



## Planned Giving at Brock University

### Charitable Bequests - Tax Information and Sample Will Clauses

The most common and often simplest way to make a planned gift is a charitable bequest - or a gift made through a will. A bequest in a will may specify a certain sum of money, a particular asset, or a portion of the estate, to be donated to Brock University. The donor may specify that the bequest be used to establish a new fund in his or her name, be added to an existing fund or be added to a fund that may already have been established during their lifetime.

Because a bequest is revocable, it provides no current income tax credit. However, the estate will be entitled to a donation receipt for the full value of the bequest. This can significantly reduce the tax payable with the estate's final income tax return. Recently changed tax laws now allow the allocation of donations in wills to previous tax years other than the taxation year of the estate.

In gifting by bequest, donors should consider providing the University with a copy of the clause in the Will pertaining to the bequest.

The following sample language is intended as a resource to assist donors and their lawyers in making bequests to Brock University. Donors are encouraged to seek advice from their legal and/or financial counsel in the consideration of a planned gift to Brock University.

#### Forms of Bequests

##### Specific bequest

- ♦ Sum of money "I give to Brock University, St. Catharines, Ontario, Canada, the sum of (amount)..."
- ♦ Particular property such as real estate, stocks, bonds, jewellery, works of art, or other items. Donors are encouraged to inform Brock University's Development Office of their intention to gift such property to the University to ensure that the can be accepted by the University.

*"I give to Brock University, St. Catharines, Ontario, Canada, (description of property)..."*

##### Rest and residue of estate

- ♦ Brock University is given all or a percentage of what remains of the estate after paying debts, taxes, expenses, and other bequests.

*"I give to Brock University, St. Catharines, Ontario, Canada, all (or stated percentage) of the rest, residue, and remainder of my estate..."*

##### Contingent bequest

- ♦ This gift takes place only if the Testator is not survived by certain individuals.

*"If (name/s of primary beneficiary/ies) do/does not survive me, or shall die within ninety (90) days from the date of my death, or as a result of a common disaster, then I give to Brock University, St. Catharines, Ontario, Canada (describe amount of cash, property or percentage of residual estate)..."*

## **Purposes of Bequests**

Whatever the form of bequest, it may be designated for unrestricted uses, for a restricted use, or to establish an endowment. Below are "purpose" clauses that can be added to any of the example bequest language listed above under "Forms of Bequest."

### **Unrestricted use**

*"...to be used for the general purposes of Brock University." [May also add, " at the discretion of the Board of Trustees."]*

### **Restricted use**

*"... to be used for (detailed description of what the donor wants the bequest to accomplish.)"*

*Examples: "... to be used for student financial aid."*

*"... to be used for acquisitions for the James A. Gibson Library."*

### **Establish an endowment**

*"This gift may be merged with any of the investment assets of Brock University, but it shall be entered in the University's books and records as the JOHN AND JANE DOE ENDOWED (SCHOLARSHIP, BURSARY, AWARD, CHAIR, RESEARCH FUND etc.) The income from the endowment shall be used to... (support educational programs in Health and Wellness, provide scholarships for students who have financial need, cover the expenses of one or more visiting lecturers in the social sciences, support professional training for promising young artists, assist academically qualified students who require financial assistance at the discretion of the Senate Committee on Awards and Bursaries at Brock University, etc.)."*

## **Power to Vary Provision**

It is recommended that the following paragraph be added if the bequest is either for a restricted use or to establish an endowment.

*"If, in the opinion of the Board of Trustees of Brock University, it should become impossible, inadvisable, or impractical to use this gift for the specified purpose(s), then the Board may in their discretion use the gift to the best advantage of the University, keeping in mind the original wishes of the donor. In any such alternative application, the support provided by the bequest shall be clearly identified with the name of JOHN AND JANE DOE."*

## **Other Notes:**

- ♦ U.S .Foundation: "The Friends of Brock University" is a public foundation incorporated in the United States.

The "The Friends of Brock University" may be substituted for "Brock University" where it might benefit the donor. The donor is encouraged to consult with their accountant or financial advisor to determine if there may be financial advantages to designating either foundation in place of the University.