



Gift through a Charitable Bequest

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.

Charitable Bequests – Tax Information and Sample Will Clauses

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. Any unused portion of the receipt may be carried back one year.

In gifting by bequest, donors should consider providing the University with a copy of the clause in the Will pertaining to the bequest. This will be particularly helpful for receipting the estate at the appropriate time.

The following sample language is intended as a resource to assist donors or 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. Unless the property is useful to the University, it will be sold, and the proceeds, less any appraisals and selling costs, applied per the terms of the bequest. Donors are encouraged to inform Brock University's Office of Development and Donor Relations of their intention to gift such property to the University to ensure that the gift fulfills a need identified by the University and that the gift can be accepted by the University. The University recommends the inclusion of the 'Power to Vary Provision' in these cases.
"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/es 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)..."

Charitable remainder trust.

- ♦ A designated portion of the estate property is used to fund the trust, which then pays the net income to the beneficiary/ies identified in the donor's will. When the trust terminates at the death of the beneficiary/ies or at the end of a term of years, the trust principal is distributed to Brock University.
"I direct that my executor raise out of the capital of my estate the sum of (amount) to be held and invested by my Trustee and to pay to (name of spouse or other individual/s) all of the net income which accrues therefrom during his/her/their natural lifetime/s. Upon the death of (name/s), such trust fund shall be distributed to Brock University... I appoint (name of person or institution) as trustee of this trust."

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."

" to be used for research in biotechnology."

" to be used in support of educational programs in Health and Wellness."

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.)."

Specific language for an endowment should be reviewed with the Office of Development and Donor Relations to ensure that it is consistent with the mission of the University and that the amount of the bequest would be sufficient for the endowment. The endowment will be held in perpetuity and an annual award will be supported by investment income in accordance with the University's prevailing endowment policy as approved by the Board of Trustees. The University endowment policy has been designed to preserve the capital of the endowment to maintain its purchasing power (or current value) over time while providing a reasonable flow of income for an annual award pay out. To ensure that an award involves a reasonable award value consistent with the type of award, the University has established minimum levels for endowed, named, awards.

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:

- ♦ Crown Foundation: "Brock University Foundation" is an Ontario Crown agency.
- ♦ US Foundation: "The Friends of Brock University" is a public foundation incorporated in the United States.

The "Brock University Foundation" or "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.