

LEAVING A LASTING LEGACY FOR THE NATIONAL GALLERY OF CANADA

Art patrons across the country give to the National Gallery of Canada Foundation because they care deeply about preserving our rich visual arts heritage for future generations.

The decisions they make regarding their gifts reflect their personal, financial, and philanthropic objectives. Many patrons choose to both make an immediate gift that can support the Gallery's endeavors today and remember it in their estate planning to optimize their contribution and to leave a lasting legacy. In doing so, they are able to fulfill their philanthropic wishes while maximizing the benefits of their gifts—for themselves and their estate and for the National Gallery of Canada and its Foundation.

This is a guide to the ways of giving that help create a lasting legacy for the National Gallery of Canada.

IMMEDIATE GIFTS THAT PROVIDE SUPPORT TODAY AND IN THE FUTURE

Patrons who wish to provide an immediate source of funds to support current and future initiatives at the Gallery can make an immediate gift of cash and non-cash assets such as publicly listed securities, real estate, or works of art to the Foundation. You will receive a tax receipt for the amount of your donation that will result in an immediate tax savings, significantly reducing the cost of your gift.

DEFERRED GIFTS THAT WILL PROVIDE SUPPORT IN THE FUTURE

A deferred gift is one you arrange now but is not available for use by the National Gallery and its Foundation until sometime in the future. Usually funded from your accumulated resources or assets rather than your income, a deferred gift may allow you to make a larger contribution to the Gallery than would be possible with an immediate gift – and optimize your legacy. They also enable you to maximize tax, financial, and estate benefits. Deferred gifts include bequests by will or irrevocable trust, securities, registered retirement savings plans or income funds, life insurance, works of art and other in-kind tangible assets.

BEQUEST BY WILL OR IRREVOCABLE TRUST

Remembering the National Gallery of Canada and its Foundation in your will enables you to ensure your philanthropic wishes are carried out, provide a more meaningful legacy to the Gallery, and take advantage of significant tax incentives while retaining full control of your assets during your lifetime. For these reasons, bequests are one of the easiest and most popular ways to provide lasting support to the Gallery.

Bequests to the Foundation provide substantial income tax relief. Your estate will receive a tax receipt for the fair market value of the gifted property, which can reduce the tax payable upon your death: charitable gifts amounting to 100% of your net income can be taken as a tax credit in the year of death and any unused donation credits can be carried back to the previous year, preserving more of your estate.

TYPES OF BEQUESTS

A bequest to the Foundation can take many forms. You can make:

A *Specific Bequest*, donating a specific sum of money, publicly listed securities, a Registered Retirement Savings Plan, a Registered Retirement Income Fund, a life insurance policy, real estate, or personal property such as a work of art.

A *Residual Bequest*, which is a gift of a named percentage or portion of your estate or of its residue after having paid gifts to other beneficiaries under the estate.

A *Contingent Bequest*, which is a gift of all or a share of your estate contingent upon certain conditions having been met, such as income being paid through a trust to a loved one for life or for a term of years before the trust can be distributed to the Foundation.

With any of these types of bequests, you can direct your gift to the general purposes of the Foundation (an unrestricted gift) or to a specific fund of the Foundation (restricted gift).

SAMPLE LANGUAGE FOR CLAUSES

The following examples are only intended to assist patrons who wish to remember the National Gallery in their will. The Foundation will be pleased to work with you and your legal advisors to draft appropriate bequest clauses.

Specific Bequest:

"I direct my trustees to deliver, pay, or transfer the sum of \$_____ or (xxx shares of X co) to the National Gallery of Canada Foundation to be used for its general charitable purposes."

Residual Bequest:

"I direct my trustees to deliver, pay, or transfer the residue of my estate (or a specific portion of the residue, e.g., 20%) to the National Gallery of Canada Foundation to be used for its general charitable purposes."

Restricted Bequest:

"I direct my trustees to deliver, pay, or transfer the sum of \$_____ (or xxx shares of X co) to the "X" Endowment Fund of the National Gallery of Canada Foundation to be used for the charitable purposes of the "X" Endowment Fund pursuant to its general terms and conditions in place from time to time."

You are encouraged to discuss your intentions with your legal, financial, and tax advisors.

GIFT OF PUBLICLY LISTED SECURITIES

Gifts of publicly listed securities have are a tax-efficient means of making a contribution to the National Gallery of Canada Foundation. You can make a gift of publicly listed securities during your lifetime or defer it to be part of a bequest. Such gifts can include a share, debt obligation, or right listed on an approved stock exchange; a share of the capital stock of mutual fund corporations; and a unit of mutual fund trust. You (or your estate) will receive a tax receipt for the fair market value of the security donated. Donations of publicly listed securities are now entirely exempt from capital gains tax, providing you with a greater income tax reduction than would be realized with a gift of cash.

With this type of gift, it is to your advantage to transfer the securities to the Foundation without liquidating them first, as the donation will not otherwise qualify for the reduced taxable capital gain.

GIFT OF A REGISTERED RETIREMENT SAVINGS PLAN OR REGISTERED RETIREMENT INCOME FUND

You can make an immediate gift of the proceeds of your Registered Retirement Savings Plan (RRSP) or Registered Retirement Income Fund (RRIF) to the Foundation, or defer the gift as part of a bequest. When bequeathing an RRSP or an RRIF, you designate the Foundation as beneficiary of the plan in your will or sign a declaration with your financial institution specifying the Foundation as a beneficiary. If the gift is made during your lifetime, you will receive a charitable donation receipt for the value of the plan as of the day it is received by the Foundation. If a bequest is made, the receipt will be for the value of the plan upon death. In most provinces, the proceeds paid directly to the Foundation will not be subject to probate fees.

GIFT OF A LIFE INSURANCE POLICY

A gift of life insurance is an affordable way to make a meaningful, lasting contribution to the Foundation while benefiting from immediate or deferred tax advantages. You can purchase a new policy or use an existing policy, naming the National Gallery of Canada Foundation as the owner and beneficiary. In doing so, you will receive an immediate charitable donation receipt for the policy's cash surrender value. If you are still paying premiums on the policy, you will be issued charitable donation receipts for those payments on an annual basis. Alternately, you can name the Foundation as the policy's beneficiary (but not its owner). In this case, your estate will receive a charitable donation receipt when the Foundation receives the proceeds of the policy; in most provinces, the gift is outside of the estate and so is not subject to probate fees.

GIFTS OF WORKS OF ART

The National Gallery of Canada welcomes gifts of works of art that will enrich its collections and are in keeping with the high standards established. With such a gift, you may take a charitable deduction for the fair market value of the work, based on the current appraisal. If the work of art has been certified by the Cultural Property Export Review Board, your donation is also exempt from capital gains tax. You can also donate a work of art today, yet continue to enjoy it in your home by making a partial and promised gift. Such a gift is made by transferring a substantial interest in the work of art to the Gallery now, with an agreement to transfer full ownership at a future date.

The Gallery also accepts gifts of rare books and manuscripts that will complement the Library's comprehensive collection of books, periodicals, and documents on the history, theory, and criticism of art and architecture.

OTHER GIFTS

Any property that can be valued may be a potential gift to the Foundation on behalf of the Gallery. If you are considering making a gift such as real estate, private company shares, annuities, a charitable remainder trust or a residual interest in a property, flow-through shares, time-share recreational property, antiques, and so on, we encourage you to discuss your plans with your legal, financial, and tax advisors.

UNRESTRICTED AND RESTRICTED GIFTS

All gifts to the Foundation support the endeavours that are at the heart of the National Gallery of Canada: the acquisition, restoration, and conservation of works of art; curatorial research and support; the acquisition and preservation of historical research, rare books, technical material and other documents for the Library; internships and research fellowships; onsite and online education and public programmes; and national outreach and travelling exhibitions.

You can designate your gift to a specific endeavour or direct it to the Foundation's general endowment fund. Gifts that are endowed create an everlasting legacy to the National Gallery of Canada as the Foundation invests the principal in perpetuity and only the income earned is used to support the Gallery's priorities and unforeseen opportunities.

A detailed menu of endowment and funding opportunities is available upon request. Naming opportunities linked to funding within the Foundation's priority areas can be arranged.

DISCLAIMER

This information is provided solely for the interest of patrons interested in making a gift to the National Gallery of Canada Foundation. The Foundation is not a source of legal, tax, or financial advice, and the information set out herein should not be relied upon as a substitute for professional advice. While every effort has been made to ensure accuracy, the information set out herein may not apply in all situations or provinces (especially Quebec). You are encouraged to discuss your plans fully with your family, legal, financial, and tax advisors.

PLEASE CONTACT US

Helping you fulfill your philanthropic wishes while meeting the needs of the National Gallery of Canada is at the heart of the Foundation's mission. We welcome the opportunity to discuss your intentions with you and your family, legal, financial and tax advisors. Please contact us at 613-991-9306 or at foundation@gallery.ca for more information. All inquiries will be handled in a confidential manner.

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