthy, Caring Communities.  
Today. Tomorrow. Forever.

[www.cfsea.ca](http://www.cfsea.ca)

*We Grow. We Give. We Inspire.*

## HELP BUILD YOUR COMMUNITY

Impact your community now *and in the future* by establishing an endowment fund. Working with you and your Financial Advisor, the Community Foundation can create a platform to accomplish your charitable wishes.

**Support Your Charities** – Show your support for the issues that matter most to you by choosing a charity (or charities) that responds to them. Child and family services, sports and recreation, health, local art and culture, safer communities, environmental issues, education, animal welfare...the choice is yours.

## WHY AN ENDOWMENT FUND?

Donating your securities:  
big tax benefit, bigger impact

When you create an endowment fund, you create a continuous income stream for the charities of your choice, ensuring that they will continue to make an impact well into the future.

If you own securities or mutual fund shares that have increased in value since you bought them, then making a direct donation of those shares is the most tax-efficient way to support your favourite charities.

### Example

	SELL SECURITIES FOR CASH AND DONATE AFTER-TAX PROCEEDS	DONATE SECURITIES DIRECTLY TO THE FOUNDATION
Original Cost of Securities	\$100,000	\$100,000
Current Market Value	\$500,000	\$500,000
Capital Gain	\$400,000	\$400,000
Tax on Capital Gains (assume 24% on the total gain)	\$96,000	\$0.00
Donation Amount After Tax	\$404,000	\$500,000
<b>YOUR CHARITABLE TAX CREDIT</b>	<b>\$193,920</b>	<b>\$240,000</b>

In this case your charitable endowment choice receives \$96,000 more and you have an additional tax credit of \$46,080\*

\*assumes top Alberta and Federal combined tax rates.

## HOW IT WORKS...

### What you control

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#### Management

Choose who you wish to manage your charitable account with the Community Foundation.<sup>1</sup>

Choose when to make changes to your choice of advisor.

Choose what happens to the account in your estate; you may assign your position to a family member or transfer the portfolio directly to the Community Foundation to manage.

Together with your financial advisor, you may choose your portfolio makeup, within the guidelines stipulated by the Community Foundation and other terms within the Investment Advisors Agreement.

You and your advisor may negotiate the Advisor Fee structure within the stipulations of the contract agreement.

If you wish to further assist with community needs, whether through your initial charity selection, or an additional charity, you may increase the capital within your endowment at your discretion.



#### The Amount

Choose how much you contribute in stocks and value to your account, subject to a minimum requirement of \$250,000 balance of value within the portfolio at inception.

#### The Charity

Choose which qualified charities you wish the returns of your charitable account to support.<sup>2</sup>

Make changes to your charitable recipient (or recipients) at your discretion.

## HOW IT WORKS...

### What the Community Foundation controls

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#### Ownership

The Community Foundation will be the owner and only beneficiary of the portfolio as is required by the Canada Revenue Agency to comply with our ability to provide a charitable receipt for your stock contribution.

#### Gifted Amounts

The Community Foundation determines the distribution amount for charitable giving from your account. This decision is based on:

- Canada Revenue Agency Requirements
- Preservation of Capital
- Overall returns of the Foundation in total
- Cost of fund maintenance

#### Operating Fees

The Community Foundation will determine operating fees required to administer the account. The fee may be amended from time to time.<sup>3</sup>

#### Performance Standard

The Community Foundation determines the guidelines for the Asset Mix of the portfolio. We also establish a Benchmark return for which the portfolio will be evaluated against.





## LET'S START BUILDING TOGETHER

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1. Your Financial Advisor must be registered and in good standing with IIROC (Investment Industry Regulatory Organization of Canada) and/or MFDA (Mutual Fund Dealers Association).
2. Selected charity must be a "Qualified Donee" and/or a Registered Canadian Charity who services the communities supported by the Community Foundation.
3. Fee for Community Foundation administration of the account is currently annualized at 1% of the portfolio value, payable in quarterly installments based on the portfolio value at the end of each calendar quarter.

Do not sell security to a new charitable fund account.  
Price will be the same as time transferred to new account.

Gift must be donated "in Kind" to qualify for elimination of gain.  
Do not sell before transferring. Charitable Receipt will be issued based on closing price of date security was received.

Mutual funds will take longer to settle over to new account.  
Make sure transfer is complete before year end.

**Contact your financial advisor for more information, advice, and assistance with next steps.**



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FOUNDATION**  
*of Southeastern Alberta*

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*Charitable Registration Number:*  
136030285RR0001