Charitable Trusts

Thank you for considering a gift to the University of Calgary.

There are many different ways to give. Please consult with your professional financial and legal advisors to help you choose the best route for you and your family.

If you’re considering making a gift to the university in the future but you would like to receive tax benefits now, a charitable trust may be an appropriate vehicle for you.

A charitable trust is considered an irrevocable gift and as such is eligible for an immediate tax receipt based on the market value of the property, and any applicable discount rates based on your life expectancy. Further, any assets you place into a trust are not included in the value of your estate and therefore not subject to probate—the process of establishing the validity of a will.

Depending on your specific circumstances and wishes, you could consider one of two charitable trusts arrangements:

• **Charitable remainder trust** can be an *inter vivos* trust—a transfer made during a person’s lifetime—or a testamentary trust created within a will. In either case, the donor uses cash, securities or real estate to create a charitable remainder trust with a trust company or an individual acting as trustee. The donor or the donor’s designee retains the income interest in the property for life; the remainder interest is donated and held in trust for the U of C.

• **Charitable Residual Interest Trust** With this arrangement, you can donate property such as real estate, art or jewellery to the university while still enjoying possession of the asset.

In either arrangement, you will pay tax only on the income attributable to the interest.

Please note that charitable remainder trusts typically work better for larger gifts ($500,000 and up) because there is a cost to set up and manage the trust.

As you consider a charitable trust to the University of Calgary, we can work with you and your advisors to identify and document a specific trust arrangement that works for you. Please contact us for more information or to arrange an appointment at your convenience.

**Your acknowledgement**

Our staff will work with you to develop the appropriate acknowledgment of your gift. We recognize the generosity of our donors by ensuring the individual is acknowledged, however some donors wish to remain anonymous, a request we respect absolutely.
Example: Charitable Trusts

Establish your gift now and continue to enjoy your assets.

Your home

Raj wants to live in his house for the rest of his days but he wants to donate the home—his principal residence—to the University of Calgary. By setting up this residual charitable trust, Raj will reduce his income taxes, continue enjoying his lifestyle and be able to stay in the house. The charitable trust lets Raj make a gift now and have no capital gains tax on the donation, as it is his principal residence.

Your art collection

Mary wants to donate her collection of art to the U of C but she wants the art to remain in her home so she can still enjoy it. So, she will transfer her artwork into a charitable trust now, give the U of C a residual interest, and continue to be surrounded by her favourite paintings.

Your stocks and property

Philip wants to transfer stocks and some other capital property into a lifetime trust for him and his family, but names the University of Calgary as the remainder beneficiary. This helps Philip because his assets are professionally managed and he's paid a fixed income from the assets; helping him save taxes and increase cash flow.

Once Philip sets up the trust, there is no encroachment allowed on the trust’s principle. It is an irrevocable transfer of assets, meaning the income and remainder...