

A message from Judi Cooper

You may be wondering why SickKids recently began offering donor advised funds (DAFs). In Canada, DAFs are more typically established through either a financial institution or a community foundation and are an alternative to the trouble and expense of establishing your own private foundation.

For generations, SickKids has valued the philanthropy of people such as you. We also respect that your philanthropy extends to a number of other worthy causes besides SickKids. DAFs are an opportunity for you to support SickKids and the other charities dear to you from the same fund. Many of you have shared with us your desire to support SickKids in perpetuity, while at the same time, setting aside a “pot of money”, if you will, that your children and grandchildren can direct to the charities that are important to them. DAFs allow you to do just that.

We have realized at SickKids that, although we are not in the financial business, we do have an exceptional track record of managing our endowment to ensure the greatest return to benefit the children and families we serve. DAFs allow us to extend this exceptional track record to benefit our donors who want to support SickKids and other Canadian charities. Extending the expertise of our money managers to our donors makes good sense. Every dollar earned will benefit a charitable cause.

Establishing a DAF is still just one of the gift options available to you at SickKids. Whether you establish a donor advised fund, establish a permanent endowment that will support the area of your interest at SickKids, or commit today to a gift that will help SickKids in the future, we thank you. Charities across this country rely on your support and appreciate your thoughtful philanthropy. From our perspective here at SickKids, *children* across the country and around the world depend on your support.

Thank you for everything you do for sick children and their families.

For more information on how you can build your legacy, please contact:



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Planning for Kids is a charitable gift planning newsletter published two times a year by SickKids Foundation for its supporters. The information provided is general in nature and not intended to be a substitute for professional legal and financial planning advice. The Foundation encourages donors who are planning a significant donation to seek legal and financial planning advice.

SickKids Foundation respects the privacy of its donors; we do not sell, rent or trade our donor lists. The information we collect is used to process donations, keep our donors informed about the activities of the Hospital and Foundation, and ask for their support for our mission to improve children's health. If at any time you wish to be excluded from future contacts, or to discuss our privacy options, call us at 416.813.8271 and we will accommodate your request.

We would like to thank AIM Trimark Investments for their donation of graphic design and editing services, as well as Grafikom for printing this newsletter.

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planning for KIDS

A Charitable Gift Planning Newsletter for SickKids Donors

HEALTHIER CHILDREN. YOUR LEGACY FOR A BETTER WORLD.

Gerald Burgess: In the Spirit of Giving and Smart Financial Planning

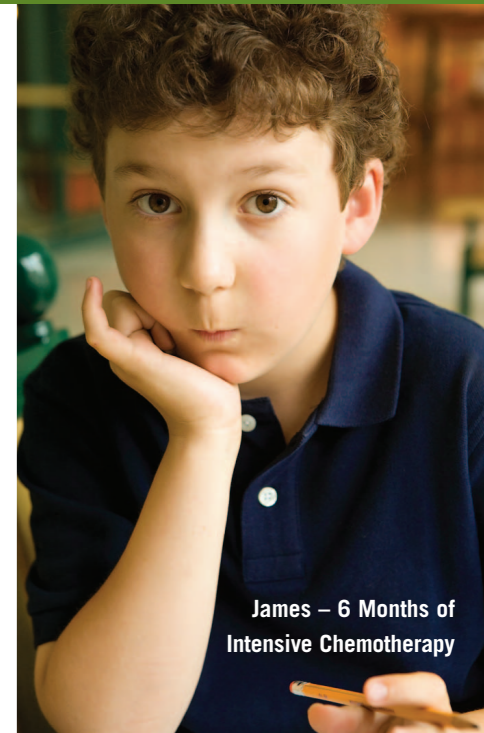
Gerald Burgess and Todd Gellatly of Burgess Leclerc Financial Group Inc., recently established the *Burgess Leclerc Financial Group Donor Advised Fund* at SickKids. Their goal was to create a simple and effective way for their clients to support SickKids as well as all the other charities that are important to them. Gerald, a longtime supporter of many charities, including SickKids, believes in the importance of giving back to his community. We sat down with Gerald and his colleague, Todd, to talk about their motivations behind establishing a donor advised fund:

Why did you choose to establish a Donor Advised Fund at SickKids?

We are financial consultants and had been including charitable giving as part of client plans for many years. A donor advised plan fits our client's needs admirably and provides an orderly contribution arena. The good management, excellent results, negligible fees and excellent reputation of SickKids all played a part in our decision to establish a donor advised fund. All of these factors, including the opportunity to direct donations to other Canadian charities, made establishing a donor advised fund absolutely suitable for us and our clients.

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James – 6 Months of
Intensive Chemotherapy

Be grateful, and remember the well established fact of life “thoughtful and unselfish giving almost always results in “unexpected” advantages to the giver.”

– Gerald Burgess & Todd Gellatly

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EXCITING NEWS FROM SICKKIDS!

- SickKids Senior Scientist Dr. Freda Miller confirmed that stem cells *derived from adult skin* can be used to develop possible therapies for spinal cord injury and nervous system disorders. This raises the possibility of effective treatments for nerve injuries, disorders like multiple sclerosis, and even spinal cord injury.
- A minimally-invasive technique pioneered at SickKids has proven to be as effective as surgery for treating premature infants with a severe intestinal disease. Dr. Jacob Langer, chief of General Surgery at SickKids, explains that: “Rather than going to the operating room and performing what can be a big operation in a high risk, tiny, premature baby, we are able to treat the infant at the bedside with minimal disruption.”

Thank you. Your support ensures that life-changing discoveries continue to happen at SickKids for the children we serve.

“The smallest act of kindness is worth more than the greatest intention.”

– Kahlil Gibran

Gerald Burgess: In the Spirit of Giving and Smart Financial Planning continued from cover story

Why do you think a Donor Advised Fund is a good solution for some of your clients who wish to make charitable gifts?

The donor advised fund provides a structure to that part of a financial plan which traditionally is left to chance. Specifically, many people don't ensure that they have set aside funds each year for charity, and this provides a way for them to do that all year round. It also accomplished two important aims; supporting charitable causes that our clients feel strongly about and ensuring that they make their gifts simply and in the most tax efficient manner possible.

What do you hope to accomplish through the Burgess Leclerc Financial Group Donor Advised Fund at SickKids?

We expect to accomplish two important goals; firstly, to provide clients with a structured planned giving channel in an appropriately designed financial plan, and secondly to give all concerned a “feel good” sense of achievement which not only reduces Income Tax and satisfies the desire to “give back” but provides for excellent end beneficiary organizations like SickKids, whose work is recognized and respected around the world.

As you look to the future, what matters most to you?

The future is a blank page upon which we may write good expectations based on sound principles. It must be carefully planned and secured in every possible way. This includes powers of attorney and Wills along with Life Insurance and Long Term Care Insurance, proper beneficiary designations on insurance and investments including bequests to charities. It also can include DAFs, which are a permanent fund from which to make philanthropic gifts.

For more information on Donor Advised Funds, call us at 416.813.8271 or visit www.sickkidsfoundation.com/DAF.

Putting Stock into Helping Kids

Do you own securities that have appreciated and are you also considering a donation to SickKids? As more and more public companies become targets of mergers and acquisition, Canadian investors are facing significant capital gains tax liability following the sale of shares unless the shares are donated to a registered charity. For example, the proposed sale of *Bell Canada Enterprises (BCE)* has prompted the need for some quick tax planning for many

shareholders, especially those that have been longtime owners. According to a July 4, 2007 report in the *National Post* about BCE, when the sale closes (as expected in the first quarter of 2008), investors will be forced to sell their shares at a price of \$42.75 cash per share, triggering a significant tax bill if the shares are held outside of a tax-sheltered RRSP or RRIF. If you are already considering a gift, you may be better off donating the securities instead of cash.

As you may already know, the 2006 Federal Budget announced the full elimination of capital gains tax on publicly traded securities to registered charities. To benefit from this, your actual shares must be transferred – if you sell the shares and donate cash, your gift will not qualify for the exemption. What does this mean to you?

Directly donating bce shares is superior to donating cash		
	2,350 Shares	
	Shares Sold & Cash Donated (\$)	Shares Donated Directly (\$)
Current Value of Shares	\$ 100,463	\$ 100,463
Purchase Price of Shares	56,400	56,400
Capital Gain	44,063	44,063
Capital Gains Taxes*	10,225	0
Funds Available for Donation	90,238	100,463
Tax credit	41,879	46,625
Benefit to Charity	90,238	100,463
Tax Benefit to Donor	41,879	46,625

* We have assumed the Ontario combined federal and provincial tax rate of 46.41%.

The pending sale of BCE might also mean that the timing might be right to consider establishing a Donor Advised Fund (DAF) to complement an opportunity to make a much larger gift than you ever thought possible. Some people may not want to make that large a gift to a single charity. If you are considering how to support several of your favourite charities with a single gift of BCE securities, a SickKids DAF enables you to do just that. By making one donation you can turn your gift into grants to not only SickKids but also your other charities of choice. Consider the illustration where 2,350 shares are bought for \$24 and sold at the buyout price of \$42.75. In the illustration above, the elimination of \$10,225 in capital gains tax helps make possible the creation of a DAF valued at \$100,463 that will support your charitable interests and provide you an immediate tax credit equal to \$46,625.

Philanthropy comes from the heart, but with planning, it can also save you taxes. We encourage you to consider your own portfolio, talk with your advisor, and consider whether giving a gift of stock might be the right thing for you this year.

YOUR SUPPORT IS CRITICAL

In 2006/07, the Foundation made an investment of \$75.5 million in children's health care representing the largest charitable investment in paediatric health care in Canada.

In 2006/2007:

- The Hospital for Sick Children has seen an average of 266 inpatients every day
- The average length of stay is 7.2 days
- There were 5,984 inpatient surgeries and 4,623 day surgeries
- 320,488 outpatient visits
- 48,672 emergency visits

Thank you. Your commitment to supporting children's health is critical.

PLEASE NOTE

The name you should include in your will to make a bequest to The Hospital for Sick Children is “**SickKids Foundation.**” The Foundation is the Hospital's parallel charity, which raises money, performs estate administration and manages the endowment on behalf of the Hospital.

We invite you to share your comments and ideas with us. If you have an idea for a story or would like to make a general comment or suggestion about the contents of the newsletter, please send an e-mail message to gift.planning@sickkidsfoundation.com or call 416.813.8271.