

In perspective:

Two approaches to strategic philanthropy

A donor advised fund is an alternative to setting up a private or family foundation. To help determine the best approach for you, compare the requirements to establish and maintain a private foundation with the simplicity of starting a donor advised fund at the Victoria Foundation.

	PRIVATE FOUNDATION	VICTORIA FOUNDATION DONOR ADVISED FUND
STARTUP		
Incorporate as a society	✓	No need. Quick fund startup within days!
Register as a charity with the Canada Revenue Agency	✓	No need
Appoint a Board of Directors	✓	No need
Set investment policy and appoint investment managers	✓	No need
Appoint auditors	✓	No need
GRANTING		
Develop specific focus for charitable grants	✓	Victoria Foundation staff can assist you
Research charities that match your intentions	✓	Draw on the Victoria Foundation's extensive history and connections to the community
Research local issues, needs and opportunities	✓	Utilize <i>Victoria's Vital Signs®</i>
Recommend grants to any registered charity in Canada	✓	✓
Involve your family in decisions	✓	✓
Name a successor donor advisor	✓	✓
Receive reports on impact of granting	✓	Victoria Foundation can liaise with your chosen charities on your behalf
Leverage impact with other community funders	✓	Utilize the Victoria Foundation's 85-year track record
MAINTENANCE		
Hold board meetings	✓	No need
Oversee investment managers	✓	Handled by Victoria Foundation Board of Directors
Complete annual tax filings and reporting	✓	Part of Victoria Foundation reporting
Complete annual audit	✓	Part of Victoria Foundation annual audit
Issue tax receipts	✓	Victoria Foundation issues receipts for gifts to your fund
Handle investment management, legal, accounting, insurance and staffing expenses	✓	All-inclusive fund administration fee means no extra charges

HOW MUCH DOES IT COST TO START A FUND?

With an initial contribution of \$10,000, you have a place for your strategic philanthropy. You can also set up a fund over three years; it starts granting once it reaches \$10,000 in capital contributions. There are no startup costs. Annual administration fees of 0.75 per cent are deducted from your fund to cover operational costs.

CAN MY GIFTS AND GRANTS BE ANONYMOUS?

At a private foundation, all awarded donations and grants are public information through the required annual tax returns. In contrast, donors can keep their gifts anonymous

through a Victoria Foundation donor-advised fund. Our grants are listed in our tax return by the name of the recipient grantee organization, not the fund that was the source of the grant.

HOW MUCH CONTROL DO I HAVE?

Private foundations offer the donor the greatest control but also require the greatest amount of time and expense in ongoing management. Donor advised funds at the Victoria Foundation offer less control, but also require less effort to set up and maintain: we handle all administrative details so you can focus on the difference you choose to make through your fund's grants.

CAN I TRANSFER MY PRIVATE FOUNDATION TO A DONOR ADVISED FUND?

Yes! You can collapse your private foundation into a donor advised fund, or you can create a companion donor advised fund that can receive grants from your private foundation — our staff will facilitate your grants in response to community needs.

For more information, visit victoriafoundation.bc.ca/faq/who-give

This information can help facilitate discussions between you and your advisor. It is not intended as legal or financial advice. We encourage you to consult a qualified professional.