



## Ontario Credit Union Foundation

### Description of Funds

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#### Community Investment Funds

A Community Investment Fund is a donor advised fund established with the Foundation by a credit union, co-operative, or individual donor that allows the donor to support any registered charity or qualified donee across Canada. Donors propose which registered charities to support from the fund and the Foundation will look after the rest. Donors can change the proposed recipients at any time by contacting us in writing.

#### Permanent Capital Funds

Permanent Capital Funds are established with the Foundation using gifts by individual Ontario credit unions, affiliated organizations, suppliers and individuals. In a permanent capital fund, the original gift amount is preserved, and earnings from the original amount are distributed to support registered charities and qualified donees proposed by the donor of the fund.

#### OCUF General Fund

The Ontario Credit Union Foundation general fund allows us to partner with credit unions across Ontario to support registered charities in their communities. Through our matching funds program we help build awareness of the good work members and their credit unions perform. Additionally we support the Co-operative Youth Leaders program.

The purpose inherent in all funds held by the Foundation is to support local communities by making distributions from funds to registered charities and qualified donees.

### Steps To Set Up A Fund

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- 1. Initial Discussions** – Initial discussions with donors quickly indicate whether or not the foundation will be able to meet their needs. Once donors decide to create a fund, an application is taken and discussion focuses on the fund's intended recipients, the minimum donation and the income generated by the fund.
- 2. The Deed of Gift** – The second step is for the donor to sign a Deed of Gift which formalizes the donation to the Foundation. The Deed of Gift, based on a template used by the Foundation for all similar donations, must be accompanied by an initial capital contribution. In addition, each deed references the standard terms of reference for the kind of fund selected by the donor.

The Deed of Gift is a legal document that sets out the rights and restrictions with regard to how the gift will be held and administered. In that sense, it is like a contract. As with any binding legal document, donors are advised to consult with independent legal counsel before signing the Deed of Gift. Finalizing a Deed of Gift can be a quick process



for individuals and small groups of donors. However, organizations usually need more time to gain input from staff, directors, professional advisors, and other stakeholders.

**Gift Acceptance** – Once a Deed of Gift has been signed by the donor and a capital contribution has been received, one formality remains: the Foundation must formally accept the gift to complete the process. Under certain conditions the Foundation may decline a gift. Examples include gifts that do not meet Canadian laws, gifts to support organizations that are not registered charities or qualified donees, or gifts to support a purpose that is not charitable at law. The Foundation has never declined a gift, but the possibility reinforces the importance of working closely with our staff.

- 3. Distributions & Fundraising** – As soon as the fund is established, it begins earning income which may be distributed according to the terms of the Deed of Gift. Some donors become very active in identifying charities to support, while others depend on recommendations from the Foundation's staff, and still others create their own application process with an advisory committee. Registered charities which create a Donor Advised Fund may designate themselves as the recipient of the distributions from the fund.

Raising awareness and contributions for the fund is another important task that donors need to consider. Individuals often ask friends and family to donate to the fund instead of gifts for birthdays or special occasions.

Generally, the largest gifts are received through bequests in people's wills. Individuals who have helped establish a fund often decide to make a gift by will to the Foundation and direct that it be added to the fund. Organizations can encourage their existing donors to make planned gifts. Donors are encouraged to inform the Foundation of any such bequest, as this allows us to thank donors and to ensure that future wishes can be fulfilled. The Foundation's staff can also help donors to plan testamentary gifts that carry out the donor's philanthropic wishes and may minimize taxes on death.

For more information please contact:

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