

Planned giving terms

Term	Definition
Annuity	A level stream of cash flow for a fixed period of time. It is most often used as a form of income during retirement.
Asset	A property or possession of economic value that an individual or company owns.
Bequest	A gift of assets made through a Will.
Bond	A debt investment with which the investor loans money to a company or government that borrows the money for a defined period of time at a specified interest rate.
Certified Cultural Property	A property of outstanding significance and national importance to Canada, for which a certificate has been issued by the Canadian Cultural Property Export Review Board, e.g., art work. Gifts of certified cultural property are almost always given to museums and art galleries.
Charitable Remainder Trust	An irrevocable trust that pays income to one or more beneficiaries for life or a specific time frame and then distributes any assets remaining to one or more charities.
Designation	Naming a beneficiary in prescribed form who will receive proceeds under a life insurance policy, RRSP or RRIF when the insured or annuitant dies.
Ecologically Sensitive Land	Land that the Minister of the Environment has certified as important to the preservation of Canada's environmental heritage. Gifts of ecologically sensitive land are generally given to land trusts or environmental organizations that own land as part of their mandate.
Endowment	A permanent investment fund where income only – not capital – is used to provide long term support to an organization.

Expectancy	A donor's formal commitment to make a future gift to a specific charity. E.g., a bequest in a will or a designation of life insurance proceeds.
Life Insurance	A protection against financial loss that results when the insured dies. The named beneficiary receives the proceeds and is thereby safeguarded from the financial impact of the insured's death.
Mutual Fund	An investment that pools money from many individuals and invests it according to the fund's stated objectives. Professional money managers make investment decisions on behalf of fund investors, buying and selling investments such as money market investments, bonds and stocks.
Private Company	A company whose shares do not trade on public exchanges. Private companies usually have only a few shareholders and many have only one (a "sole") shareholder.
Professional Advisor	A person who works as a professional in the estate or financial services industry. Includes lawyers, accountants, financial planners, investment managers, trust officers, and life underwriters. Sometimes referred to as an "allied professional".
Public Securities	Stocks (shares) that are traded on a stock exchange. Also includes equity mutual funds and stock options.
Real Estate	Land plus anything permanently fixed to it, including buildings, sheds, and other items attached to the structure.
RRSP	Registered Retirement Savings Plan. A legal trust registered with Canada Revenue Agency and used to save for retirement. RRSP contributions are tax deductible and taxes are deferred until withdrawals are made from the plan. An RRSP can contain stocks, bonds, mutual funds, GICs, and other assets.
RRIF	Registered Retirement Income Fund. A retirement fund similar to an annuity that pays out income to a beneficiary. To fund their retirement, RRSP holders often roll over their RRSP into a RRIF. RRIF payouts are considered a part of the beneficiary's normal income and are taxed as such by the Canadian Revenue Agency in the year that the beneficiary receives payouts.

Residual Interest	A right to receive property after the right of one or more persons to use the property has ended. Similar to a charitable remainder trust.
Stock	A type of security that signifies ownership in a corporation and represents a claim on part of the corporation's assets and earnings.
Trust	An arrangement where the donor transfers ownership of assets to a trustee who manages them for the benefit of one or more beneficiaries.