

Donate for Less!

Minimize Tax while Maximizing Your Donation



KEN STERN

Ken Stern

Strategic Philanthropy & Tax Advisor



FOUNDATION
WCPD

Our Easy to Follow 5 Coins Presentation



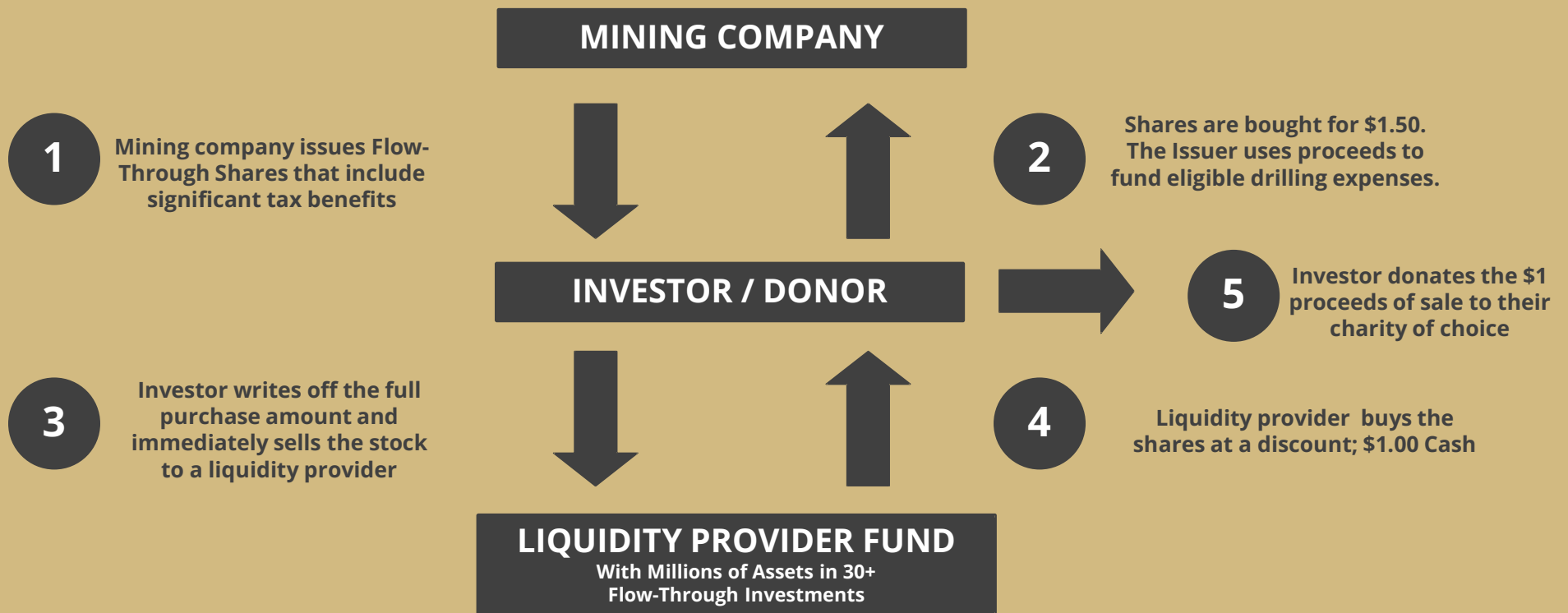
ONTARIO resident, 53.53% MTR
Available to Accredited Investors only



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How Our Structured Transaction Works

COMMITMENTS FROM ALL PARTIES NEGOTIATED IN ADVANCE;
ALL TRANSACTIONS OCCUR SIMULTANEOUSLY



OPTION 1: STEP 1: DONATE USING FLOW-THROUGH

PURCHASE \$1.50

Resource flow-through shares upon transaction closing



RECEIVE \$0.75

Tax savings assuming 50% tax rate.
Tax instalments can be reduced immediately



OPTION 1: STEP 2: SELL THE SHARES IMMEDIATELY

Investor sells the \$1.50 of flow-through shares to Liquidity Provider at closing for \$1.00.



Investor no longer has stock market risk

Buy and Sell take place simultaneously at pre-arranged prices



Receive \$1.00 cash from Liquidity Provider at closing.



Liquidity Provider benefits by buying shares at ~33% discount and takes on market and illiquidity risk. Counter-party risk is also eliminated.

OPTION 1: STEP 3: DONATE THE PROCEEDS OF SALE


Receive a Charitable Tax Receipt
for making a \$1 cash donation

Charitable Donation Receipt

_____ Date _____

Received of _____

Goods	
Services	
Cash	
TOTAL	
by /aw.	



The amount of the charitable receipt equals the proceeds of sale to the liquidity provider - \$1 in this case

**This donation to any charity
(or charities) of your choice
results in a tax savings of \$0.50**



OPTION 1: TRANSACTION SUMMARY

\$1.50 purchase of flow-through shares



LESS

\$1.25 in tax savings



=

\$0.25 cost to donate \$1.00



\$0.75 Flow-Through Purchase



+

\$0.50 Charitable Donation



THE BOTTOM LINE

IT COSTS LESS TO DONATE VIA FLOW THROUGH SHARES

**REGULAR
DONATION**



\$0.50 cost



**DONATE VIA
FLOW-THROUGH
OFFERING**



\$0.25 cost



OPTION 2: PURE TAX DEDUCTION *WITH* A PROFIT

Keep \$1.00 from the sale of the shares to a liquidity provider



Make \$0.25 profit

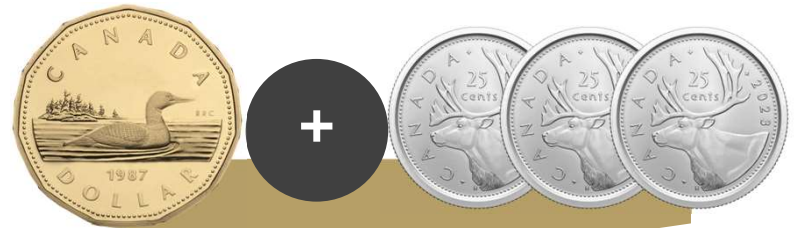


Total flow-through purchase - \$1.50



Cash received from sale to liquidity provider

Tax saved



Total benefit \$1.75

OPTION 3: USING BOTH OPTIONS TO MINIMIZE COST

Option 1:
Donation of \$1.00

+

Option 2:
Keep \$1.00

=

Together:
Donate \$1.00



\$0.25 cost



\$0.25 profit



\$0.01 cost

AFTER TAX COST

ASSUMING 50% TAX BRACKET

DONATION METHOD	AFTER TAX COST TO DONATE \$1.00
Cash (80% of all donations)	• 50¢
Public Stock	<ul style="list-style-type: none">• 38¢ if stock doubles• 27¢ if stock grows tenfold• 25¢ is lowest possible (founder, \$0 ACB)
Flow-through Shares	<ul style="list-style-type: none">• 25¢ to as low as 1¢ cost to donate \$1.00• Made possible by optimizing the combination of the two tax policies to maximize tax savings

FLOW-THROUGH SHARES

A SUCCESS STORY

WCPD is the originator of charity flows, beginning in 2006.

\$55M

In 2022, the WCPD Foundation received \$55M in donations

\$45M

In 2022 WCPD dispersed \$45M to charities

\$350M

Since 2006 our firm has facilitated \$350M+ in donations for clients across Canada

\$1B+

Since 2006 our firm has facilitated \$1B+ in FTS

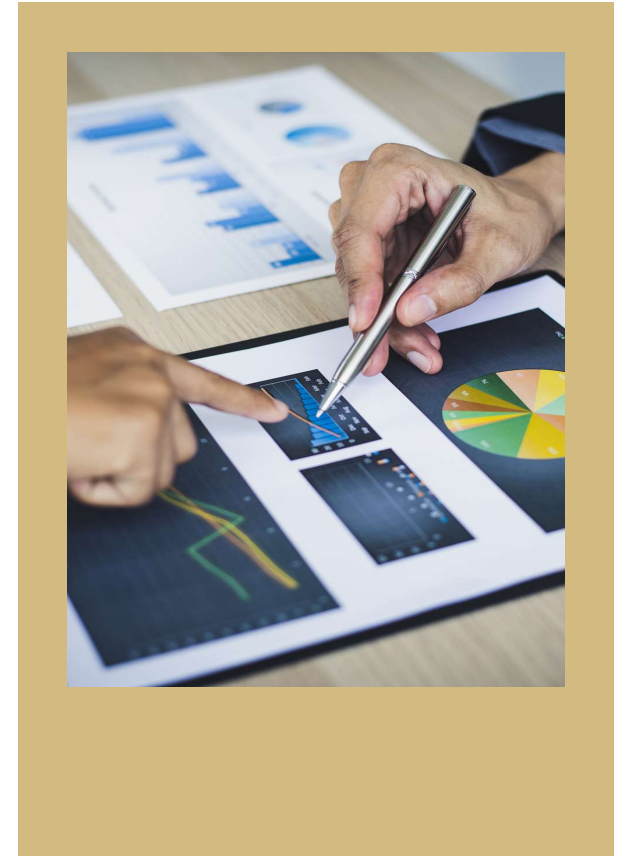
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Advanced CRA Tax Rulings on this structure

8000+

Personal & Corp tax returns filed since 2006 with no CRA issues

*Accredited investors only



PHILANTHROPIC ADVISORY COUNCIL



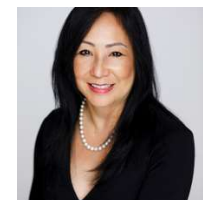
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Government Policy for
Paul Martin & Business



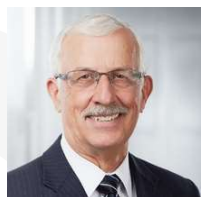
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Hospital Foundation



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TESTIMONIAL:

CHARITY FLOW-THROUGH

Charity flow is the most cost-effective way to make a contribution. For my family, the MUHC (McGill University Hospital Centre) Foundation is one of the charities we choose to support. I have been a long-time client of WCPD and a supporter of the Flow-Through structure."

Patricia Saputo

FCPA, FCA, ICD.D, TEP, DTax
CFO, Family Office at Placements Italcant Inc.



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TESTIMONIAL:

CHARITY FLOW-THROUGH

Stephen Greenberg and his family have been long-standing partners and supporters of the Ottawa Hospital Foundation. Without donors like Stephen, we could not deliver the same essential services and programs that our community depends on. Flow-through shares have long been an efficient and tax-effective way for our major donors to give more to our Foundation. It continues to play an important role in our mission to deliver a better tomorrow."

Tim Kluke
President & CEO,
Ottawa Hospital Foundation



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THANK YOU

For more information visit my website
www.kenstern.ca



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A handwritten signature in black ink, appearing to read 'Ken Stern'.

KEN STERN



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