

November 20, 2001

To: Budget Advisory Committee

From: Chief Financial Officer and Treasurer; and, City Librarian

Subject: Plan to Promote Bequests for Libraries and Other City Programs

Purpose:

To present a plan for promoting bequests dedicated by residents of the City of Toronto for libraries or other City Programs and provide a fitting means of recognition to those individuals.

Financial Implications and Impact Statement:

There are no direct financial implications associated with this report.

Recommendation:

It is recommended that this report be received for information.

Background:

City Council, at its meeting of April 23-May 2, during consideration of the 2001 Operating Budget, by adoption of recommendation No. 176 of the report (April 11, 2001) of the Budget Advisory Committee, in respect of the Toronto Public Library, directed amongst other things that:

“the Chief Financial Officer and Treasurer and the Chief Librarian be requested to report on a plan to promote bequests to be dedicated by residents of the City of Toronto for libraries or other City Programs and providing a fitting means of recognition to those individuals”

Comments:

Bequests are gifts made through wills, living trusts, charitable trusts, charitable gift annuities, retirement plans, or other estate planning arrangements. These planned gifts can take the form of the entire or a percentage of the estate, or more commonly they can take the form of cash or property such as bonds, stocks, real estate, etc.

Under the *Income Tax Act (Canada)*, individuals and corporations can claim an income tax credit for certain gifts, including gifts made through bequest to the City. Bequests can represent source of additional funds or assets for City Programs.

Many of the city programs receive gifts and donations from individuals and corporations. A search of city programs did not identify any formal program in respect of bequests other than that of the Toronto Public Library Foundation. The TPL and the TPL Foundation have in the past received a number of gifts from friends who have generously made provisions for the Library through a bequest or through gifts of securities. These gifts have fostered significant support for the library's programs and special collection development.

#### Promotion of Planned Gifts by the TPL Foundation:

To date the TPL Foundation has focused on promoting bequests and gifts of securities as these constitute the vast majority of all planned gifts made by Canadians. As the Foundation moves forward in developing its major gifts program a wider range of gift planning vehicles, including property, life insurance, annuities and remainder trusts will become fully integrated in the work of the Foundation's major gifts program.

The Foundation's existing *Planned Giving Program* targets the Library's closest friends, donors, and alumni. Key elements of this program are:

- Inclusion of a flyer and other advertisements in the direct mail program which is mailed to over 15,000 individuals annually.
- Distribution of in-branch brochures to all Library users with a circulation of over 150,000 annually.
- Promotion of this program in Library Publications. For example, the Foundation profiles individuals in *What's On* who have included the Library in their Will as a way of thanking them and recognizing their contribution.
- Information sessions on Estate and Intelligent Tax Planning for Library users
- Special events targeted at donors, retired staff and alumni of the Toronto Public Library to help establish understanding of the need and urgency of private support with discussion of bequests and other vehicles of planned giving.
- The Development staff work in a highly personalized way with individual donors to find giving strategies that fulfill their personal, family and business goals with their long-term charitable plans. The TPL Foundation is dedicated to providing the most personally satisfying and financially advantageous method for our donors to make his/her contribution.

#### Recognition of Planned Gifts by the Toronto Public Library Foundation:

The Foundation is in the process of developing a fully integrated recognition program to acknowledge bequests and other planned gifts to the Library. This plan will build upon the existing program that includes recognition in the Annual report, invitations to all key Library events, and/or articles in the Library's publication *What's On*. The expanded program will

encourage people to inform the TPL Foundation that they have included the Library in their Will so that we can cultivate closer ties with these donors. Strategies for the expanded program include:

- Annual Recognition Teas (or other social events) for anyone who has indicated a gift in their Will or other giving vehicle
- Development of a special donor wall, as part of the Foundation's overall centralized recognition program, that will recognize anyone who has indicated a gift in their will.

#### Conclusion:

Bequests are gifts made through wills, living trusts, charitable trusts, charitable gift annuities, retirement plans, or other estate planning arrangements. Bequests represent a welcome additional source of revenue for the City. Gifts including those made through bequests may be eligible for issuance an income tax receipts by the City. The TPL Foundation and the Library have received a number of bequests in past history and have a basic program for both promoting and recognizing planned gifts. The Toronto Public Library Foundation's *Planned Giving Program* can serve as a framework to promote bequests for other City Programs.

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