



Send for a free gift-planning booklet

The MUHC Foundation's *Planning for a Healthy Legacy* booklet contains information on the many different ways you can support the McGill University Health Centre's vital research, patient care and teaching programs while ensuring that your family and estate are well looked after.

For a copy, please call (514) 931-5656 or write to:
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The Gift Planner is published by the McGill University Health Centre Foundation

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Autumn 2004

Publication Mail Permit #40040193

Making an Outright Gift of Real Estate or Art

More people giving the gift of real estate

Of the myriad opportunities that exist to support charitable organizations like the McGill University Health Centre (MUHC) Foundation through a planned gift, donations of real estate are becoming more and more popular (for a complete list of planned giving options, see page 2). Charitable

organizations in the United States receive approximately \$2 billion worth of real estate gifts every year, and that number is expected to go up significantly over the next 15 to 20 years. This same trend is taking hold in Canada, and the reason is simple: by giving real estate, the donor, whether a business or an individual, realizes potential tax savings while extending much-needed support to the community.

Gifts of real estate that are made to the MUHC Foundation are highly valued. These gifts can be given in three ways: outright, by donating residual interest in the property, or by using real estate to fund a charitable remainder trust. To donate real estate, certain guidelines must be followed:

- The donor secures a qualified appraisal of the property.
- Unless the MUHC Foundation has reason to believe the appraisal doesn't reflect the property's true value, a gift receipt is issued for the appraisal value. However, the Foundation reserves the right to issue a gift receipt based on its own appraisal, which it has secured independently.
- The MUHC Foundation ascertains if the donor has clear title to the property. The Foundation also reviews other factors to determine if it should accept the gift, including zoning restrictions, marketability and current use.
- If the MUHC Foundation decides to accept the gift, it conducts an environmental assessment.



The healing gift of art

The MUHC Foundation recognizes that hospital environments always benefit from the addition of art. Whatever the medium, art has a positive impact, improving the hospital's ambience, offering a pleasant distraction

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Making an Outright Gift of Real Estate or Art *(continued from page 1)*

for patients and staff and in many cases providing a therapeutic effect. For these reasons, the Foundation encourages donors to consider giving the gift of art.

In some cases, donating a piece of art may be subject to the Canadian Cultural Property Review Act. For example, if the artwork is a certified

cultural property as per the Act, the property must be transferred to the Foundation. Once this is completed, the artwork will be displayed in a proper venue within the MUHC.

The donor receives a donation receipt for the fair market value of the artwork as determined by a qualified appraisal. If the artwork

appreciated in value while the donor owned it, none of the capital gain will be subject to tax.

For gifts of art that don't fall under the Act, the MUHC Foundation requires a bona fide appraisal in order to issue a proper donation receipt. ■

Planned Giving Opportunities

You can invest in the McGill University Health Centre in one of the following ways. Please contact us for more information.

Wills

Unrestricted Bequest An outright gift to the MUHC Foundation of a certain amount of money or a particular property or income source.

Residual Bequest The MUHC Foundation receives part or all of the balance of an estate once all debts, taxes and other bequests have been settled.

Contingent Bequest The MUHC Foundation receives a gift dependent on the occurrence of another event (i.e., the testator/donor may make a bequest to the MUHC Foundation only if the testator is not survived by certain individuals).

Trusts

Spousal Trust A trust that provides for the financial needs of a spouse (or other heir) for life, after which the capital is passed on to the MUHC Foundation as a gift.

Charitable Remainder Trust A residual interest gift, whereby a donor transfers property to a trustee who holds and manages it. If the property is income producing, the net income will be paid to the donor and/or other named beneficiary. When the trust terminates, the trust remainder is distributed to the MUHC Foundation. The donor may be immediately entitled to a receipt for present value of the residual interest.

Insurance

Life Insurance An insurance policy is contributed to the MUHC Foundation in one of three ways: a donor assigns irrevocably a paid-up policy to the MUHC Foundation; does the same for a policy on which premiums remain to be paid, in which case the donor qualifies for a tax deduction on the premiums paid; or names the MUHC Foundation as a primary or successor beneficiary of the proceeds.

RRIFs, RRSPs, LIFs, LIRAs

Individuals with no surviving spouse will have, upon death, their RRIFs, RRSPs, LIFs or LIRAs deregistered to become fully taxable as income, usually at the highest marginal tax rate. By giving these RRIFs, RRSPs, LIFs or LIRAs to the MUHC Foundation, taxes on the proceeds are essentially eliminated. It is suggested that a potential donor assign the gift of their registered retirement plans through a special designation in their will referring specifically to this intention.

Annuities

Charitable Gift Annuities Donors can receive tax free income for life as well as a tax receipt for a portion of the gift. A donor may give a donation of cash to purchase an annuity. Using the donor's capital, the MUHC Foundation purchases a life annuity and becomes its owner; any amount exceeding that required to produce the donor's lifetime income based on the annuity cost will go to the MUHC Foundation.

Other Gifts

These gifts can include donations of real estate, art, and other tangible property.

Please note: The Gift Planner is intended to provide general information about planned giving opportunities. All potential donors should verify the validity and worthiness of following any of these strategies with their own tax and legal advisors before acting on this advice.