

# Endowment Gifts

## **GIVE THE GIFT THAT LASTS!**

Christian organizations and charities depend on your donations for their existence. Every donation is eagerly accepted and is quickly used to meet current needs. But how can you give a gift that isn't immediately absorbed into this year's budget? How can you give a gift that will last for years to come? Endowment gifts provide that opportunity.

## **How does an Endowment Gift work?**

An endowment is a permanent gift that is invested for a minimum of ten years. The interest or income earned on that investment is used by the charity each year. Endowment plans can be set up in various ways, depending on the wishes of the donor. Christian Stewardship Services is pleased to set up and administer endowment funds directed to any of its partners, although many organizations have their own endowment program that they encourage donors to give to.

## **Endowment Gift Details**

Endowment giving can be arranged in many forms. An endowment can be set up with as little as \$1000. Additional contributions to the original principal (minimum of \$100) can be added at any time. All gifts are fully tax deductible, resulting in a tax credit of up to 46%. Charitable Bequests can also be directed to Endowment Funds, thus spreading out your legacy over a number of years, or in perpetuity. Such a gift can be made to support a specific project, for example the music programme in your local Christian School or to fund a Chair at a Christian University (always previously arranged with the beneficiary), or it can support the operating expenses of your favourite ministry for years to come. A steady income is often what a charity REALLY needs.

Endowments can also be set up as a Memorial Fund to a loved one – to support a scholarship, or their favourite ministry.

CSS is a registered charity, so all accumulating income is tax exempt. The donor can specify whether the income from the endowment will be for the recipient's operating budget or for another special purpose. The donor can also specify whether the investment income will accumulate in the account for a specific period of time before it is regularly paid out, or be paid out from the beginning.

Donors may choose to have portions of the original capital gift paid out after the minimum ten-year period has passed. Capital can be given to the charity over a period of time or all at once after ten years. It could also remain invested into perpetuity, ensuring the income continues for the long-term.



# Endowment Gifts...continued

## What About the Issuer?

These endowment gifts are administered by Christian Stewardship Services, a charity registered with Canada Revenue Agency (CRA) under BN# 10692 0309 RR0002. CSS was established in 1976 as a federal non-share corporation. It acts on behalf of some 40 charitable causes and over 100 Christian Schools which are partnering organizations, their donors and their friends. At least one of the CSS partners must be included for a portion of the actual benefit. Gifts from endowment income can be paid out annually, twice a year or can be left to accrue as the account holder or donor wishes. CSS charges an administrative fee of 1% per year on all accounts.

## Organizations

Endowment Funds are also available to partner and associate partner organisations as an investment vehicle for their own funds. Since Canada Revenue Agency rules do not generally allow for accumulation of funds received from donations, this type of fund enables charities to set aside funds for long term ministry needs. Many of our partners use them as a solid, reliable income source, and a safe place to keep funds, accruing the interest until it is needed at a future time. Charitable organizations receive all the interest after the 1% administration fee is deducted.

