



AGA KHAN FOUNDATION
CANADA

Becoming A Light for Future Generations: Your Guide to Planned and Legacy Giving



“If our animosities are born out of fear, then confident generosity is born out of hope. One of the central lessons I have learned ... is that the replacement of fear by hope is probably the single most powerful trampoline of progress.

Even in the poorest and most isolated communities, we have found that decades, if not centuries, of angry conflict can be turned around...by giving them reasons to hope. And when hope takes root, then a new level of tolerance is possible, though it may have been unknown for years, and years, and years.”

HIS HIGHNESS AGA KHAN IV
ADDRESS TO TUTZING EVANGELICAL ACADEMY
UPON RECEIVING THE TOLERANCE AWARD ON
MAY 20, 2006.

Aga Khan Foundation Canada's Planned and Legacy Giving program builds institutional capacity through endowments. Through the generosity of past, present, and future legacy donors, the financial returns from these endowments, sustained in perpetuity, provide a reliable income stream to support the needs into the future.



Dear Friends,

We are pleased to provide you with a copy of a Guide to Planned and Legacy Giving (PLG). This guide on charitable gift planning is intended to inform and support your decisions to make charitable gifts in the context of a broader estate planning process.

Over your lifetime, your hard work has allowed you to build your financial security and defined your legacy. Perhaps like most people, you may not have considered how the assets you have accumulated over a lifetime will ultimately be shared and distributed. This booklet will help you navigate the multiple options that are available, ensuring your legacy is impactful for both you and your family.

Leaving a legacy means different things to people. It could involve promoting family happiness and unity; passing on spiritual and ethical values; helping future generations live well; fairly distributing wealth; making the world a better place. These aspirations are not mutually exclusive and can collectively form one's enduring impact.

Through proper planning, the legacy of love and care that you leave for your family and others can be an inspiring and motivational force. Charitable giving has become an important tool in estate planning. Through Aga Khan Foundation Canada (AKFC), the PLG program offers multiple ways to realize charitable intentions and contribute to improving the quality of life for decades into the future.

Through a planned gift to AKFC, you can minimize the taxes you pay (in your lifetime and through your estate) while ensuring a lasting impact, helping millions of people around the world. The information in this booklet provides strategies that you and your advisors can use to provide simple, smart, and meaningful ways to leave your legacy for your family and causes you believe in.

Your legacy can become part of the story of a generational change that you can help create. We count on your support so that we continue building strong institutions to support people globally.

With gratitude,

Aga Khan Foundation Canada

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DISCLOSURE ON LAWYERS AND FINANCIAL ADVISORS AND AGA KHAN FOUNDATION CANADA

Every person's estate plan is unique to them and their family. The Planned and Legacy Giving (PLG) staff at AKFC will work with you to help you facilitate your gifting intentions. However, we are unable to offer any specific legal or financial advice for your personal situation. Your personal legal and financial advisors are best suited to help you develop your estate plan and should be contacted independently from AKFC. Working with your lawyer and financial advisor will help you develop a personalized estate plan to best fulfill your intentions and wishes.

INSPIRATION IN ACTION

Read these stories to learn more about the work of the Aga Khan Foundation, one of the agencies whose work is supported by the PLG program.



An Investment in the Future Pays Dividends: Over 40 Years of the Madrasa Early Childhood Development Program **4**



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Planning Your Legacy

AKFC's Planned and Legacy Giving (PLG) program serves families by promoting multigenerational wealth transfer and thoughtful charitable planning. Through intelligent planning and communicating your intentions to family members and AKFC, you create a legacy that will be a light for future generations.

By focusing on gifts of assets shared after your lifetime, rather than immediate gifts of cash, you can support your family's financial stability while making a significant legacy gift. All legacy gifts received through the PLG program support the work of Imamat institutions for decades into the future because these gifts are added to the endowment funds of institutions you care about.

[Read more about the importance of endowments on page 21](#)

Four Steps to an Estate Plan

1 Make a list of your goals and priorities

Gather information about you and your family along with assets you own. Set goals for how you would like your assets and wealth distributed among family and loved ones. You can use the Estate Planning Toolkit to get started (see link on [page 22](#)).

2 Speak with an estate planner or lawyer

Seek the advice of a certified or accredited financial professional (estate planning lawyer, tax advisor, or financial planner) and discuss with them your charitable intentions for leaving a gift to AKFC or any other charity of your choice. An estate planning lawyer can help you prepare any necessary legal documents for your estate plan.

3 Plan for change

As your life, work, and family evolves, your financial needs might also change. Be prepared to revisit your estate plan anytime a significant life change occurs. Remember that laws affecting taxes and estate planning can also change, so make sure you understand how these changes might impact your estate and financial planning.

4 Share your plan and complete the Letter of Intent

Share your plan with your family and notify planned beneficiaries, including AKFC. A Letter of Intent allows you to articulate your values, share the story behind your motivation to make a PLG commitment, while providing your family with a clear record of your intention to give a legacy gift to AKFC. It also enables AKF's Board to plan its long-term programs based on projections of legacy gifts.

Inspiration in Action: An Investment in the Future Pays Dividends: Over 40 Years of the Madrasa Early Childhood Development Program

“...Evidence accumulates steadily showing that an investment made in the earliest, pre-school years can bring enormous dividends as a child proceeds from one level of education to another.

And we know that the story must go on. The dream will continue to unfold. And the work which all of you have been doing will continue to resonate in the thousands of lives you have touched and shaped—and in the lives of their children and grandchildren.”

HIS HIGHNESS THE AGA KHAN

AT THE COMMEMORATION OF THE 25TH ANNIVERSARY OF THE MADRASA PROGRAM
MOMBASA, AUGUST 14, 2007

Estate Planning Documents



LEAVING A GIFT THROUGH A WILL OR TRUST

Your will is a written statement where you indicate who will receive your personal property upon your passing. In most provinces, your will must be signed and witnessed by two individuals, and, in some provinces, it needs to be notarized. Your executor uses your will to distribute your assets and property to your beneficiaries. Depending upon the property you own at the time of your passing and the instructions you leave in your will, your executor may also have to submit the will to the court to be probated. If you have minor children, your will can stipulate who will be their legal guardian.



HEALTHCARE DIRECTIVES

Sometimes referred to as an advanced directive or personal directive, a healthcare directive allows you to appoint someone to make personal and healthcare decisions for you in the event you lose the capacity to make these decisions for yourself. To some extent, you can provide your appointed decision maker with instructions about how to make certain personal and health-related decisions for you in the event you become incapacitated or seriously ill.



POWER OF ATTORNEY FOR FINANCES

While you are generally able to manage your own finances and property while in good health, there may come a time when you are unable to do so. A power of attorney allows you to appoint someone to make decisions about your finances and your property for you should you lose the capacity to make these decisions for yourself.

The Madrasa Early Childhood Development Program (MECP), started in Mombasa, Kenya, celebrated its 40th Anniversary in 2024. As a second generation of graduates comes into adulthood, the number of doctors, teachers, and leaders with roots in the program who are giving back to their communities grows.

RIGHT: Mwinyi Mohamed, a MECP alum, with his teacher Bahati Suleiman.



At a Glance: Ways to Make a Legacy Gift



Leaving a Gift Through a Will or a Trust

Ideal For

All supporters of AKFC who wish to continue to support the work of the institution they care about.

What's the Benefit?

For a gift made through a will, the donor can retain ownership of their assets during their lifetime and can leave a gift that AKFC will receive after the donor's passing.

How to do it?

Include a gift to AKFC in the will, indicating a specific amount or a residual percentage of the estate after your family is provided for.

[LEARN MORE ON PAGE 8](#)



Gift of Life Insurance

Ideal For

Donors with life insurance coverage exceeding what their family or their estate will need upon their passing. These policies can be paid-up or still have premiums to be paid.

Donors whose other investments are sufficient to provide for their families.

What's the Benefit?

You or your estate may be eligible to receive a tax receipt for your gift of life insurance.

How to do it?

Designate AKFC as the beneficiary of a life insurance policy while retaining ownership of the policy.

Or, transfer ownership of a life insurance policy to AKFC and designate AKFC as the beneficiary of the policy.

[LEARN MORE ON PAGE 10](#)



RRSPs, RRIFs, and TFSAs

Ideal For

Donors without dependents or those whose dependents are otherwise fully financially secure.

What's the Benefit?

You can continue to access and benefit from the savings in your RRSP, RRIF, or TFSA during your lifetime, and can leave a gift that AKFC will receive after your passing as the beneficiary of your RRSP, RRIF, or TFSA.

How to do it?

Contact your plan administrator and designate AKFC as the beneficiary of your RRSP, RRIF, or TFSA.

[LEARN MORE ON PAGE 12](#)



RRIF Charitable Rollover

Ideal For

Donors or their spouses who are 71 or older and required by law to meet the minimum annual withdrawal, and do not need the taxable income from this source.

What's the Benefit?

Donor will receive a tax receipt for this donation for the applicable tax year.

How to do it?

Name AKFC as the beneficiary of the required minimum distribution from your RRIF.

[LEARN MORE ON PAGE 14](#)



Gifts of Appreciated Securities

Ideal For

Donors who own securities that have increased in value over time. This mode of contribution can be used for current giving to AKFC as well as through a bequest in a will as part of estate planning.

What's the Benefit?

Donors can reduce or offset (please see [page 15](#) for further details) capital gains and receive a charitable tax receipt based on the fair market value of the securities donated.

How to do it?

AKFC will provide instructions on how to easily transfer securities.

[LEARN MORE ON PAGE 15](#)

Securities can be electronically transferred from your brokerage account directly into AKFC.



Donor Advised Funds

Ideal For

A donor advised fund is an ideal giving vehicle for donors who wish to set aside funds for a charitable purpose, but who also wish to have some flexibility in terms of recommending when a grant is given to their chosen charitable organization and in what amount a grant may be given. This mode can be used for current giving to AKFC via grants from the donor advised fund as well as through recommending that any remaining donor advised funds are granted to AKFC upon a donor's passing as part of estate planning.

What's the Benefit?

Donor can reduce tax burden immediately and make decisions on charitable giving at a later time.

How to do it?

Establish a donor advised fund with a participating Canadian charitable foundation. When you contribute assets or cash to the donor advised fund, appoint you can recommend that AKFC receive a grant from the fund.

[LEARN MORE ON PAGE 17](#)



Leaving a gift through a will or a trust

A donor can support AKFC by transferring a specific asset or a percentage of their estate through their will. The gift is transferred to AKFC after the donor's passing.

Leaving a gift through a will is by far the most common legacy gift in Canada. Typically, a gift is made by naming AKFC as a beneficiary in your will, either by giving a percentage of the residue of your estate, a specific dollar amount, or a gift in kind (specific asset) to AKFC.

LEAVING A GIFT THROUGH A WILL OR A TRUST IS IDEAL FOR:

- Donors who wish to support or continue supporting the work of AKFC by leaving a gift that AKFC will receive after the donor's passing.
- Donors who want to leave a gift to AKFC without affecting their income or financial position during their lifetime.
- Donors who have the means to gift a portion of their estate to AKFC upon their passing, after ensuring they have provided for the needs of their family members and other individuals requiring support.

THE BENEFITS OF LEAVING A GIFT THROUGH A WILL OR A TRUST TO AKFC

- You retain ownership and use of your assets during your lifetime, for a gift made through a will.
- Your gift can be made for any amount that fulfills your charitable intentions.
- For a gift made through a will, your estate receives an official charitable tax receipt for the full value of the gift.
- You can adjust the provisions in your will to meet your needs during your lifetime, as long as you have the capacity to do so. Please remember you should only make changes to your will in consultation with your lawyer to make sure your will remains legally valid.

HOW TO LEAVE GIFT TO AKFC THROUGH YOUR WILL OR A TRUST

Leaving a gift to AKFC through your will is a relatively straightforward process.

After consulting your family and discussing with your legal and financial advisors, determine what kind of gift you would like to leave to AKFC. Then, ask your advisors to include a provision in your will that creates a gift to AKFC. Any gift to a beneficiary of your will, whether AKFC or otherwise, will be given after all of the estate's liabilities have been satisfied (e.g. debts, taxes, etc.).

Please speak to your financial and legal advisors if you wish to establish a trust as a vehicle for charitable giving. Your financial and legal advisors can also provide you with guidance if you have already established a trust and wish to leave a gift to AKFC through your trust.

OTHER CONSIDERATIONS

Any decision you make with respect to giving a gift to AKFC in your will as part of your planned and legacy giving should be made in consultation with your financial advisor, tax advisor, and legal advisor.

Donors should also take the necessary steps to ensure that they have made adequate provision for their family, heirs, and other individuals requiring support after their passing. In this way, the gift will reflect responsible stewardship of family resources as well as charitable service to society.

We would welcome the opportunity to work with you, your family, and your advisors if you wish to support AKFC through a gift in your will. We encourage you to engage in a discussion with us prior to finalizing your gift, to ensure that it is a gift that AKFC can accept as a Canadian charitable organization. Occasionally, AKFC may have to decline gifts that are made without prior consultation.

DIFFERENT TYPES OF GIFTS MADE THROUGH A WILL

Residual Bequest: A gift of a percentage of the residue of your estate to AKFC

Sample Language: *“I give ____ percent of the residue of my estate to **Aga Khan Foundation Canada** (Canadian Registered Charity B/N 10007 2586 RR0001) (“AKFC”) for the purpose of supporting the highest priority needs as determined by AKFC.”*

Specific Gift (Dollar Amount): A gift of a specific dollar amount to AKFC.

Sample Language: *“I give \$_____ (CAD) to **Aga Khan Foundation Canada** (Canadian Registered Charity B/N 10007 2586 RR0001)) (“AKFC”) for the purpose of supporting the highest priority needs as determined by AKFC.”*

Gift in Kind (Specific Asset): A gift that transfers a specific asset, such as parcel of real property or publicly traded securities, to AKFC.

If you wish to give a specific asset to AKFC, we encourage you to have a prior discussion with us to ensure that it is a gift that AKFC can accept as a Canadian charitable organization. We can provide you with specific language befitting of the asset you wish to gift to AKFC.



Gifts of Life Insurance

WHAT ARE GIFTS OF LIFE INSURANCE?

A donor wishing to gift some, or all of their life insurance policy benefits can participate in AKFC's PLG program in one of two ways:

- (a) By naming AKFC as a beneficiary of a life insurance policy; or
- (b) By naming AKFC as a beneficiary of a life insurance policy and transferring ownership of the policy to AKFC.

There are various types of life insurance policies available in Canada, including term policies, permanent policies, and universal life policies. Your financial or insurance advisor can help you select a reputable insurance company and determine which policy, or policies are right for you and your family.

Depending on the type of life insurance policy you own, you may be able to make a meaningful contribution and substantial gift to AKFC by paying an affordable monthly premium.

GIFTS OF LIFE INSURANCE ARE IDEAL LEGACY GIFTS FOR:

- Donors with life insurance coverage exceeding what their estate or family will need upon their passing.
- Donors with ample other investments or financial means to provide for their families after their passing.
- Donors who have either fully paid for their life insurance policy, or who have the financial means to continue to pay for life insurance policy premiums.

THE BENEFITS OF MAKING A GIFT OF LIFE INSURANCE:

- Depending on the giving strategy used, you or your estate may be eligible to receive a tax credit for your gift of life insurance.
- You may be eligible to receive a tax credit for your life insurance policy premiums.
- The life insurance policy proceeds can bypass your estate, allowing the proceeds to reach AKFC sooner with less administrative complexity compared to leaving a gift to AKFC through your will or estate.

HOW TO GIVE A GIFT OF LIFE INSURANCE:

Before making a decision, consult with your financial, tax, and legal advisors.

- **Designate AKFC as the beneficiary of an existing life insurance policy:** You can leave the proceeds of an existing life insurance policy or a percentage of it to AKFC while retaining ownership of the policy and continuing to pay the premiums. Your estate will typically receive a charitable tax receipt for the amount donated to AKFC.
- **Designate AKFC as the beneficiary of a new life insurance policy:** You can leave the proceeds of a new life insurance policy or a percentage of it to AKFC while retaining ownership of the policy and continuing to pay the premiums. Your estate will typically receive a charitable tax receipt for the amount donated to AKFC.
- **Designate AKFC as the beneficiary of an existing life insurance policy and transfer ownership to AKFC:** By transferring ownership of the life insurance policy to AKFC and naming AKFC as the beneficiary of the policy, you can receive a charitable tax receipt at the time of the transfer. While you will be responsible for paying any remaining premiums, these payments may qualify for a tax credit.
- **Designate AKFC as the beneficiary of a new life insurance policy and transfer ownership to AKFC:** By transferring ownership of a new life insurance policy to AKFC and naming AKFC as the beneficiary of the policy, you can receive a charitable tax receipt at the time of the transfer. While you are responsible for paying any remaining premiums, you may qualify for a tax credit for the premiums you pay

Beneficiary Designations:

Typically, beneficiary designations are made with your life insurance policy provider. You may also have a will that refers to life insurance policies if you are using life insurance as part of your estate plan. It is therefore essential to ensure that that you are consistent across all of your estate planning documents with respect to the beneficiary designations for your life insurance policies to avoid potential issues for your estate later on.

OTHER IMPORTANT CONSIDERATIONS:

Any decision regarding life insurance as part of your planned and legacy giving should be made in consultation with your financial, tax, and legal advisors.

Donors should ensure they have made adequate provision for their family and heirs, reflecting responsible stewardship of family resources and charitable service to society.

We would welcome the opportunity to work with you, your family, and your advisors if you wish to support AKFC through a gift of life insurance. We encourage you to engage in a discussion with us before finalizing your gift, to ensure that it is a gift that AKFC can accept as a Canadian charitable organization. Occasionally, AKFC may have to decline gifts that are made without prior consultation.



RRSPs, RRIFs, and TFSAs

WHAT ARE BENEFICIARY DESIGNATIONS OF RRSPs, RRIFs, AND TFSAs?

A clause naming the beneficiaries of a RRSP, RRIF, or TFSA.

You can support AKFC by naming AKFC as the beneficiary of a registered retirement savings plan (RRSP), a registered retirement income fund (RRIF), or a tax-free savings account (TFSA). This can be an excellent way to fully utilize your retirement assets and fulfill your charitable intentions.

You can designate AKFC as the sole beneficiary of one these vehicles, or you can direct a percentage of the plan to AKFC if you wish to name multiple beneficiaries.

BENEFICIARY DESIGNATIONS ARE IDEAL LEGACY GIFTS FOR:

- Working or retired professionals who have contributed to an eligible retirement account throughout their career who feel that their financial circumstances enable them to use their retirement savings in a charitable way.
- Donors without dependents who wish to use their retirement savings in a charitable way.
- Donors whose dependents are otherwise financially secure and who wish to use their retirement savings in a charitable way.

THE BENEFITS OF NAMING AKFC AS THE BENEFICIARY OF YOUR RRSPs, RRIFs, OR TFSAs:

- Generally, if you do not designate your spouse or a qualifying dependent as the beneficiary of your RRSP, RRIF or TFSA, the remaining funds in these accounts are included in your income upon your passing. However, if you name AKFC as the beneficiary of your RRSP, RRIF, or TFSA, your estate will receive a charitable tax receipt for a portion of these assets. This can help reduce the income taxes payable by your estate.
- You maintain ownership and control of your RRSP, RRIF, or TFSA during your lifetime.
- You can continue to access and benefit from the savings in your RRSP, RRIF, or TFSA for as long as you need to.
- You can make a revocable designation which allows you to change your beneficiary designation, if necessary, as long as you have the capacity to do so.

HOW TO DESIGNATE AKFC AS A BENEFICIARY:

Contact your financial advisor or RRSP, RRIF, or TFSA plan administrator and update your beneficiary designations to include AKFC. You can name AKFC as the sole beneficiary of your RRSP, RRIF, or TFSA, or you can designate AKFC to receive a portion of your RRSP, RRIF, or TFSA.

Upon your passing and when the funds are transferred to AKFC, your estate receives an official tax receipt which your executor can use to offset some of the taxes payable by your estate.

Normally, beneficiary designations are made with your RRSP, RRIF, or TFSA plan administrator. You may also have a will that refers to your RRSP, RRIF, or TFSA as part of your overall estate plan. It is important for to ensure that that you are consistent across all of your estate planning documents with respect to the beneficiary designations on your RRSP, RRIF, or TFSA plans to ensure your gift can be given as intended, and to avoid costly and potentially litigious issues for your estate later on.

OTHER IMPORTANT CONSIDERATIONS:

Any decision you make with respect to using a RRSP, RRIF, or TFSA as part of your planned and legacy giving should be made in consultation with your financial advisor, tax advisor, and legal advisor.

Donors should also take the necessary steps to ensure that they have made adequate provision for their family and heirs after their passing. In this way, the gift will reflect responsible stewardship of family resources as well as charitable service to society.

We would welcome the opportunity to work with you, your family, and your advisors if you wish to support AKFC by designating AKFC as the beneficiary of your RRSP, RRIF, or TFSA. We encourage you to engage in a discussion with us prior to finalizing your gift, to ensure that it is a gift that AKFC can accept as a Canadian charitable organization. Occasionally, AKFC may have to decline gifts that are made without prior consultation.

Inspiration in Action: A Woman Entrepreneur Pays it Forward in Pakistan



“... Women’s participation in society is vital to ensure an improved quality of life. From education to health, participation in local governance to leadership in business, we have witnessed the potential for women and men to work alongside each other, while respecting the ethics of Islam, to build their communities.”

HIS HIGHNESS THE AGA KHAN

LONDON CONFERENCE ON AFGHANISTAN, LONDON, UNITED KINGDOM, DECEMBER 4, 2014

Maryam Batool Ainee is a seasoned woman entrepreneur in the Baltistan region of Pakistan with two decades of experience. She is on a mission to empower widowed, orphaned, and underprivileged women in the area. Maryam manages a photo studio, beauty salon, and the Gul Khatoon clothing brand, blending traditional and contemporary fashion with local embroidery. Her vision extends globally as she aspires to take her services to an international level. Committed to uplifting her community, Maryam also provides training in fashion design and beautician skills to young women in Baltistan, fostering independence and opportunities.



RRIF Charitable Rollover

WHAT IS AN RRIF CHARITABLE ROLLOVER?

An RRIF Charitable Rollover is a special provision allowing qualifying individuals to designate a charity as the recipient of their minimum required distribution, providing a tax deduction instead of paying income taxes.

The Canadian Revenue Agency (CRA) requires anyone who has reached the age of 71 and has a tax-deferred retirement account, such as a Registered Retirement Income Fund (RRIF), to annually withdraw a minimum amount from these accounts. The amount, referred to as the Required Minimum Withdrawal, is calculated based on the balance of the retirement account at the end of the previous calendar year and life expectancy. These withdrawals are generally taxable events. However, making a charitable gift to AKFC can reduce the tax burden of the Required Minimum Withdrawal.

RRIFs have a special provision where the withdrawal is sent directly to AKFC, thus removing the tax liability from the withdrawal.

RRIF CHARITABLE ROLLOVERS ARE IDEAL LEGACY GIFTS FOR DONORS WHO:

- Are at least 71 years old.
- Transfer or distribute funds directly from an RRIF account to AKFC.
- Complete the transfer or distribution during the applicable tax year.
- Ensure the total of the gift does not exceed the maximum withdrawal amount per tax year.

THE BENEFITS OF ROLLING-OVER YOUR RRIF DISTRIBUTION TO AKFC:

- You maintain ownership and control of your retirement account.
- You can continue making withdrawals throughout your lifetime.
- You can receive a tax exemption for the donated amount each year.
- If your family or financial circumstances change, your designation can be changed at any time.

HOW TO ROLL OVER YOUR RRIF TO AKFC:

All it takes is speaking with your plan administrator to update your distribution designation to AKFC. In order to qualify for the tax exemption, the distribution must be directly transferred from your RRIF to AKFC.



Gifts of Appreciated Securities

WHAT ARE GIFTS OF APPRECIATED SECURITIES?

Securities that have increased in value as compared to their purchase price.

Donors can support AKFC by making a gift of securities which have increased in value as compared to when the donor purchased the securities. This form of donation can be tax-efficient, as donors will receive a charitable tax receipt for the value of the securities.

Certain securities that have appreciated in value qualify for this type of legacy giving, including but not limited to:

- Shares, debt obligations, or rights listed on a publicly traded stock exchange
- Mutual funds
- Government bonds (provincial and federal)

GIFTS OF APPRECIATED SECURITIES ARE IDEAL LEGACY GIFTS FOR:

Donors who own securities that are traded on a prescribed public stock exchange that have significantly increased in value over time, and who no longer need the securities for their or for their family's financial security.

THE BENEFITS OF GIFTING APPRECIATED SECURITIES TO AKFC:

Giving appreciated securities to charity has become increasingly popular in recent years because of two key advantages:

- **Tax Savings:** When an individual sells appreciated securities, they typically owe taxes on the capital gain. However, if the securities are donated to a registered Canadian charity, this can offset some or all of the taxes payable on the capital gains that have accrued. with the exception that the Alternate Minimum Tax (AMT) rules may still apply.
- **Charitable Tax Receipt:** Donors receive a charitable tax receipt for the fair market value of the donation, based on the market closing price of the day the securities are transferred to AKFC. The receipt can be used to reduce income taxes payable. Unused charitable donation tax credits can generally be carried forward to up to five years. We strongly encourage the donors to contact their financial or tax advisor to confirm your eligibility to carry forward such donation tax credits.

Special Considerations for Employee Stock Options:

Employees who acquire publicly listed securities under an employee stock option may be eligible to donate their securities to AKFC and obtain a charitable tax receipt. Due to the complexity of tax treatments for employee stock options, employees are strongly encouraged to seek advice from their financial and tax advisors.

Other Important Considerations:

The 2023 federal budget included proposed legislative changes to the Alternative Minimum Tax (AMT) that impacted individuals and trusts. These changes took effect in 2024 and could alter the tax credits related to charitable donations such as gifts of appreciated securities, stock options, and flow-through shares. Please visit budget.canada.ca/2024/report-rapport/tm-mf-en.html to learn more.

Due to the complexity of tax treatment for the gifts of appreciated securities, we strongly encourage the donors to seek advice from their finance and tax advisors.

HOW TO DONATE APPRECIATED SECURITIES TO AKFC:

During your lifetime: Donors who wish to donate appreciated securities to AKFC during their lifetime, can transfer the shares electronically from their brokerage account directly to AKFC. AKFC can provide instructions on how to easily make a gift in fulfilment of a current giving or a new pledge.

Upon death: Donors can leave a gift in-kind in their will. The tax treatment of securities donated upon death differs slightly than when a donation is made during a donor's lifetime.

We encourage you to speak to your financial and tax advisors about the giving option that would be most advantageous for your personal situation.

Inspiration in Action: Ensuring a Bright Future with Sustainable Power



“Climate change is altering the relationship between humanity and the environment. Advances in artificial intelligence are opening new horizons in the interface between humanity and technology. Globalisation is transforming relations between countries and communities as knowledge flows ever faster around the world. Your education has prepared you to address these challenges. ...And above all, you have learned that challenges are not to be feared but to be embraced.”

HIS HIGHNESS THE AGA KHAN, CHANCELLOR, UNIVERSITY OF CENTRAL ASIA
MESSAGE TO THE CLASS OF 2023, SCHOOL OF ARTS AND SCIENCES, JUNE 16, 2023

Due to climate change, farmers in the Bergan area of Salamieh, Syria face water scarcity. Issam Zainou, left, now uses a solar-powered pump for irrigation due to rising costs and pollution from diesel generators.

The Aga Khan Foundation helps farmers like Issam by installing solar pumps as a sustainable solution.



Donor Advised Funds

WHAT ARE DONOR ADVISED FUNDS?

A donor advised fund is an account or fund that a donor establishes by making an irrevocable financial contribution to one of a handful of Canadian charitable foundations that offer donor advised funds. The donor receives a tax receipt from the charitable foundation organization when they make their contribution to the donor advised fund. The charitable foundation will usually hold, invest, maintain and manage the funds within the donor advised fund and charge the donor an administrative fee.

The donor can recommend that the charitable foundation allocate the funds in the donor advised fund to another Canadian charitable organization (AKFC, for example) in the form of a grant.

Important Note:

AKFC does not manage or hold donor advised funds and AKFC does not recommend any specific institution for this purpose. AKFC also does not accept donations on behalf of other charities.

A donor can, however, recommend that the funds within a donor advised fund be given to AKFC in the form of a grant.

DONOR ADVISED FUNDS ARE IDEAL LEGACY GIFTS FOR:

A donor advised fund is an ideal giving vehicle for donors who wish to set aside funds for a charitable purpose, but who also wish to have some flexibility in terms of recommending when a grant is given to their chosen charitable organization and in what amount a grant may be given.

It can also be an ideal giving vehicle for donors who wish to remain anonymous.

THE BENEFITS OF GIFTING FUNDS TO AKFC:

This method of giving has become increasingly popular in recent years because of the following key advantages:

- Donors can contribute to a donor advised fund when it is convenient for them and will receive a charitable tax receipt for their contribution at that time. The donor can then take time to determine when they would like to recommend that all or a portion of the funds be granted to AKFC at a later date.
- Donors may have some flexibility in the type of assets they can contribute to a donor advised fund (for example: cash, publicly traded securities, or even other more complex assets like real estate). We suggest you consult directly with a charitable foundation that holds donor advised funds to find out what kind of assets they can accept on behalf of a donor.

HOW TO SUPPORT AKFC THROUGH A DONOR ADVISED FUND:

We encourage you to speak to your financial advisor if you are interested in establishing a donor advised fund. Your financial advisor will be able to recommend a Canadian charitable foundation that will hold donor advised funds and will align with your personal and financial circumstances.

For example, many foundations will require donors to make a minimum irrevocable contribution in order to establish a donor advised fund. The minimum contribution amount will vary depending upon the charitable organization you select to hold your donor advised funds.

Once you establish a donor advised fund, you can support AKFC by:

- Recommending that the funds from your donor advised fund be granted to AKFC from time-to-time while you are alive.
- Recommending that some or all of the funds remaining in your donor advised fund be granted to AKFC upon your passing.
- If you nominate a successor advisor to continue making recommendations for any funds that remain in your donor advised fund after your passing, you can ask them to recommend that the funds be granted to AKFC.

Inspiration in Action: A Family Business is Sustained in the Kyrgyz Republic



“There are those ... who enter the world in such poverty that they are deprived of both the means and the motivation to improve their lot. Unless these unfortunates can be touched with the spark ... they will only sink back into renewed apathy, degradation and despair. It is for us who are more fortunate to provide that spark.

HIS HIGHNESS THE AGA KHAN

OPENING OF THE AGA KHAN BAUG, VERSOVA ADDRESS AT THE STATE BANQUET, MUMBAI, INDIA, JANUARY 17, 1983

In Jan-Bulak, Naryn, Kyrgyz Republic, AKF is supporting this farmer and his family with half the costs of the construction of this cowshed as part of its small business development program. The farmer is contributing the other half. The shed protects the cows during the cold winter months so that they increase their weight at this time of the year. The farmer was selected by AKF to be part of this program because of his capacity to grow the business and create jobs.

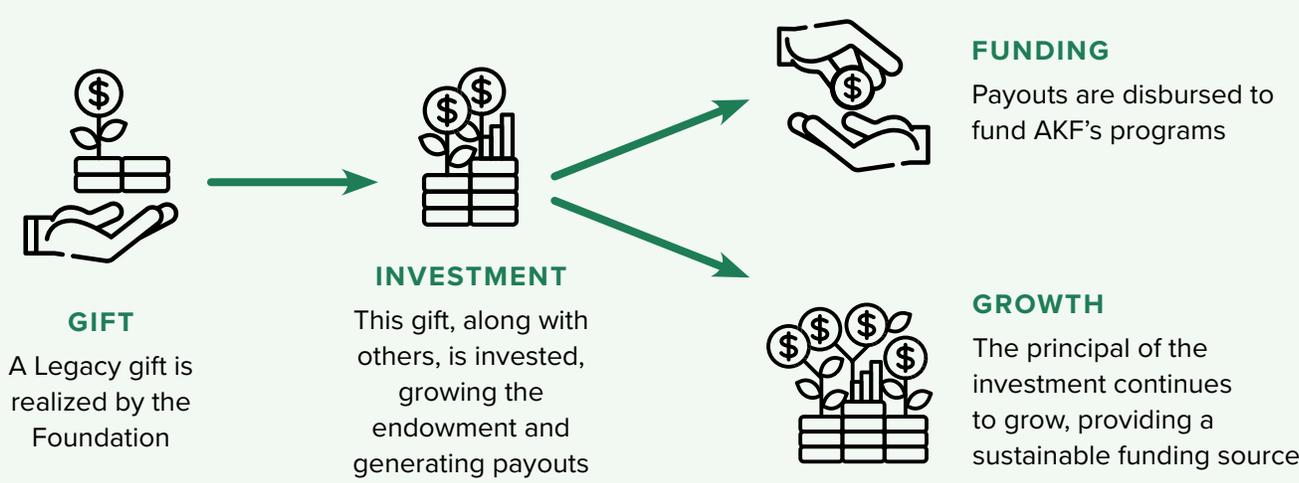
Why Endowments are an Essential Tool for Non-Profits

An endowment serves as a savings and investment account that continues to grow and support Imam institutions in perpetuity through its income. To protect against the erosion of the value of the endowment due to inflation, a portion of the income generated is generally reinvested back into the endowment, while a portion is directed towards programs.

Endowments serve several important purposes:

- 1** They provide sustainable funds towards the institution's ongoing operational needs. Access to these funds reduces institutional dependence on annual grants or donations.
- 2** Payouts from an endowment support new and ongoing institutional needs, ensuring a long-term, predictable flow of funds that enable planning, stability, and sustainability.
- 3** Irrevocable PLG commitments (such as AKFC-owned life insurance policies) may help AKFC leverage grant funding from other sources that depend on its asset base (endowments), and thereby facilitating access to resources that may otherwise not be available.

Endowment Funding: A Gift that Grows



Here's what some 1967 Society members are saying

“We see it as a well-run development organization that is relentless in providing programing for the underdeveloped parts of our globe. It is an equalizer of the classes of economy where there is an immense gap between the have and have-nots. The superior quality of programs and assistance knows no-boundaries in all aspects. We are proud to be able to play a small part in making a difference in lives of others in significant and measurable way.”

TAZIM LAL | OTTAWA, ONTARIO – 2023

“The very nature of life requires us to save for our later years and provide for our dependents. In addition, supporting these institutions during our lives is an ethic we have made part of our lifestyle. PLG is a pragmatic way to gift the remainder of our estate to the causes that are close to our hearts. We were encouraged with the simple structure AKDN has set up for PLG; once completed, we have the assurance and peace of mind that our wishes will be fulfilled upon our passing, adding to the capacity of AKDN Agencies to continue to benefit their inter-generational work in perpetuity.”

ROSEMIN & LIAQUAT | CALGARY, ALBERTA – 2024

“There comes a time in your life when you know, you feel it deep inside, that you are truly blessed and that it's time to do more for your wider family—humanity at large. I am blessed to leave a legacy to AKFC that will enhance the quality of life for those needing a hand for generations to come.”

SAMIRA ALIBHAI | VANCOUVER, BRITISH COLUMBIA – 2024

A Beacon of Hope

A planned gift to AKFC is an extraordinary way to express your commitment to improving the quality of life of impoverished communities.

All donors who submit a completed Letter of Intent are invited to join the 1967 Legacy Society.

This select circle of 1967 Legacy Society members consists of dedicated individuals that see service to humanity as a core value.

Their committed support is the key to improving the quality of life and driving societal transformation for future generations.

1967 LEGACY SOCIETY MEMBER BENEFITS

Members of the 1967 Society will enjoy a life-long relationship with other members and be invited to special events.

You'll also be invited to be a front-line ambassador to inspire the next generation of supporters in person and in AKFC's PLG newsletter.

RIGHT: Students at an AKF supported Early Childhood Development Center, near Khorog, Tajkistan.



AGA KHAN FOUNDATION



Establish your legacy to help improve the lives
of the next generation around the world.

Use this guide to discover your opportunity to
make a lasting impact.

Your Generosity is the Key to Their Future.

REACH OUT TO US TODAY

For more information on PLG or to inform AKFC of your intention,
613-237-2532 ext. 124, email legacy.akfc@akdn.org, or visit:
akfc.ca/get-involved/planned-and-legacy-giving/

READY TO JOIN US?

You can find even more information, including Estate Planning Toolkit
and a Letter of Intent you can sign online by visiting
akfc.ca/get-involved/planned-and-legacy-giving/
or by scanning QR code below.



**AGA KHAN FOUNDATION
CANADA**

**Aga Khan Foundation Canada
The Delegation of the Ismaili Imam
199 Sussex Drive, Ottawa, ON K1N 1K6**

Aga Khan Foundation Canada is an agency of the Aga Khan Development Network.
Charitable Registration Number: 10007 2586 RR0001.

COVER: While mothers typically take the lead in engaging with their children's school activities in Garam Chashma, Chitral, Pakistan, Imtiaz Ahmed challenges stereotypes by actively participating in his daughter's education. He also attends Parental Engagement and Networking Sessions funded by an AKF program.

This guide has been published for AKFC's PLG pilot initiative in Edmonton in October 2024.