



Jan  
Varner  
**UNITED WAY**

## *Donor champions political change*

How would you spend your time and energy after tackling a challenging high tech career, becoming wealthy as a result of a soaring stock market, and retiring early? Don McMurtry joined Research In Motion in 1993 when the wireless-data market was just emerging. He became vice president of sales in 1997, and helped launch BlackBerry in 1999. Since retiring in 2006, Don has reached more than a few career and personal summits, including a charitable climb of Africa's Mount Kilimanjaro in 2006 and a marathon canoe trip in 2008. As part of the David Thompson Brigade, which celebrated the greatest Canadian mapmaker, Don and his fellow adventurers paddled 25 foot Voyageur-style canoes from Rocky Mountain House, Alberta to Thunder Bay over nine weeks.

It may surprise you to hear that the peak Don's trying to tackle now is a mountain of Revenue Canada rules and requirements – perhaps an endurance sport in its own right. A long-time community contributor and United Way donor, Don's now pushing for change to a little-known Revenue Canada taxation rule that limits the impact Canadian donors can make through “enduring gift” charitable donations.

If you've never created an enduring gift or donor-advised fund, it may not sound relevant to your personal or business finances. But as I learned in my discussions with Don and my own investigation,

this little tax rule is preventing donor dollars from reaching our local community – and preventing well-meaning donors from making the difference they want to make. Here's how it works: If you create an enduring gift – a donation you intend to be used annually to make a long-lasting difference – the foundation or institution managing your funds can dole out only the interest on your funds for the first 10 years. It sounds like a reasonable proposition in a thriving economy, especially if you're fortunate and generous enough to give in the hundreds of thousands, like Don. But here's the catch: in a tough economy or market downturn, you could go YEARS without giving any money from your enduring fund. Ironically, a downturn is when our community needs these donor dollars the most. As local families struggle to put food on the table or find employment, millions of dollars are stuck in enduring funds because these funds haven't made financial gains and the initial capital amount cannot be touched. That's why Don is working at the political level to encourage change. He believes that Ottawa could change this rule and free up millions of charitable dollars – a change that would be in the best interests of our community as well as the donors who want to see their money make a difference.

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# Rules need to change for enduring gift donations

The last thing I want to do here is discourage enduring gifts. Planned giving is essential. United Way's Forever Fund, for example, which Don helped to jumpstart with a significant donation in 2000, ensures United Way's ability to identify and incubate new programs of prevention, over and above what our Annual Campaign can fund and sustain.

But I do echo Don's concerns about the need for tax reform in this area. It's frustrating for donors to have their well intended donation tied up for years with little or no community value. And it's frustrating for charities to struggle for donations in an economic downturn, without access to these enduring gifts that could make a real impact on the community.

And it's not just millionaires who face this dilemma. My own father-in-law, who wants to donate a family heirloom to charity and wants to see immediate and sustained community impact, may not see results from his donation in his lifetime if this rule doesn't change. That donation would certainly make a nice family legacy, but donors typically want to know they're making a difference right away AND in a lasting way.

That's why Don and other donors are pushing for reform. They're writing letters to local politicians and federal ministers, and trying to get other donors and potential donors to make noise too. If you're interested in joining in, Don would love to hear from you. Though it could be in some ways more challenging than climbing Kilimanjaro, this small change could go a very long way.

*I'm 'taking reservations' for this column.*

*If you'd like to meet me for breakfast*

*and a discussion, please drop me a note at*

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