

# Choosing a



It is better to give than receive, as the saying goes. Here's how to make your donation count.

BY LISA EVANS

The holiday season brings out the charitable side in all of us. The latest statistics show 84 percent of Canadians 15 and over donate to charities, with the average individual donation totalling \$446. "A high percentage of what the charitable sector receives comes in the last couple of months of the year," says Stephen Faul of Imagine Canada, an organization dedicated to supporting Canada's charities.

Taking advantage of the throngs of charities vying for donations during the holiday season can be a great opportunity to teach kids about giving back, but choosing which of the 170,000 charitable and non-profit organizations in Canada are most worthy of your family's dollars can be overwhelming. Follow these tips when selecting a charity:

## CHOOSE A CHARITY THAT ALIGNS WITH YOUR FAMILY'S VALUES

Does your family know someone who has been affected by a certain disease? Do you enjoy spending time outdoors and want to support an environmental charity? Maybe finding homes for pets is your thing.

Stephen recommends getting children involved in this process by asking what's important to them. If your child is an animal lover, supporting your local animal shelter or zoo is a great option. Perhaps your child is curious about why there are so many people living in the street and wants to donate to a homeless shelter. "Kids are quite often an inspiration for parents to look into specific causes," says Stephen.

Websites such as Imagine Canada and Charity Village allow you to search for charities based on type.

## DECIDE HOW YOU WANT TO HELP

Do you want to give a cash donation or be more hands-on? Perhaps you want to help cook or serve a hot meal at a homeless shelter or wrap presents for a toy drive. Many charities have special programs that provide an opportunity for kids to volunteer and see how charitable organizations work from the inside.

## DO YOUR RESEARCH

It's easy to feel bombarded by the dozens of charities ringing your doorbell, calling your phone and asking for change at the cash register. Remember, giving back should feel good, too. Don't give in to the pressure to make an on-the-spot decision. Take a step back and ensure the charity is legitimate before opening up your wallet. Canada Revenue Agency's website is a good place to check out the nuts and bolts of an organization. In order to be a registered charity, an organization must file an annual return, the results of which are posted on the CRA's website. This doesn't mean you can't donate to a non-registered charity, but keep in mind, only those organizations that are registered can issue an income tax receipt.

## UNDERSTAND THE CHARITY'S WORK.

Stephen encourages donors to look at the work the charity is accomplishing before making a donation. Most charities share stories that highlight their accomplishments on their website. If you have time, consider volunteering to get a better sense of what the organization does with their donation dollars. Another great resource is an organization's Annual Report (common in larger organizations with a more corporate structure), which highlights their achievements over the year.

## CONSIDER CHARITIES THAT PULL DOUBLE-DUTY.

Spread the feel-good factor by turning your charitable donation into a gift. Oxfam Canada, for example, allows you to make a donation in someone else's name (such as a chicken, goat or a bicycle) and sends you a downloadable card to give as a gift. The Toronto Zoo allows donors to adopt an animal in a recipient's name and receive a certificate of adoption and an animal fact sheet to give as a gift. Canada Helps issues a donation gift card, which the recipient can use to donate to a charity of their choice. ○



For more money advice for families go to [ParentsCanada.com/money](http://ParentsCanada.com/money)

## The scoop on taxes

Giving to a charity not only fills you with the warm, fuzzy feeling of doing good for others, but also can reward you come tax time. Making the most of your charitable dollars means knowing the rules around giving.

### Canada's Two-Tier Charitable Tax Credit System

Donations of up to \$200 receive a federal charitable donation tax credit of 15 percent, while donations over \$200 receive a tax credit of 29 percent. "The CRA does allow a person to combine donations made by themselves or their spouse on one return, so that allows you to take advantage of the higher rate for donations over \$200," says Abby Kassir, Vice-President of High Net-Worth Planning Services at RBC Wealth Management.

### Incentives for First-Time Donors

In 2013, the Canadian government introduced the charitable "super credit" where first-time donors (or individuals who have not made charitable donations since 2007) can claim an additional 25 percent on the first \$1,000 they donate.

### Donation Deadlines

The deadline for making a tax-deductible charitable donation is December 31. Unlike RRSPs, charitable contributions made in January or February can't be claimed on the previous year's tax return.