

# Family Charity

## DESCRIPTION

Family charity, either through a private foundation or a supporting organization, is a means by which a family can centralize, monitor and control their family philanthropy, often for several generations. While the rules may be somewhat complex, foundations offer one of the best ways to mentor succeeding generations in money management as well as community responsibility. There are significant estate and income tax benefits that also accompany the establishment of some forms of family charity.

## ROLE IN SMITH FAMILY PLAN

To further the work of worthy causes that the family feels passionate about

Provide you with income tax benefits

Teach the younger generations about the importance of philanthropy and stewardship in your family

## PROTOCOL OUTLINE

### Year 1

#### 1) Form and Fund Entity

- a) Type
  - i. Private Family Foundation
  - ii. Supporting Organization
- b) Form
  - i. Trust
  - ii. Corporation
- c) Provisions
  - i. Trustees or Shareholders
  - ii. Board (number)
  - iii. By Laws
  - iv. Charitable Mission
- d) Draft and Execute Appropriate Documents
  - i. File forms with CRA
- e) Fund
  - i. Fund with Appropriate assets
  - ii. Calculate Charitable Deduction
- f) Monitor and Administer
  - i. Monitor Investments for Performance and Compliance with Foundation Rules
  - ii. Review Grant Requests
  - iii. Make Distributions as Desired/Necessary
  - iv. Appoint administrator and/or keep books and records
  - v. Board or Trustee meeting as required
  - vi. File tax forms

### Year 2 – Maintain

- 1) Monitor Federal and Provincial Laws, Maintain Books and Records, Review Grant Requests
- 2) Board or Trustee meetings as necessary
- 3) Make Distributions as Desired or Necessary to Charitable Recipients
- 4) Monitor Investments for Performance and Compliance with Foundation Rules
- 5) File tax forms

