Are your charity dollars going to the right people in the right place at the right time?

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Back in the early 2000s, Bri Trypuc had a disastrous personal experience with philanthropy. After finding out that decades of grants hadn't gone to the purpose they were intended, her family was devastated.

"We had to personally right the situation ourselves, and I made it my vendetta to do so," says Ms. Trypuc, who today is an independent philanthropy consultant in Toronto. "At that time, there weren't philanthropic advisors or anywhere to go for effective giving advice."

She was working in private wealth management then, and after bringing up the subject with her peers she heard dozens of stories about philanthropy gone wrong. So she began focusing on the charity sector, helping create Charity Intelligence Canada, a Toronto-based registered charity that evaluates other charities, and eventually founding the Trypuc Philanthropic Office to offer independent and objective advice.

With 85,000 registered charities in Canada all asking for money, her goal was to give donors information that would result in good giving decisions.

"We started analyzing charities the way you would stocks – analyzing their audited financial statements and annual reports," she says. "Our purpose was to help other people who needed objective giving advice, because everyone had their hand out and we didn't know if giving was achieving good."

"Whether you're giving $50 or $5-million, it's very worthwhile to be informed philanthropic advisor can come in.

"Don't think you need to be Bill Gates to seek professional help. Your giving is significant and worthy of advice."

Briana Trypuc runs a philanthropy consultancy in Toronto.

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The right advisor is someone who focuses on a holistic financial plan that includes estate planning and tax planning, says Treena Nault, a senior financial consultant with Investors Group Inc. in Winnipeg. The advisor should also be someone you can open up to, since causes are often personal and can be attached to deep feelings.

"An advisor can help you flesh out your goals and help identify what you want to give," she says. "Some people don't realize charitable giving is even an option for them, or that their financial plan allows for a significant gift. There are no negatives to getting advice. On the pro side, there are tax benefits and benefits to the charity."

Philanthropic advisors seem well-positioned for the future. Ms. Trypuc notes a generational shift in charitable giving; millennials, for instance, are becoming more engaged in giving at a younger age than their parents were. They want charities to be more accountable and to offer details about how their gift is making an impact.

"They're really questioning the impact and effectiveness of their family foundations," she says. "A lot of them are going toward impact investing."

Ms. Nault says she's also seeing people at a younger age, but it's more like they're five to 10 years from retirement.

"Younger folks are participating in things like Movember and the trendy side of charitable giving, but not in the same way as wealthier clients with more sophisticated approaches, where they want to give away a significant part of their wealth," Ms. Nault says. "There are also business owners who have been very successful and want to give back locally because they've been the business.

Jo-Anne Ryan, vice-president of philanthropic advisory services at TD Wealth, encourages her clients to put together a philanthropic plan. After identifying the values that are important to them, they pick charitable causes as well as the geographic area they want to focus on – local community, national or global. Advisors then research and evaluate the options before designating funds.

"It's good to do a philanthropic plan because if you're scattered, you won't have as big an impact," Ms. Ryan says. "Clients also say that when requests come in that don't fit with their plan, it's easier to say no."

Advisors also educate clients about tax breaks. "Whether they like it or not, Canadians have Canada Revenue Agency as a beneficiary, and they also have friends, families and charities as beneficiaries," Ms. Ryan says. "If you ask people if they'd like to reduce what CRA gets and increase what families, friends and charities get, most people would say yes."

There are many ways to structure giving, including donating art or land, or naming a charity as the beneficiary for a registered retirement savings plan (RRSP) or a registered retirement income fund (RRIF) or a life insurance policy, Ms. Ryan says.

More people these days are using a tool called a donor-advised fund. "A donor-advised fund is a simple, easy alternative to establishing your own foundation," Ms. Ryan says.

This method is similar to a foundation – you can make donations and leave a legacy – but without the operating expenses and administrative work, such as establishing and maintaining a board of directors.

"Without going to a lawyer and with very simple paperwork, an individual can open their own account for as little as $10,000," Ms. Ryan says. "They've become very popular vehicles that a lot of financial advisors will offer to their clients."

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first round

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