

# GIFT ADMINISTRATION POLICIES 2025-2026

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## 5.1 DISTRIBUTION POLICY

- The Foundation Trustees establish a payout rate based on the review of past and future (projected) investment returns earned on the Funds collectively over five years and 10 years.
- The current payout rate is 4.0% of the market value of the Funds at the end of the preceding fiscal year, reviewed periodically, which is then allocated to each Fund on a proportionate basis.
- Endowed Funds will be restrictive to the payout rate to ensure capital preservation and at a minimum, inflationary growth.
- New Endowment Funds will be eligible to have disbursements/grants made from them after fiscal year end on a pro-rated basis.
- Funds that are not endowed will have the payout rate as a guideline and distribution limitations/allowances will be governed by the terms of the Fund's Agreement. New Funds that are not endowed will be eligible to grant immediately after establishing the Fund.
- A statement on the amount available for distribution will be provided to the Fund Advisors on an annual basis.
- If funds available for distribution are not fully expended in one year, they will remain available for distribution in the following year(s) unless otherwise indicated in the original gift agreement establishing the Fund. These funds will not be excluded for the purpose of income allocation.

*Applicable for 2025/2026*

## 5.2 ADMINISTRATION OF FUND GRANT RECOMMENDATIONS

In order to ensure the Jewish Foundation of Greater Toronto (“JFGT”) takes a systematic and consistent approach to grant administration from all of its Funds, the following requirements have been in place:

- As a registered charity in accordance with the *Income Tax Act* (Canada) (“ITA”), JFGT must comply with the requirements under the ITA and the administrative practices of the *Canada Revenue Agency* (“CRA”) in relation to grant administration of its Funds. Non-compliance with these requirements may risk jeopardizing JFGT’s registered charity status.
- Once established, the Funds are the charitable property of JFGT. However, subject to the terms of gift agreement establishing the Fund, it is permissible for the Fund Advisor(s) for any Fund to provide non-binding advice to JFGT regarding the management and distribution of grants to qualified donees from the Fund for JFGT’s review and approval in its sole discretion. It is important that the Fund Advisor(s) does not exercise too much control over the applicable Fund to ensure that all Fund gifts are considered to be gifts at law and able to have official donation receipts issued by JFGT.
- Grant recommendations from the Funds can be made by Fund Advisor(s) by submission of a completed and signed “Fund Advisor Recommendation Form” to JFGT. Upon receipt, JFGT will review each Fund Advisor Recommendation Form in accordance with the applicable Fund’s own restricted purpose(s), JFGT’s charitable purposes, this Policy Manual as amended from time to time, the ITA and any applicable CRA’s administrative policies. Consistent with its fiduciary obligations as a registered charity, JFGT will have final decision-making authority over all Fund grant recommendations.
- There is a minimum \$100 disbursement requirement for grants from all Funds with the exception of Giving Funds and UJA Legacy Funds.
- Grants from Funds are generally made by JFGT on a bi-monthly basis, or more frequently, if necessary, with its required written approval.
- In the event of extraordinary circumstances, as determined in the reasonable judgment of the Jewish Foundation, the Jewish Foundation shall make the requested distribution within a reasonable time frame appropriate to the nature and urgency of such circumstances. The determination of what constitutes “extraordinary circumstances” and what constitutes a “reasonable time frame” shall be made solely by the Jewish Foundation, based on the Jewish Foundation’s subjective assessment of all relevant factors.
- Pursuant to the Board resolution dated December 14, 2023, the Chief Financial Officer of UJA Federation of Greater Toronto, co-signing with a senior member of the Jewish Foundation team holding a position of Vice-President or higher, are authorized to approve grant distributions, in accordance with and subject to the provisions of the Corporation’s Policy Manual Section 5: Administering the Gift, Sub-sections 5.1-5.4.

*Applicable for 2025/2026*

- All Fund grants made by JFGT must be in compliance with its Granting Guidelines (see section 5.3), the Fund's own restricted purpose(s) and the amount available for grant distributions within the Fund. All of these matters will be determined in JFGT's sole discretion.

## GRANT NOTIFICATION

- When JFGT approves a grant to a qualified donee, an electronic payment(s)/transfer(s) will be issued to the grantee from JFGT and is accompanied by an email(s) identifying which JFGT Fund is making the grant(s).
- If requested by the Fund Advisor(s) or required by the Fund agreement, anonymous gifts are noted by JFGT as such in the email notification to the qualified donee and no Donor/Fund Advisor(s) information is disclosed.
- JFGT will instruct each qualified donee to not issue an official donation receipt to the Donor/Fund Advisor(s) for the grant. This is done to protect the Donor/Fund Advisor(s) from inadvertently claiming an additional tax credit on monies previously gifted to the applicable Fund and then issued a charitable donation receipt by JFGT.
- If the Fund Advisor(s) requests that any Fund grant be used by the qualified donee for a special/restricted purpose, then this must set out on the Fund Advisor Recommendation submitted for JFGT's approval and so, if approved, JFGT can clearly advise the grant recipient of the said special/restricted purpose.
- Unless otherwise specified, if no grant recommendation(s) has been received from a Fund Advisor(s) within 90 days following the request by JFGT, then JGFT may distribute grants in accordance with the Fund's own purpose in order to fulfil its then applicable disbursement quota obligations under the ITA.
- In the event JFGT is unable to meet its disbursement quota obligation in any given year, it may utilize any available disbursement surplus from prior years. Should circumstances arise that the surplus is exhausted, JFGT may impose a distribution from individual Funds on a pro-rata basis, and in accordance with the terms of the respective Fund agreements.
- The disbursement quota is the minimum amount that a registered charity is required to spend each year on its own charitable activities or gifts to qualified donees, e.g., other registered charities.
- Under the ITA, JFGT must distribute from its total property not used for charitable activities or administration an annual disbursement quota, which is currently calculated as 5% of the average value of the Funds over the previous two years. At this time, JFGT is not required under the ITA to impose this disbursement quota requirement on each individual Fund.

*Applicable for 2025/2026*

## 5.3 GRANTING GUIDELINES

- JFGT allows Fund Advisors on its Funds (including Donor Advised Funds) to recommend grants to qualified donees in accordance with the ITA and applicable CRA administrative policies. Recipients of grants from JFGT Funds must be qualified donees in accordance with the ITA and may include those which are Jewish, secular, locally based and/or of a similar nature, and otherwise, subject to the exceptions below.
- All Fund-related policies and practices are regularly reviewed and updated by JFGT. Similarly, all Fund grant recommendations submitted by Fund Advisors will be reviewed and approved by JFGT. JFGT has the right to decline any recommended Fund grant or suspend any already approved Fund grant(s) to any qualified donee that it deems to be off-side of its charitable purposes, core values, and mission.
- Qualified donees that fall within JFGT's charitable purposes, core values, and mission include those that sustain and grow our community through pluralistic expressions and wide-ranging perspectives, as well as those that affirm a broad and inclusive tent vital for a strong and dynamic Jewish community. JFGT does not fund, through grants, qualified donees which, in JFGT's judgement, do the following through their mission, programs and activities, and/or partnerships and affiliations:
  - endorse or promote antisemitism, other forms of bigotry, violence, or other extremist views;
  - actively seek to proselytize Jews away from Judaism; and/or
  - advocate for, or endorse, undermining the legitimacy of Israel as a secure independent, democratic Jewish state, including, but not limited to, through participation in the Boycott, Divestment and Sanctions (BDS) movement, in whole or in part.
- As a registered charity under the ITA, JFGT cannot make grants to any of the following:
  - a non-qualified donee under the ITA, including non-profit organizations; or
  - a qualified donee where the Fund Advisor(s) has recommended that the grant:
    - › be used by the said qualified donee for a non-charitable purpose; or
    - › confers any advantage<sup>1</sup> or other private benefit to the Fund's donor, the Fund Advisor(s) or any of their family members, a business partner or associate or a corporation or other legal entity not at arm's length from the donor or Fund Advisor(s) ("Related Party/Entity") under the ITA.
- If JFGT rejects any grant recommendation received from a Fund Advisor, it will notify the Fund Advisor on the reason(s) why the grant recommendation was rejected and seek new advice for an alternative grant(s).

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<sup>1</sup> The term "advantage" is very broadly defined in the ITA, and includes the value of any property, service, compensation, use or other benefit the donor, Fund Advisor, or a person who does not deal at arm's length with the donor/Fund Advisor has received, obtained, or enjoyed, or is entitled (either immediately or in the future, either absolutely or contingently) to receive, obtain, or enjoy that is: (i) in consideration of; or (ii) in gratitude of; or (iii) in any other way related to a Fund grant(s).

*Applicable for 2025/2026*

## SUPPLEMENTAL GUIDE WHEN GRANTING FROM DONOR ADVISED FUNDS

As noted in the Administration of Fund Grant Recommendations and Granting Guidelines Policies attached herein, the Jewish Foundation of Greater Toronto (“JFGT”) allows Fund Advisors on its funds [including Donor Advised Funds (DAFs)] to recommend grants to qualified donees in accordance with the *Income Tax Act* (“ITA”) and applicable *Canada Revenue Agency* (“CRA”) administrative policies.

Since official donation receipts are issued to donors for 100% of their donations to DAFs, the donors, and anyone not at arm’s length to a donor, cannot receive an economic advantage in return for their donations, whether an advantage is received at the time a donation is made or is receivable in the future, and whether an advantage is received from JFGT or a qualified donee that receives a grant from a DAF. An economic advantage is defined as the total value, including any benefit or enrichment that a person is entitled to receive in exchange for making a donation, such as an economic or financial subsidy, bonus, or reciprocated form of support. In addition, as registered charity, JFGT cannot confer private benefits except in certain limited circumstances which are not applicable to DAF grants.

The following sets out JFGT’s position on specific requests for grants from DAFs.

### NAMING RIGHTS/SPONSORSHIPS

Recommendations for grants which provide naming rights to an individual donor to a DAF or to an individual not at arm’s length to the donor, such as with respect to a building campaign or capital project (for example, a school or hospital wing) or for an event (such as a gala or walkathon), may generally be made as the CRA does not attribute any value to such rights since there is no economic benefit to the donor or non-arm’s length individual.

However, recommendations for grants which provide naming rights to a donor to a DAF, or person not at arm’s length with the donor, which is a business (whether a corporation or another entity) or if the donor’s or non-arm’s length individual’s name is closely associated with a business, are not permitted because the naming rights would confer an economic benefit in the form of marketing or advertising.

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*Applicable for 2025/2026*

## **FUNDRAISING EVENTS**

Subject to the “Naming Rights/Sponsorships” section above, recommendations for grants for the following are generally permitted:

- To sponsor participants in events (such as a bikeathon or walkathon), provided that the DAF does not pay for any costs of participation in the event; or
- To pay for entry fees, tickets, or a table to a fundraising event (such as a golf tournament, gala dinner or concert), provided that the DAF does not pay for the value of any advantage received for attendance at the event. For example, the portion of the event that the receiving charity would issue a donation receipt would be permitted. The benefit portion is not permitted.

## **SCHOLARSHIPS AND TUITION FOR RELIGIOUS SCHOOLS**

Recommendations for grants can be made to create new scholarships or support existing scholarships at eligible qualified donees (subject to the “Naming Rights/Sponsorships” section above), provided that a scholarship is not directed towards a specific person.

The selection criteria for the granting of scholarships by the recipient qualified donee is based on factors relevant to the purpose of the scholarship and is awarded through an unbiased process.

Recommendations for grants can also be made to religious schools which are qualified donees to pay for tuition provided that the tuition is not directed for a specific recipient or for any person who is not at arm’s length to the donor. Recommendations for grants can therefore be used to subsidize tuition for students who meet a school’s threshold for tuition subsidies.

## **MEMBERSHIP**

Recommendations for grants may not be made to pay for membership fees to a qualified donee since membership is for the benefit of the member.

Although not all benefits of membership have a financial value or significant advantage, (for example, the CRA considers the right to attend annual meetings, the receipt of a newsletter that is otherwise available free of charge to have no value) the purpose of a DAF is to benefit the public and not any one individual. This is the fundamental difference between a direct gift from a donor to a charity versus a grant from a charitable fund to another charity.

## **TRIBUTE DONATIONS (IN HONOUR OR MEMORY OF AN INDIVIDUAL)**

Subject to the “Naming Rights/Sponsorships” and “Fundraising Events” sections above, DAF grants can be used to make tribute donations since there is no economic benefit received by a donor to the DAF or any person who is not at arm’s length to the donor.

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## 5.4 ADMINISTRATION FEE POLICY

In any fiscal year, the fee charged to cover the cost of fund administration shall be computed based on the average daily balance of the fund during the immediately preceding fiscal quarter and charged in arrears on a quarterly basis. Fees will be pro-rated for new funds.

The standard fee schedule shall be subject to periodic review and is as follows:

FUND MARKET VALUE	ANNUAL FEE RATE
\$1-\$999,999	1%
\$1 MILLION-\$4,999,999	1% on the first \$1,000,000 .75% on the balance
\$5 MILLION-\$9,999,999	1% on the first \$1,000,000 .75% on \$1,000,000-\$4,999,999 .50% on the balance
\$10 MILLION+	1% on the first \$1,000,000 .75% on \$1,000,000-\$4,999,999 .50% on \$5,000,000-\$9,999,999 .25% on the balance

For funds established on or before June 30, 2017, no fee is charged on the portion of the fund that is used to pay the United Jewish Appeal Annual Campaign gift.

### **There is no administration fee charged to the following types of funds:**

- UJA Legacy Funds
- Lion of Judah Endowment Funds
- Youth Giving Funds
- Donor Advised Funds for those under 45 year of age (exempt from an administration fee for the first 12 months)

### **SHORT TERM FUNDS:**

The annual fee rate is 1.5% of the fund market value.

*Applicable for 2025/2026*

## 5.5 SUCCESSION PLAN POLICY

### **THIS POLICY WILL APPLY TO DONOR ADVISED FUNDS**

In this policy “Donor” and “Donors” shall mean individuals and/or corporations that have created a donor advised fund (“DAF”) with the Jewish Foundation of Greater Toronto (the “Jewish Foundation”), and in respect to the DAF that they created. It shall also mean any active fund advisor(s) named by the creator of the DAF that have the same authorities.

“Incapacitated” means, in the event of any one donor: (A) as to any individual donor, death, or an appointment of a guardian by the court or the Office of Public Guardian and Trustee; (B) as to any corporation which is a donor (i) when a voluntary dissolution occurs by issuing a certificate of intent to dissolve, or its equivalent; (ii) a judgment or an order by any court approving a petition for reorganization, arrangement or composition of, or in respect of the donor; and/or (iii) the appointment of a liquidator, trustee in bankruptcy, custodian, curator, sequestrator, receiver or any other officer with similar powers. In the event where there are two or more donors related to one DAF, the provisions in relation to succession in this policy shall apply only after all donors are deemed incapacitated, as defined herein.

### **SUCCESSION PLAN**

The Jewish Foundation will endeavour to fulfil the Donor(s)’ philanthropic wishes in relation to its/their DAF during the lifetime of the Donor(s) and when the Donor(s) are Incapacitated it shall follow the provisions of the policy herein. To that end, the Jewish Foundation will make reasonable efforts to ensure a written succession plan is in place (“Succession Plan”).

The Succession Plan may be included in a clause in the relevant DAF agreement, in an amendment or addendum to it, or in another documented fashion where it is clearly acknowledged by the Donor(s) and by the Jewish Foundation.

A Succession Plan could call for any of the following in relation to directing future distributions from the DAF for when the Donor is Incapacitated, or when all Donors are Incapacitated:

1. name successor fund advisor(s) who, once active when all Donors become incapacitated, would also be given the authority to name future successor fund advisor(s);
2. provide for specific or broad-nature instructions in relation to the support of a philanthropic cause or causes, and where broad-natured, allowing the Jewish Foundation discretion to fulfill those instructions; or
3. give discretion to the Jewish Foundation to direct distributions to the greatest priority needs of the community.

*Applicable for 2025/2026*

# GIFT ADMINISTRATION

**JEWISH  
FOUNDATION**  
*of* GREATER TORONTO

In the event that all Donors are deemed incapacitated, and there is no Succession Plan, the following provisions will apply:

## **DISTRIBUTIONS FROM THE FUND WHEN THERE IS NO SUCCESSION PLAN**

In the event that there is no Succession Plan, the Jewish Foundation has unfettered discretion to make distributions from the DAF.

In doing so, the Jewish Foundation may consider:

1. Documented philanthropic interests of the Donor(s);
2. Patterns of historical distributions from the DAF based on actual distributions over the five years prior to the Incapacitation of the last donor of the Donor(s); and
3. Community needs.

To that end, the Jewish Foundation will strike a committee that shall consist of the following:

- i. Immediate Past Chair, Jewish Foundation of Greater Toronto
- ii. Chair, Jewish Foundation of Greater Toronto
- iii. Vice Chair, Board of Directors, UJA Federation of Greater Toronto; and
- iv. Chair, Granting Process Committee, UJA Federation

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