



Private Giving Foundation

Program Guide

A simple, effective way to
support causes that matter to you

The **Private Giving Foundation** (the “PGF”) is an independent, non-profit charitable corporation registered as a public foundation with the Canada Revenue Agency and with the Quebec Ministry of Revenue (the charity’s registered business number is **85721 0744 RRO001**).

PGF was established to support and increase charitable giving in Canada, as well as educate potential donors on advantageous ways for Canadians to give. Participation in PGF is subject to the laws applicable to Canadian charities, the terms and conditions of PGF’s incorporating documents and bylaws, this Program Guide, and other PGF documentation, each as amended or created from time to time.

PGF offers you the opportunity to establish a donor-advised account, which PGF may open at its sole discretion. This account provides you (the “donor-advisor”) the ability to:

- Make irrevocable charitable donations of cash or qualified securities (publicly traded securities, mutual funds and segregated funds);
- Receive an official donation receipt for such donations; and
- Recommend to PGF grants to registered charities and other qualified donees.

A separate account is opened and maintained to allow each donor-advisor to track their donations. As part of the account-opening process, we will ask you to name the donor-advised account (e.g., The G. Raymond Fund, The Raymond Family Foundation, The Downtown Arts Fund or The Learning Project). Please note that while the Private Giving Foundation’s account keeps track of the donations made by a donor-advisor to PGF, the account and its assets are the property of PGF.

Donations

The minimum initial donation to PGF is \$10,000. The minimum amount for each subsequent donation is \$1,000. Cash donations must be denominated in Canadian Dollars. PGF will accept only donations of cash or qualified securities (stocks, bonds, mutual funds and segregated funds). All new donors must complete and submit a Donor-Advised Account Application Form and a Charitable Donation of Gift Form with their initial donation.

Third-Party Donations

Third parties (individuals or corporations who are not the primary donor) may make donations to the donor-advised account (subject to the minimum \$1,000 subsequent donation requirement). These third parties will receive an official donation receipt from PGF for their donations. Third party donors do not, however, obtain any advisory privileges (including grant recommendation privileges) with respect to such donations.

Valuation of Donations

Once we receive donations of qualified securities, such as publicly traded securities or mutual funds, PGF will establish, at its sole discretion and in accordance with the administrative position of the Canada Revenue Agency and the Quebec Ministry of Revenue, a value for the donated securities for the purpose of issuing an official donation receipt. PGF's policy is to value the donated securities based on the previous day's closing price.

Approval of Donations

PGF reserves the right to refuse any offered donation. Once a donation is accepted, PGF will provide quarterly statements to the donor-advisor, which will outline all activity in the donor-advised account during that period, including the current market value.

Donations are Irrevocable and Unconditional

Once accepted by PGF, all donations are irrevocable and non-refundable under any circumstances. All donated assets are owned and held by PGF. Donations with conditions attached to them will not be accepted into PGF.

Testamentary Donations

You may also use a donor-advised account as part of an estate plan. For example, you may designate PGF as a beneficiary of a bequest of cash or securities in a donor's Will. Individuals may also designate PGF as beneficiary for a Retirement Savings Plan (RSP), Retirement Income Fund (RIF), a Tax-Free Savings Account (TFSA), a life insurance policy or a charitable remainder trust, which may result in considerable tax relief.

Please note: Tax and legal advisors should be consulted when setting up testamentary donations.

A letter of wishes should be completed in order to provide guidance to PGF related to your recommended charities to distribute funds to upon your death and/or naming a successor.

Investment of PGF Assets

PGF Board bears the sole responsibility and authority for investing PGF's assets and may, without notice, remove or add investment funds in which it invests regularly. The TD Greystone Private Balanced Plus Fund ("the Fund") is managed by TD Asset Management Inc. (TDAM). The Fund's investment objective is to seek long-term total returns (current income and capital appreciation) by investing in a balanced portfolio of equity, fixed income, and alternative asset classes, within a narrow outcome range. The Fund seeks to be more income-focused than typical balanced funds and to provide lower volatility through greater diversification and lower correlation of the asset classes invested in.

Cash Donations

Upon receipt of a cash donation, PGF will invest the cash in units of the Fund. The number of units is determined as of market close on the business day the fund units are purchased.

Donations of Securities

After PGF receives donated securities, it sells them at the earliest date commercially practicable under prevailing market conditions and credits the donor-advised account on a notional basis with the number of Fund units which have an aggregate value equal to the net proceeds that PGF realizes from the sale of the securities. These trades may be executed through an affiliate of TD. Such entities may earn brokerage commissions for effecting stock sales. Any costs PGF incurs to sell securities are deducted from the proceeds of sale. Thinly traded or illiquid securities may require special treatment and their donation must be pre-approved by PGF. PGF reserves the right to reject offered donations of illiquid securities or any other securities.

Caution: Donors who transfer securities to PGF from financial institutions other than TD or its affiliates should be cautioned that there may be a delay in receiving securities and a possible charge imposed by the transferring institution which is out of PGF's control.

Income and Capital Gains

PGF may earn dividends, interest, other investment income and capital gains distributions from its investments, in addition to PGF's operating expenses. PGF allocates, in units, a pro-rata share of net income and net realized capital gains from the investment fund to the donor-advised accounts.

Accounting for Investments in Donor-Advised Accounts

PGF allocates on a notional basis to the applicable donor-advised account, mutual fund units purchased from the proceeds of the related donation. The mutual fund determines the value of its securities at the end of each business day or as it otherwise considers appropriate.

Donor-Advised Grant Recommendations

Annual Grants

PGF's disbursement policy impacts PGF's ability to make grants in a year. Around the beginning of the calendar year, PGF will advise you of the amount that your account has available to grant to charities. Currently, PGF expects that the annual grant amount for a donor-advised account will be approximately five per cent of the market value of the previous year end. Typically, grants are not paid in the year that you make the initial donation to PGF. PGF also permits granting of capital, subject to maintaining a minimum \$10,000 balance.

Recommending Grants

You may set up your donor-advised account recommendations as "recurring," which means that the same charities will receive the same percentages of recommended grants each year. Alternatively, if your grant recommendations are set up as "one-time," you must provide new grant recommendations annually. Donor-advisors can recommend that grants be made to specific qualified donees by completing the Grant Recommendation section of the Donor-Advised Account Application Form and, if required, the Additional Grant Recommendation Form. If donor-advisors recommend grants to multiple charities, they must indicate the suggested percentage or dollar amount to be allocated to each charity on the Donor-Advised Account Application Form and/ or Additional Grant Recommendation Form. PGF makes the final decisions regarding grant and percentages allocated to qualified donees. It will consider all grant recommendations made when determining grants to be paid. If it approves, the recommended grants will be paid out of the donor-advised account to the grantee. PGF exercises sole discretion regarding all decisions about the use of PGF's funds, including grants made to qualified donees.

Restrictions on Grants

Grants can only be made to:

- Charities registered with the Canada Revenue Agency,
- Registered national arts service organizations,
- Registered Canadian amateur athletics associations,
- Registered journalism associations
- Registered municipalities or public bodies that perform a function of the government of Canada,
- Universities outside Canada that are prescribed to be universities, the student body of which ordinarily includes students from Canada,
- Registered low-cost housing corporations for the aged,
- Registered municipalities
- His Majesty in right of Canada, a province, or territory
- A registered charitable organization outside Canada to which Her Majesty in right of Canada has made a gift.
- Canadian municipalities, and
- The United Nations or any of its agencies.

PGF will not approve recommended grants that:

- Are directed to foreign charitable organizations (other than as described above),
- Fulfill a pre-existing legally enforceable pledge to a charity,
- Provide private benefit to a donor-advisor,
- Pay a related child's tuition, or
- Support partisan politics of any kind, including direct or indirect support of, or opposition to, any political party or candidate for public office.

Furthermore, PGF will reject a recommended grant if it deems that it is not entirely charitable. PGF will take remedial action if it discovers that grants have been made for improper purposes, such as those listed above. Remedial actions may include, but are not limited to, requiring the return of a grant.

Grant Notification

PGF makes the grants through cheques bearing its name. A letter from PGF recognizing the name and address of the donor-advised account will accompany the grant cheque. Should the donor-advisor wish to remain anonymous, the account name will not be disclosed.

Donor-advisors will receive written confirmation of all grants distributed from their account as part of each quarterly donor-advised account statement. Should PGF decide to reject a recommended grant, PGF will notify the donor-advisor in writing. PGF makes these grants quarterly after receiving the grant recommendation.

Number of Grants

The minimum donation to establish a donor-advised account is \$10,000. The donor-advisor for a donor-advised account with a \$10,000 balance will be permitted to recommend up to five grants each year.

Fees and Expenses

The PGF's operating expenses/fees are paid for by donor-advised accounts. The PGF allocates these fees as:

Donor Advised Fund Management fee.

The fee reflecting on donor's quarterly statement will be an all-inclusive fee. Please note, some operating expenses are charged within the fund.

Average Daily Balance	Fee Schedule (per annum)*
First \$250,000	2.39%
Next \$500,000	2.14%
Next \$250,000	1.89%
Next \$1,000,000	1.84%
Next \$1,000,000	1.74%
Next \$1,000,000	1.64%
Next \$1,000,000	1.39%
\$5,000,000+	0.89%

* Plus HST

Activity Charges

The PGF does not currently intend to charge donor-advised accounts for processing grants to charitable organizations.



Succession of Donor-Advisors

Appointment of Successors

Individual donor-advisors may appoint any person to succeed to the rights and duties associated with a donor-advised account upon their death or incapacity. After receiving written notification and sufficient proof of the donor advisor's death or incapacity from the appointed successor, PGF will approve the successor's taking over of all of the donor-advisor's rights and duties, including the ability to recommend subsequent grants. If a successor individual is a minor, PGF requires that the minor's legal guardian make grant recommendations.

Joint Accounts

If the donor-advised account is a joint account, upon the death of one of the donor-advisors, the other donor-advisor maintains the rights to recommend grants and designate successors.

Successors take on the rights and responsibilities on the donor-advised account only after the death or incapacity of all its donor-advisors.

Income Tax Considerations

Fund Income and Grants

Income and capital gains from the investments in the donor-advised account are income and capital gains of PGF. The donor is not subject to tax on any income or capital gains from any of PGF's investments. When PGF makes a grant from an account, PGF is making a grant from its own assets. Donors are not eligible to claim an additional charitable donation credit or deduction (if the donor is a corporation) for these grants.

Income Tax Recognition of Donations

Donations to PGF generally qualify for an individual income tax credit or corporate tax deduction in the current tax year as a charitable gift made to a registered charity, subject to certain limitations. For donations of qualified securities such as publicly traded securities or mutual funds, there will be zero capital gains as income and therefore, no capital gains tax owing. As the foregoing information is not tax advice, PGF strongly encourages donors to consult a qualified tax advisor to identify the income tax considerations specific to their situation.

In the example below, you would reduce your taxes by an additional \$18,000 by donating the securities directly to The Private Giving Foundation rather than selling them and donating the proceeds.

	Sell securities and donate proceeds to charity	Contribute securities to The PGF
1. Market value	\$100,000	\$100,000
2. Cost of securities when purchased	\$20,000	\$20,000
3. Capital gain (1) – (2)	\$80,000	\$80,000
4. Taxable gain (3) x 50% or 0%	\$40,000	\$0
5. Tax on gain (at 45%)	\$18,000	\$0
6. Capital gains tax savings	\$0	\$18,000
7. Tax credit (at 45%)	\$45,000	\$45,000
8. Capital gains tax savings and tax credit (6) + (7)	\$45,000	\$63,000

For illustrative purposes only. Credit may be higher or lower depending on province of residence.

Annual Donation Limit

For individuals and corporations, the annual donation that may be claimed is limited to 75 per cent of net income (100 per cent in the year of death and the year immediately preceding death). Donations in excess of the applicable limit can be carried forward and claimed in any of the five following years, subject to the 75 per cent limit in each year claimed.

For individuals who make an estate donation as part of their estate plan, as long as certain requirements are met, the donation may be used the year to donation is made, most preceding years of the estate, the year of death, and the year immediately preceding the year of death.

In the year of death and the year immediately preceding the year of death, the annual donation limit is increased to 100 per cent of net income.

Estate Planning

Donations to PGF prior to the donor-advisor's death do not form part of the donor's estate and therefore are not subject to probate. Bequests to PGF may not be so exempt. Donors should consult their legal and tax advisors regarding how PGF can fit into their overall estate planning.

PGF Structure and Service Agreements

PGF is a non-share capital corporation registered with the Canada Revenue Agency and the Quebec Ministry of Revenue as a public foundation. There is an independent Board that has full discretion over PGF and its activities. Should the Board determine that it is necessary to terminate PGF, the Board reserves the right to reassign the notional units held in donor-advised accounts to the Directors' Charity Fund and distribute assets to registered charities and other qualified donees.

TD established PGF as an independent charitable corporation. The Board comprises most directors who are independent of TD and its affiliates. PGF may indemnify the Board against any liability to the fullest extent allowed by applicable law, and/or purchase appropriate insurance policies on behalf of PGF and its directors.

PGF has entered into a service agreement with TD to perform or arrange for administrative, recordkeeping, fundraising and certain other services for PGF. PGF has entered into an investment management agreement with TDAM, whereby TDAM will provide certain investment management services to PGF. TD and TDAM receive remuneration for the services provided pursuant to such agreements and may receive remuneration for other services provided to PGF. A portion of the fees paid by PGF pursuant to such agreements may be used to remunerate TD and its employees for such efforts. Each agreement may be terminated by the parties to such agreement on at least 60 days prior written notice, or on less prior notice in certain circumstances. PGF expects that, in the event of such termination, TD and/or TDAM would have no further involvement with the affairs of PGF.



Bequest Examples

Sample Bequest Language

To pay or transfer the residue of my estate to the Private Giving Foundation, BN/ Registration Number 85721 0744 RR0001, to my donor-advised account (indicate PGF account number and name). If a donor-advised account has not been opened by me at the time of my death, I direct my Executors and Trustees to open such an account in the name of (your choice of fund name) (“the Fund”). The regulations for the investment of the Fund and the use of the income and capital of the Fund for charitable purposes shall be determined in the absolute discretion of the Board of Directors of the Private Giving Foundation. It is my wish that the Board of Directors of the Private Giving Foundation apply monies from the Fund to those charitable organizations selected on an annual basis in the absolute discretion of the Board of Directors of the Private Giving Foundation or to any registered charities which I may select in accordance with any memorandum that I may leave with this my will.

Contact TD.PrivateGivingFoundation@td.com for information on developing a letter of wishes that outlines your recommended charities that you wish PGF to grant to upon your passing.

Communicating Information on Charities

Donor-advised account holders may request to receive regular information regarding charities operating in their areas of philanthropic focus. Any such information provided by PGF will be provided as a convenience for information purposes only. PGF is not obligated to provide any such information. PGF does not guarantee or take responsibility for the accuracy or completeness of any such information provided, and PGF does not endorse or recommend any organization or program that may be mentioned.



Visit www.tdwealth.ca/privategiving for more details.

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All products contain risk. Important information about the pooled funds is contained in their respective offering circular, which we encourage you to read before investing. Please obtain a copy. The indicated rates of return are the historical annual compounded total returns of the funds including changes in unit value and reinvestment of all distributions. Yields, investment returns and unit values will fluctuate for all funds. All performance data represent past returns and are not necessarily indicative of future performance. Pooled fund units are not deposits as defined by the Canada Deposit Insurance Corporation or any other government deposit insurer and are not guaranteed by The Toronto-Dominion Bank. Investment strategies and current holdings are subject to change. TD Pooled Funds are managed by TD Asset Management. TD Asset Management is a wholly-owned subsidiary of The Toronto-Dominion Bank. The services of the Private Giving Foundation, an independent, non-profit charitable corporation, are offered in co-operation with TD Wealth. TD Wealth represents the products and services offered by TD Waterhouse Canada Inc. (Member – Canadian Investor Protection Fund), TD Wealth Private Banking (offered by The Toronto-Dominion Bank) and TD Wealth Private Trust (offered by The Canada Trust Company). TD Mutual Funds are managed by TD Asset Management Inc., a whollyowned subsidiary of The Toronto-Dominion Bank. © The TD logo and other TD trade-marks are the property of The Toronto-Dominion Bank or its subsidiaries.