

## **SAMPLE WILL CLAUSES Muskoka Community Foundation**

The following clauses are provided for information purposes only. They do not reflect the individual language of every Will. They are intended only as illustrations of the types of clauses that may be appropriate to use in the person's Will. The sample clauses must be adapted as necessary to reflect each person's planning objectives, financial circumstances, and tax exposure. The Muskoka Community Foundation strongly advises any person considering the inclusion of these clauses in their Will to discuss the matter with their own legal and financial advisors. For the purposes of the following clauses, a gift in a Will is called a "bequest".

### **1. A Gift to Establish a Personal or Family Fund**

A bequest to The Muskoka Community Foundation of \$5,000 or more can be used to create a permanent Fund named after the donor or the donor's family. The capital of the Fund will be held permanently by the Foundation and the income will be used annually as directed in the Will. The three basic types of Funds are Unrestricted Funds, Field of Interest Funds and Designated Funds.

#### **a) An Unrestricted Fund**

An Unrestricted Fund permits the Foundation to use the income of the Fund for charitable purposes that it considers appropriate. This type of Fund allows the Foundation to shift resources as the needs of the community evolve over time. An Unrestricted Fund can be created in a Will by gifting a specific dollar amount, a share of the residue of the donor's estate, or the entire residue of the donor's estate.

##### **Sample 1**

To pay \$\_\_\_\_\_ to The Muskoka Community Foundation to establish a Fund to be known as the \_\_\_\_\_ Fund (the "Fund"), the income of which shall be paid at least annually for general charitable purposes in conformity with the objectives of The Muskoka Community Foundation.

##### **Sample 2**

To divide the residue of my estate into \_\_\_\_\_ equal shares and to give (#) of those shares to The Muskoka Community Foundation to establish a Fund to be known as the \_\_\_\_\_ Fund (the "Fund"), the income of which shall be paid at least annually for general charitable purposes in conformity with the objectives of The Muskoka Community Foundation.

##### **Sample 3**

To give the residue of my estate to The Muskoka Community Foundation to establish a Fund to be known as the \_\_\_\_\_ Fund (the "Fund"), the income of which shall be paid at least annually for general charitable

purposes in conformity the objectives of The Muskoka Community Foundation.

**b) A Designated Fund**

A Designated Fund permits a donor to choose one or more registered charities or other ‘qualified donees’ (as defined in the Income Tax Act) to receive the income of the Fund. This type of Fund permits the donor to determine specifically where the income of the Fund will be directed. As the Fund is designed to be a permanent fund that will exist in perpetuity, it is important for donors to consider an alternative use for income if an income beneficiary ceases to exist. A donor considering this option should always contact The Muskoka Community Foundation to discuss the specific terms of the Fund before finalizing their Will.

**Sample 1**

To pay \$\_\_\_\_\_ to The Muskoka Community Foundation to establish a Fund to be known as the \_\_\_\_\_ Fund (the “Fund”), the income of which shall be paid at least annually to:

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**Sample 2**

To divide the residue of my estate into \_\_\_\_\_ equal shares and to give (#) of those shares to The Muskoka Community Foundation to establish a Fund to be known as the \_\_\_\_\_ Fund (the “Fund”), the income of which shall be paid at least annually to:

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**Sample 3**

to give the residue of my estate to The Muskoka Community Foundation to establish a Fund to be known as the \_\_\_\_\_ Fund (the “Fund”), the income of which shall be paid at least annually to:

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**c) A Field of Interest Fund**

A Field of Interest Fund permits a donor to select a particular field of interest but give the Foundation discretion to use the income from the Fund for charitable purposes it considers appropriate within that field of interest. This type of Fund provides the Foundation with some flexibility in the use of income but indicates the ‘field’ for which the donor intends income to be used. A field of Interest Fund can be created in a Will by gifting a specified amount, a share of the residue of the donor’s estate or the entire residue of the donor’s estate.

The Muskoka Community Foundation currently operates within 6 Fields of Interest. They are:

- Animal welfare
- Arts and culture
- Children, youth & families
- Education
- Environment
- Health and social development

Grants to registered charities and other 'qualified donees' (as defined in the Income Tax Act) are made from each of these funds using experts who volunteer their time through various Advisory Committees.

**Sample 1**

To pay \$\_\_\_\_\_ to The Muskoka Community Foundation to establish a Fund to be known as the \_\_\_\_\_ Fund (the 'Fund'), the income of which shall be paid at least annually for general charitable purposes in conformity with the objectives of The Muskoka Community Foundation, having regard to my interest in \_\_\_\_\_ (Field of Interest).

**Sample 2**

To divide the residue of my estate into \_\_\_\_\_ equal shares and to give (#) of those shares to The Muskoka Community Foundation to establish a Fund to be known as the \_\_\_\_\_ Fund (the 'Fund'), the income of which shall be paid at least annually for general charitable purposes in conformity with the objectives of the Foundation, having regard to my interest in \_\_\_\_\_ (Field of Interest).

**Sample 3**

To give the residue of my estate to The Muskoka Community Foundation to establish a Fund to be known as the \_\_\_\_\_ Fund, the income of which shall be paid at least annually for general charitable purposes in conformity with the objectives of the Foundation, having regard to my interest in \_\_\_\_\_ (Field of Interest).