

# GIFT PLANNING *in Canada*™

◆ The arts and science of charitable gift planning ◆

Volume 11, Number 10

October 2006

## The Ultimate Legacy?

BY NORA LAYARD

The natural systems that sustain our lives are threatened and people across Canada are on alert. According to pollster Angus McAllister of McAllister Opinion Research, Canadians are experiencing a significant resurgence of concern about the environment. Based on a survey of 1,500 Canadians released in September 2006, environment is now in third place as a top concern for Canadians, after health and governance.

This means that a large percentage of the 22 million Canadians who made a financial donation to a charitable or other nonprofit organization in 2004 are also potential green donors. And, even if they do not choose to support an environmental organization, they will be looking for high environmental standards to be met by their charities of choice.

Many people are already affiliated with Canada's approximately 4,400 environmental non-government organizations (ENGOS). Compared to other charitable endeavors, the environmental sector is young. Many organizations are less than 20 years old and all are on a fast track to develop their programs and infrastructure so that they can meet today's challenges. One thing that all the groups have in common is the need to find sufficient funding to enable them to work at full capacity.

ENGOS are seen as credible sources of information. Polls show that Canadians are more likely to trust ENGOS to provide them with information about conservation of Canada's natural areas than they are to trust government or industry. In fact, one in four Canadians has "a great deal" of confidence in environmental groups as a source of information. An additional

one in two has "some" confidence in these groups.

ENGOS are also problem solvers. They protect land with ecological values by working with landowners to steward their land. They clean up rivers, wetlands, shorelines, forests, and prairies. Some of them raise money to purchase important tracts, and always they encourage Canadians to think about the future and act responsibly towards the environment.

In 2004, Canadian ENGOS received approximately \$178 million in donations, or 2% of the total donations of \$8.9 billion. These donations were made by 1.54 million Canadians.

Of all donors in Canada, therefore, 7% donate to environmental organizations, a percentage virtually unchanged since 1990. The proportion of Canadians who give to ENGOS does not vary significantly with income levels between \$100k and \$1 million, but above \$1 million, the percentage increases to 10%.

---

### *Increased attention to gift planning by the environment sector will deepen... capacity*

---

The question currently being asked is why these percentages have remained so static, given the significant rise in concern about the environment. We do know that Canada's most generous donors to ENGOS are typically over 60, have their home and cottage paid off, have grown children who are living on their own, and are thinking about their legacy.

Increased attention to gift planning by the environment sector will deepen the capacity of that 7% to provide legacy gifts, as well as providing a broader range of opportunities that

might attract new donors to the sector. Communications strategies are currently being explored to seek support from the 93% of people who have yet to make a donation to nature.

Aside from personal interest in the environment, why should gift planners be interested in this Green Issue of Gift Planning in Canada? The bottom line is that Canadians care about the natural world. As gift planners, we need to recognize that most donors in Canada will become more environmentally attuned in the coming years as they learn about environmental challenges facing not only Canada but also the planet. Some may be personally affected by environmental changes such as pollution, loss of livelihood through the degradation of land and water, and natural disasters.

There is also a very practical reason for gift planners to be familiar with ecological gifts and environmental awareness: as the ENGO sector grows and builds gift-planning capacity, numerous employment opportunities for seasoned gift planners will be created. Those candidates with some experience and an appreciation of the opportunities and concerns in the sector will be more attractive to prospective employers.

Gift planners in non-environmental sectors can choose to see the growing environmental awareness of their donors as an opportunity. Always keeping the donor's wishes at the centre of any discussion, gift planners can create win-win situations by:

- Making sure that the donor is aware of the charity's environmental principles and practices. These need to be well formed and clearly stated, and should include policies about the disposition of donated land that is ecologically sensitive. Donors will be looking for this in the future.

- Ensuring that any donor enquiry or interest in donating property with natural values can be addressed professionally and appropriately, including referral to another charity where appropriate.
- Looking for partnerships with local conservation groups when a donor has an interest in seeing their land protected for nature. The Ecological Gifts Program incentives are described elsewhere in this issue.
- Creating partnerships between the sectors. For instance, dynamic, exciting possibilities can be created by linking university research programs with environmental threats, health sector research with the effects of pollution, and nature programs with disadvantaged youth.

---

*The core value of gift planning is to enable the optimum gift from every potential donor*

---

Will the growth of gift planning by ENGOs create competition for donors? Only if we believe that the total amount of charitable giving in Canada is static. How can we instead look for ways to grow the donor pool and encourage existing donors to give more generously? As the green movement grows its capacity to engage with and practice gift planning, its presence in professional gift planning circles will also grow. Its representatives will bring vitality, a sense of urgency about matters that affect each and every one of us, a hunger for learning, and a desire to work hard to help Canadians create their legacies.

The core value of gift planning is to enable the optimum gift from every potential donor. Building gift-planning capacity among ENGOs and ensuring all gift planners are environmentally up to speed will both move the profession closer to full realization of this potential.

*Nora Layard is serving as the Guest Editor of The Green Issue. She is the coordinator of the National Green Legacies Project, a collaboration of nature conservation organizations that is looking for ways to increase gift planning in its sector. Nora has been working in the non-government environmental arena since 1985. She lives on Saltspring Island, BC, where the stimulating diversity of environmental interests echoes that found across the country. She can be reached at 250-537-2158, or nlayard@telus.net*

## A Donor's Perspective

"Before I came to Saltspring Island, I had not owned land. I didn't know what it meant to have a relationship with a large tract of land. Once here, I started walking the four corners to learn about the seasonal creeks, the wildlife and the forests. I discovered that my land is the top end of a watershed that provides water, not only for me and my family, but also for my neighbours and my community. I have a responsibility to care for it."

Sheri B. cares deeply about the land that she has owned since 1989 and she knows that it is a lot to look after and manage. As she looks to the future, she knows that she could, if she wished, easily do a standard subdivision into 5 acre lots. But, she says "that would chop up my forest and then suddenly it would be all different. It's a brutal use of my land and contrary to its natural way of being in forest". And, it would mean that her neighbours could no longer walk the trails, a contribution to her community that she values highly.

An agreement is in the works with the local parks commission to create rights of way for paths. And Sheri is looking at the idea of placing covenants on the upper watershed to protect the forest. She is just beginning her journey of exploration into the possible ways that she can accomplish her wishes. But she is clear that when the time comes, she will look for an organization to hold the covenants, one that, in her words, "has life in it, and the stability to manage my land".

Sheri knows that there are possible tax advantages through the Ecological Gifts Program, but that is not her main motivation. Nor is she concerned by a warning from a financial advisor about

possible changes in the value of the land due to covenants restricting future owners' use of the land. Money is not the deciding factor. "I feel responsible for something that is very precious to me and to the broader community. I want to do it right. If some benefits accrue, that would be wonderful."

Her concern for how land in general is developed and used is evident in her comment that "things don't change unless people who see the need for change do things differently". She will be looking for ways to do things differently.

---

## Land as a Legacy: the tax advantages of conserving ecologically sensitive lands

BY BLAIR HAMMOND  
AND LESLEY DUNN

Natural habitats across much of Canada's settled landscapes are under significant strain. The loss of wetlands, woodlands, grasslands, and other ecosystems is of significant concern to governments and land conservancies, particularly in landscapes dominated by private land ownership.

Private lands tend to be disproportionately important for wildlife. This is because places that are good for establishing towns and cities (areas with good soils, fresh water, timber and mild climates) also tend to be very rich and diverse ecosystems. Many of Canada's most biologically diverse ecosystems are in landscapes dominated by private lands. Thus to protect some of Canada's most important wildlife habitat it is necessary to engage private landowners in stewardship and conservation.

Fortunately, there are many landowners who wish to see the natural features of their land protected in perpetuity and there are now significant income tax incentives available to enable landowners to protect habitat on their properties and leave a legacy for future generations.

Under Environment Canada's Ecological Gifts Program, landowners

can choose to donate ecologically sensitive land, a partial interest in such land (a covenant, easement or servitude) or, in common law jurisdictions, a remainder interest resulting from a life estate, to a qualified recipient. In Québec, instead of a remainder interest a donor may donate land but reserve superficies ownership of a building on the land.

To date, over 500 ecological gifts have been completed across Canada. Some are small properties protecting important habitat for species at risk, others are thousands of hectares in size and protect significant landscapes. These gifts protect lands of local, regional, provincial, national and international significance. Together, they total over 47,000 hectares and are valued at over \$155 million. Nearly 80 percent of these donations have been made by individuals or families, with the remainder given largely by corporations.

### **The Tax Advantages of Ecological Gifts**

As with other charitable gifts under the Income Tax Act, ecological gifts by individual donors are eligible for a non-refundable federal tax credit of 15.25 percent of the first \$200 of the fair market value of the gift and 29 percent of the balance (plus any corresponding provincial income tax credits). Corporations may deduct from income an amount up to the fair market value of the ecological gift.

For donors of certified ecological gifts there is no limit to the total value of the donation eligible in a given year for the deduction or credit, and donors of ecological gifts made after May 2, 2006 are not subject to tax on any capital gains accruing in respect of the property (land donations that proceed outside of the Program are subject to a taxable deemed capital gains inclusion for income tax purposes). Any unused portion of the donor's gifts may be carried forward for up to five years.

Two additional benefits provide donors with peace of mind about their ecological gift. First, using information provided by the donor, the federal Minister of the Environment certifies the value of an ecological gift for all tax purposes. In Quebec (in accor-

dance with the Quebec Taxation Act) ecological gifts must also be certified by the Quebec Minister of the Environment.

Second, for donations made to registered charities and local governments, long-term security for ecological gifts is provided by Income Tax Act provisions that require the authorization of the Minister of the Environment or the Minister's designate for any change in use, or disposition, of an ecological gift. Failure to receive this authorization will result in a penalty of 50% of the property's value at the time the change in use or disposition takes place, providing recipients with a strong incentive for maintaining ecogifts as conservation lands in perpetuity.

### **How Does 'Ecogifting' Work?**

To qualify for treatment as an ecological gift, the federal Minister of the Environment (or designate), must certify the donation's ecological sensitivity, approve the recipient organization and determine the fair market value of the subject property. In Quebec the Minister of Sustainable Development, Environment and Parks is responsible for certifying the ecological sensitivity and recipient, and also signs the Statement of Fair Market Value issued by Environment Canada, which certifies the market value of the ecogift for income tax purposes.

Ecologically sensitive lands are defined as areas or sites that currently or could, at some point in the future, contribute significantly to the conservation of Canada's environmental heritage. Areas of remnant native habitats in southern Canada will typically qualify as ecologically sensitive.

In most cases, a representative of Environment Canada will visit the property as part of the certification process. Areas of purely cultural or agricultural interest will not qualify as ecologically sensitive.

Recipients of ecological gifts may include government agencies (e.g., national and provincial parks departments, and local governments) and over 150 eligible charitable nature conservation organizations; a list of these charities is available on the *continued on page 4* →

## *Who donates Ecological Gifts?*

Land can be a significant, and cherished, asset in many portfolios; often land is the most valuable asset a donor has. Given the value of these lands and the need to find a good match with an organization willing and able to receive and care for them in perpetuity, ecological gifts should be planned in advance. Most ecological gifts are given by individuals singly or jointly (~80%), with the remainder being corporate donations (~20%) and a few estate donations. Profiles of several ecogift donors and the form of their donations are online at <http://www.on.ec.gc.ca/wildlife/ecogifts/profiles-e.html>

One conservation easement donor, Lorne Almack, has said "Landowners should pass natural capital on to the next generation. If the government makes it easy to get a tax break, all society benefits - everyone wins. But more importantly, for the rest of our lives we can view this beautiful part of Ontario's landscape and observe the wildlife, knowing that it is protected forever."

Octogenarian Hiram Nelson, who grew up in Tufts Cove, Nova Scotia, donated title to two farm properties through the Ecological Gifts Program. His ecological gift of nearly 200 hectares of coastal barrens and forest was worth half a million dollars, and forms an important buffer to Dartmouth's advancing subdivisions.

In terms of the process, ecogift donors Elizabeth and Victor Allistone stated "In completing our transaction we were aided by the clear and concise procedures for donations of land having an ecological value established by Environment Canada and the Ministère de l'Environnement du Québec."

A surprisingly high proportion of ecogift donors are educators – from elementary school teachers to university professors. For example, one retired professor donated over 50 hectares of lake and forest to his local Conservation Foundation with the goal of creating a public conservation area. He simultaneously donated a

Ecological Gifts Program's website. It is the recipient's responsibility to ensure that the ecological gift is managed for its conservation values in perpetuity.

When the donor is ready to have the ecological sensitivity and recipient of the gift certified, he or she needs to contact Environment Canada or its designated authority. When the donor is ready to have the fair market value of a proposed ecological gift determined, he or she applies to Environment Canada. Under the Appraisal Review and Determination Process, a narrative real estate appraisal provided by the applicant is subjected to the review by outside real property experts, who make a recommendation to the Minister of the Environment as to the value. Typically, the determination process takes less than 90 days from the time of application. If the donor disagrees with the determined value, he or she can apply for a Redetermination.

### **The Significance of Ecological Gifts**

Ecogifts include some of the highest value charitable donations in Canada and comprise a substantial portion of the total value of charitable gifts given to the environmental sector. Although corporate and high-net-worth donors have made significant ecological gifts, a substantial number of ecogifts come from middle-class donors who have a strong desire to protect cherished family lands for future generations. Because ecological gifts often involve complex tax and financial considerations for donors, well informed professional advisors are extremely important to the Program's success.

Ecogifts are also significant from a conservation perspective, protecting habitats and features that are locally to internationally significant, including habitat for a variety of species across Canada. Ecogifts have been made in every province in Canada.

*For more information on the Ecological Gifts Program, visit the Website at <http://www.cws-scf.ec.gc.ca/egp-pde/> or contact the National Coordinator at 1-800-668-6767. A listing of regional coordinators is available on the Website.*

## **National Green Legacies Project**

Building the capacity of environmental groups to seek planned gifts from their members and donors is the goal of the National Green Legacies Project. A collaboration of national and regional conservation interests has been formed to develop media strategies, a new website, train-the-trainer workshops, and a new national publication, "Green Legacies: A Donor's Guide".

The project was founded in British Columbia five years ago, and the goal at that time was to get information about green philanthropy to professional advisors to donors. People across Canada watched closely and two years ago, a steering group was established to determine what a new national project could look like.

Now in the development phase, the Project is poised to expand the current website with national content and helpful information for donors, environmental groups, and professional advisors. A communications strategy will be developed over the next year, to encourage Canadians to give to the groups that voice their concerns about the environment. The current website is full of information about gift planning and copies of the BC Guide and its update are still available and useful. ([www.greenlegacies.ca](http://www.greenlegacies.ca)) For information about getting involved with the project, please contact the national coordinator, Nora Layard at (250) 537-2158, or [nlayard@telus.net](mailto:nlayard@telus.net)

## **Dealing with Donors**

BY JOHN COO

One of the greatest challenges facing gift planners is matching donor interests to organizational priorities. Sometimes donors have dreams that are difficult for your charity to deliver on, and sometimes you just should not try! These challenges can usually be overcome through clear communications, flexibility and integrity.

*continued on page 5 →*

remainder interest (retaining a life estate) in the residence to the local university to be maintained for use by artists or art historians.

## *Ecogifts and Split-Receipting*

Draft amendments to the Income Tax Act issued most recently in July 2005, but not yet enacted, permit the issuance of donation receipts in circumstances where an intention to make a gift is present but some benefit (or "advantage") is also received by the donor. These amendments permit the practice of "split-receipting", by which a qualified recipient will be able to issue a donation receipt reporting both the fair market value of property transferred to it and the "eligible amount of the gift", which is the difference between the fair market value of the property transferred and the value of any advantage to the donor. Under these proposed amendments, the donor's proceeds of disposition will generally be computed based on the fair market value of the property transferred, while the donor's donation tax credit or deduction is based on the eligible amount of the gift.

The Canada Revenue Agency (CRA) has released guidelines which discuss the proposed amendments and are available on the CRA website at [www.cra-arc.gc.ca/E/pub/tp/itnews-26/itnews-26-e.pdf](http://www.cra-arc.gc.ca/E/pub/tp/itnews-26/itnews-26-e.pdf). The guidelines indicate that potential donors may rely on the guidelines even though the proposed amendments have not yet become law. The Canada Revenue Agency has confirmed that it is possible for split-receipt donations to qualify as ecogifts and the Ecological Gifts Program has a fact sheet on split-receipting available at <http://www.cws-scf.ec.gc.ca/egp-pde/default.asp?lang=en&n=D85A0090>.

## *Ecogifts of remainder interests*

In Canada's common law jurisdictions, if a donor donates his or her land to a qualified recipient but retains

### Communications

One day I had a confused phone message passed on to me – a donor was on the phone who wanted to make a donation in honour of his late mother, “to help the loons” – birds she loved to hear calling over the lake on misty mornings. We are a wildlife conservation organization, but we deal mostly in education and public awareness. We are not out there on lakes and ponds breeding or rescuing loons. And while the potential donation was a generous one, it was not so large that we could jump through a lot of hoops just to satisfy the donor.

So I picked up the phone and called the man and explained the sorts of things our organization did that might interest him. It turned out that he easily found another (existing) project that he liked, one that could really benefit from his donation - schoolyard habitat projects. It was just a matter of helping the donor understand what his money could, and could not, do.

### Flexibility

So that problem was easily solved, but later on, after I had met and thanked the donor, he decided he wanted to help more, a lot more, and he still wanted to help loons! By this time I knew he was not loony, he just had a very specific vision of what made the Canadian wilderness special to him: loons on the lake.

---

*We had understood his vision and interpreted it within our organization's framework and priorities.*

---

So I talked to our program people and we kicked around some ideas, from just connecting the donor to a bird researcher who needed funding to something more central to our own work. Eventually we reached into our wish list and dusted off a dormant project that had a little to do with loons but a lot to do with cottage

country and lake shorelines. The donor was ecstatic – loons were only a metaphor for him, a symbol of a way of life he wanted preserved. We had understood his vision and interpreted it within our organization's framework and priorities.

### Integrity

Some donor expectations are not so easily met. As a conservation organization we often get calls from donors who want to leave us land, sometimes land that has been in their family for generations. The first thing I do is tell them that we will sell their land (or any other asset they donate). If that's a problem for them, and it usually is, it is best to find that out up front. Then the conversation turns to, who might be interested in preserving their land? There are lots of land conservancy charities so I haul down the Donor's Guide or Green Legacy Guide and try to locate one that might share the donor's values.

Not only does this lead to a better matching of donor and charity interests, but avoids numerous potential problems. Land holding, not to mention land conservancy, is a specialized field. I don't have the expertise to do the due diligence in acquiring remote land, nor is my organization set up to judge what land is ecologically sensitive or important, and we are certainly not in a position to steward such gifts!

So sometimes good environmental fundraising involves saying no to gifts that don't fit, or at least referring donors to organizations better suited to receiving special gifts. The donor will be happier in the end, and may come back with a gift we can use.

*John Coo has developed planned giving programs for several national organizations, including Canadian Red Cross Society and Carleton University. He is currently Manager of Major Gifts for the Canadian Wildlife Federation, one of Canada's largest conservation education organizations. (johnc@cwffcf.org)*

---

a life estate or grants a life estate to someone else such as a family member (allowing that person to occupy the property for the duration of their life), the donor has donated the remainder interest to the recipient. Gifts of remainder interests in land, following the granting of a life estate, are eligible to be ecogifts if they meet ecogift certification requirements and CRA requirements as described in IT 226R, Gift to a Charity of a Residual Interest in Real Property or an Equitable Interest in a Trust. <http://www.cra-arc.gc.ca/E/pub/tp/it226r/README.html>

Instruments similar to life estates, called superficies, are available under the Civil Code (C.C.Q.) for landowners in Quebec. Provisions for the establishment of superficies are contained in section 1110 of the C.C.Q. The agreement usually includes provisions for the various terms and conditions regarding use of the subsoil by the superficiary, the duration of the agreement, the rights and obligations of the parties as well as the fate of the “constructions, works or plantations” when the superficies ends. For more information on gifts involving remainder interests or superficies, please see the Ecological Gifts Program fact sheet Retaining the Right to Use Land Donated as an Ecological Gift -- Life Interests, Superficies, Licences and Permission Agreements.

When a donor makes an ecological gift involving a remainder interest or superficies, the recipient must take reasonable steps to protect the land during the tenure of the life tenant so that the ecological values are protected until the recipient takes full ownership and possession of the property. This could be accomplished by way of an agreement between the donor and recipient or any other parties involved.

### *Ecogifts of partial interest*

Easements, covenants, and servitudes are instruments by which a landowner grants to another person or organization rights with respect to that

## The Environment Sector – Who's Who?

BY NORA LAYARD

As our ecosystems are complex and layered, so is the stewardship community that seeks to protect and preserve them. The following is a brief attempt to describe the range of groups within the environmental sector and provide links to national networking organizations that can help you find local and regional organizations. Why is this important? Understanding the diversity of focus and specialization can potentially help you forge new relationships with the green sector in order to better serve your donors' interests.

The naturalist community is one of the oldest groupings in Canada. There are natural history clubs (sometimes combined with hiking groups) in hundreds of communities. Provincial networks support the local clubs, and the national body is Nature Canada. As well as sponsoring recreational outings, the clubs undertake a myriad of hands-on projects, including bird and plant surveys, species monitoring projects like "Frog Watch", mapping projects, educational events, and school tours. Members also actively work to protect habitat for birds and endangered species. ([www.naturecanada.ca](http://www.naturecanada.ca))

Hunters and fishers are usually members of local Fish and Game clubs, clubs that are typically members of their provincial Wildlife Federation. The national body is the Canadian Wildlife Federation. Their members also perform on-the-ground work doing habitat restoration projects, as well as taking part in community events, school programs, and wilderness watch programs. ([www.cwf-fcf.org](http://www.cwf-fcf.org))

Stream enhancement and restoration projects are also undertaken by community groups and supported by services such as Streamkeepers Program in British Columbia. In this example, citizens are trained and supported in the monitoring, protection, and improvement of aquatic habitat. Province-wide co-ordination

is through the Pacific Streamkeepers Federation. ([www.pskf.ca](http://www.pskf.ca))

The emerging land trust constituency is growing quickly. There are now 125 community land trusts in Canada, affiliated with provincial networking organizations and the very recently formed national body, the Canadian Land Trust Alliance. Land trusts raise funds to acquire ecologically sensitive lands, and/or work with donors to receive such lands as donations. They monitor their acquisitions, and often run community outreach programs to encourage private land stewardship activities. ([davew@rwtl.org](mailto:davew@rwtl.org))

The Canadian Environmental Network is made up of diverse groups and regional networks that are concerned about the environment. It is one of the networking mechanisms available to organizations working on toxics and pollution, parks and wilderness, marine, air quality, water, and agriculture issues. Caucuses are formed as needed to research issues and advocate for regulatory changes. Individual organizations are also involved with local educational programs, citizen science and on-the-ground projects. ([www.cen-rce.org](http://www.cen-rce.org))

Law reform is another way to ensure environmental integrity, and the Canadian Environmental Law Association and its partners across Canada work on legislative change and court challenges. ([www.cela.ca](http://www.cela.ca))

There are several national organizations that, while centrally administered, also have regional offices and projects. These include Ducks Unlimited Canada, ([www.ducks.ca](http://www.ducks.ca)), the Nature Conservancy of Canada ([www.natureconservancy.ca](http://www.natureconservancy.ca)), and World Wildlife Fund ([www.wwf.ca](http://www.wwf.ca)).

When a donor is looking for an organization to support, or when you are looking for an organization with which to form a partnership regarding a potential donation, think about the following questions:

- What is your area of interest?
- Who serves it?
- How are your values reflected in the organization?

*continued on page 7 →*

landowner's land. In common law jurisdictions in Canada easements and covenants are authorized by either common law, statute, or both. In Quebec, the Civil Code of Quebec makes provision for similar instruments called servitudes.

Most jurisdictions in Canada have made legislative provision for conservation easements or conservation covenants – agreements designed for conservation purposes, usually taking the form of a voluntary, written agreement between the landowner and an easement/covenant holder in which the landowner promises to use the land only in specific ways. Most statutory conservation easements / covenants can both restrict activities and oblige the landowner to carry out certain activities. The agreement is registered against title to the property, ensuring that it binds future owners in perpetuity. For more information on these instruments see Report No. 04-1: Conservation Easements, Covenants and Servitudes in Canada - A Legal Review at <http://www.wetland-scanada.org/pubs.html>.

### *Income Tax advantages of ecogifts*

Certified Ecogifts receive the following income tax advantages:

- Elimination of taxable capital gain on the disposition of the property. Non-ecogift donations or sales of land attract a 50% inclusion rate for any deemed capital gain
- Not subject to the non-ecogift income limit of 75% for calculating the tax credit (individuals) or deduction (corporations) – allowing more of the receipt to be used, earlier
- As with other donations, unused portions of the donation receipt may be carried forward for up to five years

#### **Other advantages:**

- Provides a means to protect a treasured family legacy in perpetuity
- Donation's fair market value is

- Is your interest at a community, regional, national, or international level?
- What kind of organization are you looking for?
- What accountability measures are you looking for? For instance, does the organization have the resources to deliver stewardship in perpetuity?
- Is the organization open to working with a non-environmental group? This might require more time and effort on their part.
- Will you be able to maintain a relationship with the donor?
- Does the donor fully understand why you are referring them to another charity?

While at first glance the range of environmental groups may seem overwhelming, drill down through the layers until your interests converge with those of a group that you and your donor will be comfortable working with. As with any project, due diligence is required and hard questions need to be asked and answered. But the rewards will be worth it. Your donors will appreciate your interest in their passion and you may well be able to craft very rewarding new relationships. If they contacted you, there is the potential for a subsequent gift, and your facilitating the disposition of the gift for nature will only raise your stature in their eyes.

## Being Green ~ Are You?

Savvy donors will be asking you questions about your organization's track record vis-a-vis the environment. Are you ready for their scrutiny?

Do you have principles, guidelines, and codes of conduct that honour our natural world in place to guide your board and staff in your organizational decision-making? Examples of this could include:

- Investment strategies (are you using ethical/environmental screens?);
- Procurement policies (are you

buying green products like non-bleached recycled paper?);

Within your organization, do you encourage your staff and volunteers to:

- Ride-share to events? Cycle to work? Use public transit?
- Recycle all materials in an office collection system?
- Reuse and refuse? Reuse when possible, and refuse to be tempted by the latest and greatest if it's not needed?

If you own and/or manage land, do you insist on 'best practices' that support our ecosystems?

- Have you banned pesticides?
- Do you plant or protect native species?
- Do you keep natural areas intact?
- Have you benchmarked the species and systems on your land so you can monitor changes due to climate change, encroaching development, and/or changes in your activities?

When you are with donors who may donate their land to you, do you seek to understand their stewardship wishes for the future?

- Do you have policies about land disposition, in the event that a donation is made and you then wish to sell it?
- Will you place covenants on it prior to selling to ensure that the land's natural values are secured?
- Do you know your local land trust? Conservation group? Biologists?
- Are you conversant with the Ecological Gifts Program, and of tax incentives for gifts of land?

Are your staff, volunteers, and board members up to speed on your policies and best management practices?

- Do you provide training?
- Do you recognize those individuals in your organization who go the extra mile for all of our future lives?

*continued on page 8 →*

certified by Environment Canada

- Potential donors who want certainty about the value of their intended donation can request that Environment Canada determine the value BEFORE the donation is made
- Charitable ecogift recipients are reviewed and approved to ensure such organizations are dedicated to protecting Canada's natural heritage
- Tax penalties can be imposed on charitable and municipal recipients of ecological gifts who dispose of title or change the use of a donation without Environment Canada's prior authorization
- An ecogift involving certain partial interests may reduce the property tax burden.

*Blair Hammond, is a Habitat Protection Biologist and the Pacific and Yukon regional Ecological Gifts Coordinator with Environment Canada's Canadian Wildlife Service. He is based at the Pacific Wildlife Research Centre in Delta, B.C. Contact him at [blair.hammond@ec.gc.ca](mailto:blair.hammond@ec.gc.ca) or 604-940-4647.*

*Lesley Dunn is a biologist who has worked with Environment Canada since 1991. She specializes in habitat conservation and Great Lakes issues, and is the former Ecological Gift Coordinator in Ontario. She can be reached at [lesley.dunn@ec.gc.ca](mailto:lesley.dunn@ec.gc.ca).*

## Resources

Ecological Gifts Program Website:  
[www.cws-scf.ec.gc.ca/egp-pde/](http://www.cws-scf.ec.gc.ca/egp-pde/)

Green Legacies Website:  
[www.greenlegacies.ca](http://www.greenlegacies.ca)

Donor profiles  
[www.on.ec.gc.ca/wildlife/ecogifts/profiles-e.html](http://www.on.ec.gc.ca/wildlife/ecogifts/profiles-e.html)

Conservation Easements, Covenants and Servitudes in Canada – A Legal Review:  
[www.wetlandscanada.org/pubs.html](http://www.wetlandscanada.org/pubs.html)

Canada Revenue Agency guidelines on split-receipting:  
[www.cra-arc.gc.ca/E/pub/tp/itnews-26/itnews-26-e.pdf](http://www.cra-arc.gc.ca/E/pub/tp/itnews-26/itnews-26-e.pdf)

*continued on page 8 →*

When you look for help, there are many people who can be part of creative solutions for you and your donors. Get to know the leaders in your community who are knowledgeable about environmentally responsible management. Many for-profit businesses are leading the way with socially-responsible practices. We can learn from them, and at the same time ensure that our donors see us as leaders, too.

## THE LAST WORD

This month, The Last Word is about a couple of firsts: the Green Issue is GPIC's first special issue devoted entirely to one topic, and Nora Layard is our first Guest Editor. We look forward to working with other guest editors, and to delivering other special issues. As always, suggestions, contributions, and volunteers are welcome.

Our goal in developing this issue was to integrate environmental concerns into the mainstream of gift planning. This involved: providing articles intended to increase the understanding of the environmental sector by all gift planners, addressing the kinds of concerns donors will increasingly bring to the table, providing a list of resources and references to build capacity across the gift planning spectrum, and a review of the technical side of ecological gifts, which enjoy the same favourable tax treatment as gifts of equities.

As John Coo of the Canadian Wildlife Federation makes clear, understanding how to handle a proffered gift by referring the donor to a more appropriate recipient is yet another way for the gift planner to say "yes" to a prospective donor. By facilitating the gift to "help the loons", Coo engaged the donor, who came back to CWF with a cash gift. Had he said, "no, we can't help you", the donor might have given up, or might have persisted and made the original gift elsewhere - but he most certainly would not have come back with his chequebook in hand.

For the majority of Canadian gift planners, this is the potential of ecological gifts: an additional opportunity to forge a relationship and build on it. As the environmental sector develops and builds its gift-planning capacity, there will also be increased employment opportunities for gift planners with the experience and inclination to preserve the environment which - for the moment - sustains us all. -JWH

## LETTERS

Dear Folks at Gift Planning in Canada, I just finished reading "The death of Allied Professionals" by Malcolm Burrows, a fine article and timely in so many ways.

For the last year or so I and several others have been busy working on a CAGP\*ACDP Ad-hoc Committee

Canada Revenue Agency Remainder Interest interpretation bulletin:  
[www.cra-arc.gc.ca/E/pub/tp/it226r/README.html](http://www.cra-arc.gc.ca/E/pub/tp/it226r/README.html)

West Coast Environmental Law Association publications:  
Giving It Away: Tax Implications of Gifts to Protect Private Land,  
Greening Your Title: A Guide to Best Practices for Conservation Covenants.  
[www.wcel.org](http://www.wcel.org)

examining the question of Certified Gift Planning designation CGP. A primary issue in all of our discussions is of course the changing nature of how we as charity-based gift planners work with professional advisors (commonly known as Allied Professionals).

Indeed, Professional Advisors is far more appropriate and as we examine the concept of CGP it becomes even more appropriate that though distinct from the charity-based gift planner, "Charities lead with cause; advisors with planning" both must be recognized on a level playing field when it comes to a CGP designation and their approach to one another and client/donor relationship.

Malcolm has written a must read article for anyone wishing to get a grip on the Advisor/Gift Planner challenge. Both Professional Advisor and Gift Planner have a "professional responsibility" to client/donor. Not working together, is simply not working.

*Daniel G. Clapin, ACFRE Director, Alumni and Development, Saint Paul University, Ottawa, ON Office  
Tel: 613-236-1393 x2257 Fax: 613-782-3033  
E-Mail: [dclapin@ustpaul.ca](mailto:dclapin@ustpaul.ca)*

# GIFT PLANNING *in Canada*™

**Editor:** John Webster Hochstadt; **Managing Editor:** Lea Clearwater; **Editor-At-Large:** Malcolm Burrows; **Publisher:** Jim Hilborn; **Founder:** G. Roger Schoenhals 1996; **Circulation:** Paris Pinto, Disa Mackay; **Design:** Creative By Nature

**Editorial Advisory Board:** Malcolm Burrows, Linda Clemow, Marilyn Kerfoot, Gilbert Lemieux, Keith Lohnes, Elizabeth Moxham, Brad Offman, Natasha van Bentum

**Subscription Orders & Information:** Disa Mackay, The Hilborn Group Ltd. Box 86, Station C, Toronto, Ontario M6J 3M7 Telephone: (416) 345-9403, Fax: (416) 345-8010, eMail: [circulation@hilborn.com](mailto:circulation@hilborn.com). **Rates:** One year - \$237+GST. Two years - \$450+GST. Multiple and bulk rates, and back newsletter issues @\$5 each on request. GST R896266251.

**Advertising Sales & List Rentals:** Jim Hilborn, Telephone: (416) 345-9403, Fax: (416) 345-8010, eMail: [info@hilborn.com](mailto:info@hilborn.com).

*Gift Planning In Canada*®, is published monthly by The Hilborn Group Ltd for Canadian gift planners and nonprofit managers. All rights are reserved by the publisher. This publication is protected by Canadian and international copyright, and its reproduction or transmittal, in whole or in part, in any form or by any means, or its storage in a retrieval system, without the prior permission of the copyright owner in writing is prohibited. All violations of copyright will be prosecuted to the full extent of the law. A \$1,000 reward will be paid for information leading to conviction of copyright violation. ISSN 1551-0212. Copyright 2006 by The Hilborn Group Ltd., Box 86, Station C, Toronto, Ontario M6J 3M7. Telephone (416) 345-9403, Fax (416) 345-8010.