

Digging Deep:

Understanding why, where and how much you should give to charity



How do you give back to the community? What inspires you to get out your cheque-book? Do you give to a place of worship? A community organization? A local school? Your *alma mater*? Are your gifts given on a monthly or annual basis? On a broader scale, do you have a plan for how you give?

Building your own giving plan

Moving from basic monetary contributions to a more involved charitable giving strategy requires planning and setting goals. As with financial planning, a charitable giving strategy will require you to do some thinking.

Here are Six Charitable Giving Considerations that will help you:

First, what are your values when it comes to giving? What motivates you? Perhaps it is healing? Or creativity? Or family? Take some time to consider your values. Write them down. Perhaps narrow them to your two or three core values.

Second, now that you have identified your core values identify what causes express your core values. Health? The Arts? Youth Development?

Third, what is your geographic focus? Do you want to give locally, nationally, internationally, or perhaps a combination of these choices?

Fourth, dig in and research what your options are based on your previous choices. Consider some registered charities that appeal to your values, and deal with them on the geographic scope that interests you. Here are some good places to start your research:

Guidetogiving.ca is run by Imagine Canada, a national organization that works with the Canadian charitable sector to ensure charities play a vital role in communities across the country.

The Canadian Donor's Guide has been around for several years. It is a comprehensive reference tool for donors and their advisors. It has highly informative data about charitable organizations as well as timely, relevant editorial content. To peruse the online version, see: *donorsguide.ca*.

Charityvillage.ca is used by donors, advisors and members of the charitable sector. It includes articles, but most important, extensive lists of charitable organizations.

Fifth, evaluate your choices like you would any investment. Is the charity that interests you run responsibly? You can find publicly available information about registered charities on the Canada Revenue Agency (CRA) website. The CRA regulates registered charities. If a registered charity fails to comply with its legal responsibilities, the status will be revoked. Once revoked, it's very hard to get it back.

You should know about the organizations you intend to support. You may wish to review the charity's annual

report and financial statements, and find out who is on its Board of Directors. You can check on their status, contact information, general activities, and financial information here: cra-arc.gc.ca/chrts-gvng/lstngs/menu-eng.html. Another website that you can use for this purpose is: *charitydata.ca*.

Sixth, if you are able, it's wise to spend some time getting to know the charity. Volunteer or become a member of the Board of Directors or consider joining a committee. See how the charity fulfills its mandate. How does it treat employees and volunteers? It's easy to simply write a cheque, but by getting involved, you may be able to find out if your donation has made the level of impact that you wish. Talk to the charity about what type of reporting you want.

You may be able to specifically designate how your donations are used. Some charities will allow you to fund specific activities that they undertake. If you wish your donation to be used for a specific purpose, talk to the charity to see if that fits with their strategic plan.

Give Effectively

It feels good to help out. But it feels even better when you know you can afford your charitable giving plan. Ask your TD Advisor about how your charitable giving ideas fit within your overall financial plan. You can also ask for another TD article, *Giving Smarter: Choosing the Right Charitable Giving Strategy*.

Now you can speak to your TD Advisor and consult your tax professional to:

- Go through the **Six Charitable Giving Considerations** necessary for building an effective charitable giving plan
- Consider what charitable giving strategies are most suitable for you
- Determine the affordability of your charitable giving plan within the context of your overall financial plan

