

Ottawa Jewish Community Foundation

Winter 2015 Newsletter



Honouring our women of valour

New LOJE fund seeks to inspire female leaders

By Leiba Krantzberg

“How wonderful it is that no one need wait a single moment to start to improve the world.”
– Anne Frank

The Jewish belief in Tikkun Olam, repairing the world, was instilled in me from a very young age. I was expected to get involved, to help others and to strive to make our community, our world, a better place.

This was my goal when I volunteered as chair of the women’s Annual Campaign and it has been a challenge that I embraced with my whole heart. In my experience this is the way of all female leaders: a woman gets involved and then gives from her heart. Women find inspiration, become driven and then only want to do more.

With this motivation, and as a way to mark the culmination of my time as chair, I endowed a new fund at the Ottawa Jewish Community Foundation, the Ottawa Lion of Judah Endowment Fund, which will support the Federation’s Annual Campaign.

The Lion of Judah is an internationally recognized designation that honours philanthropic women. These are women with the skill and strength to take the dream of Tikkun Olam and make it reality.

Since 2004, a special award named after the co-founders of the Lion of Judah program, the Kipnis-Wilson Friedland Award (KWF), honours extraordinary women who have set the highest standard for philanthropy and volunteerism. Winners are chosen by peers as “women of valour” with a lifetime of commitment to the Jewish world.



Our 2014 award went to Sunny Tavel. With decades of community leadership

and giving, from co-chairing the Women’s Division in the mid-1980s to chairing the Campaign in the mid-1990s as well as participating in missions to Israel, Poland and Russia, Sunny has had a tremendous impact on our community and the Jewish world.

The new Ottawa Lion of Judah Endowment Fund was established to recognize and pay tribute to Sunny and to the other past and future winners of the KWF and all the women who take leadership roles in our community.

The Lion of Judah pin is a symbol of strength and majesty and a reminder that each woman can make a difference. It is also a symbol of unity – each woman who wears her pin is connected to all other Lions.

My goal is for our whole community to honour that connectivity and to recognize the philanthropy, the leadership and the hard work of the women in their own lives by donating to this new fund.

My hope is that this endowment will fund our future; that it will be a gift for all generations to come.

Please join me in honouring our mothers, wives, sisters and daughters – those women of valour who make all our lives better, indeed, those women who make the whole world a better place.

Leiba Krantzberg is the 2014 - 2015 Women’s Campaign Chair. To send a Tribute Card in honour of a woman of valour, contact Jessica Borenstein at tributecards@ojcf.ca or phone 613-798-4696 x274.

How to increase your giving without spending a penny more

Four effective non-cash donation strategies

By Jeffrey Miller, CPA, CA, LPA, CFE, TEP

2015 - 2016 Annual Campaign Chair, Jewish Federation of Ottawa



Throughout my career I have advised many donors on how to make significant non-cash donations to registered charities in an efficient and effective tax manner. This article is the story of a client named Esther, whose name has been changed for confidentiality, who wanted to make a significant donation to the Ottawa Jewish Community Foundation but did not have the cash on hand to do so.

Esther, who is in her 70s, lost her husband a year ago and never had any children. She did not have anyone to make the beneficiary of her estate.

These are the four options we discussed:

1. Donate qualified securities

Esther had a significant investment portfolio comprised of shares in public companies. She asked if she could just sell some shares and give the Foundation what she earned from the sale. I explained to her that the sale of those shares, or any stock options, would trigger a capital gain, which would be taxable. However, she could donate the securities directly to the Foundation with the resulting capital gain not being taxable.

In both cases, the gift to the Foundation would be the same and Esther would receive a charitable receipt for the market value of the shares. However, by donating the securities directly, she would save the tax on the resulting capital gain.

2. Establish a Charitable Remainder Trust

While the first strategy was a great option, it would not work for Esther because she relied on the annual income from her investment portfolio for her day-to-day living.

So, we discussed establishing a Charitable Remainder Trust (CRT) in which she would transfer the portfolio to the Trust, remain the income beneficiary during her lifetime, and the Jewish Federation of Ottawa which she had supported her entire life, through the Foundation, would be the capital beneficiary upon her passing.

This means the annual income earned in the portfolio would be paid out to, and taxed in, Esther's hands; however, once she passes away, the Foundation would receive the portfolio.

Esther would receive a charitable donation receipt on transferring the investments to the Trust equal to the present value of the portfolio based on her life expectancy. The donation could also be used to reduce Esther's annual taxes.

3. Donate an existing life insurance policy

As mentioned above, Esther's husband had passed away, and they never had any children, so I suggested she could donate her fully paid-up life insurance policy to the Foundation.

This is a particularly attractive option when the policy is fully paid-up and does not require further premium payments. Esther would receive a donation receipt equal to the cash surrender value of the policy at the time she transferred it to the Foundation. The Foundation would become both the owner and beneficiary of the policy. Esther would have to report a taxable capital gain on her tax return on the disposition of the policy.

In a case where the policy required future premium payments, which the donor was prepared to fund, each payment would be eligible for a charitable receipt.

4. Designate Foundation as beneficiary

Finally, we talked about simply having Esther name the Foundation as the sole beneficiary of her will. The only concern Esther had with this option is that she would not receive a tax receipt for this during her lifetime. However, the estate would receive a charitable receipt for the terminal return that would result in a considerable tax savings for the estate, ultimately increasing the value of the gift to the community.

Eventually, Esther decided to be extremely generous and established a Charitable Remainder Trust, donating her fully paid-up life insurance policy, and made the Foundation the beneficiary of her Will.

This example shows how everyone's situation is different. There are many creative and imaginative opportunities depending on your specific circumstances. In all cases, it is recommended you seek advice from your financial and, if necessary, legal advisors before making any decisions.

How your money helps

“The Foundation is critical in assisting the SJCC with our Jewish mission. Two program areas that thrive in part because of the Foundation’s help are: the Vered Israel Cultural and Education Program and the Greenberg Families Library. These vital initiatives provide our community with a multitude of Jewish educational and cultural programs for thousands of participants annually from the very young to the not so young. We at the SJCC are grateful for the support of the Ottawa Jewish Community Foundation.”

Barry Sohn
President & COO, Soloway Jewish Community Centre



The Greenberg Families Library at the Soloway Jewish Community Centre is a wonderful asset to our entire community.

“When you give to the Foundation you are helping kids build and strengthen their Jewish roots. With your help, Camp B’nai Brith has been able to provide financial assistance to families not able to send their kids to camp, add new programs that deepen our Jewish curriculum, and revitalize our camp. All of this helps us give kids an unforgettable summer experience while building their Jewish identity and creating a lifetime of positive memories.”

Michael Polowin
Chair of the Board, Camp B’nai Brith

“I don’t know what I would do without JFS. It’s not just about the money. It’s the emotional support I receive. Knowing I can come see them any time really helps.”

**Aelita, client of the
Jewish Family Services (JFS)
Tikvah Direct Assistance Program**

“Dealing with the death of a loved one is a stressful time for the family, but is also a communal responsibility. Funds the Jewish Memorial Gardens receives from the Foundation helps us maintain our cemeteries to the level that respects our departed.”

Jonathan Ben-Choreen Freedman
Chair, Jewish Memorial Gardens

“Every parent of a child with a developmental disability asks... ‘what will happen to my child when I’m gone?’ The Foundation is there to work alongside Tamir to ensure that we can answer that question with confidence. We can say to them: ‘We will be there. Your children will continue to be able to live in a Jewish environment and live with dignity and respect.’ Continued support from the Foundation is critical so that Tamir can continue to provide a Jewish environment for our clients... no one else is there to do it.”

Mark Palmer
Executive Director, Tamir

For more information about the Foundation and giving opportunities, please visit ojcf.ca or contact:

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Ensuring a responsible investment strategy

Disciplined policy statement guides Foundation's success

By Steve Lesh, Chair, Investment Committee



The Ottawa Jewish Community Foundation is dedicated to ensuring there is sufficient financial support for the continued development of a strong and vibrant Ottawa Jewish community. The Foundation was created for you – for this community, to ensure our organizations and agencies thrive for perpetuity. To make this a reality, the Investment Committee uses a disciplined approach to investing through an Investment Policy Statement (IPS).

The highlights of our Investment Policy Statement:

Risk Tolerance, Rate of Return and Time Horizon

- The IPS reflects the Foundation's stated investment goals, which include a desired annual disbursement to beneficiary agencies of 3.5% while also growing the Foundation.
- Based on our desired goals and with consideration to the historic performance of a well-balanced portfolio, our expected long-range annual return is between 7 to 8% per annum. These returns will fluctuate above and below this value on a year-by-year basis due to the volatility of today's financial markets. What's important to understand is that the fund is designed to tolerate a temporary decline in the total investment portfolio and that the fund's investment strategies are based on long-term objectives.
- The Foundation will exist in perpetuity. However, for planning and portfolio structuring purposes it will be assumed that the investment time horizon of the portfolio is 10 years.
- Our managers are not permitted to purchase securities that may take on undue risk or have liquidity issues.

Asset Mix and Diversification

- The asset mix is the proportion within which various asset classes are represented in a portfolio. In theory, the greater a portfolio's allocation to fixed income instruments relative to equities, the greater the potential for generating a consistent income stream and the lower potential of volatility. However the historic performance of equities has shown an outperformance to fixed income and therefore a balance of asset classes is very important. We use alternative investing to help combat the lower

interest rate environment that we are currently in and may help to protect some losses in a decreasing equity market.

- Diversification is one of the most important aspects of our investment philosophy. This is achieved by diversifying asset classes and the holdings within each class along with our varied choices for asset managers.

How we differ from personal portfolios

- The primary difference in the portfolio structure between the Foundation and a private investor is that the Foundation's portfolio is structured for perpetuity while a private investor is only considering the lifetime of the one client. **The retention of capital is the No. 1 priority of our investment.**

In conclusion, our investment strategy ensures that the value of our portfolio will continue to grow as we fulfill the dream of our founders: a dream that guarantees our community a bright and prosperous future. In other words, our work is designed to provide the additional funds to send more children to camp, provide meals for hungry families and to give more children a Jewish education.

If you would like more information, you can request a copy of our Investment Policy Statement, or visit ojcf.ca.

Foundation Investment Returns

The Foundation has more than \$52 million in total capital, including managed funds; more than \$22 million in deferred gifts, which include 113 insurance policies; and Charitable Remainder Trusts. Figures below show the investment returns.

2014 = 5.9%*	2011 = -2.6%
2013 = 19.9%	2010 = 6.3%
2012 = 10.8%	2009 = 13.8%

*YTD October 31, 2014