



# Choosing how to give





## Getting more **impact** from your charitable giving

There are plenty of ways to give to charity, but they're not all easy. The Gift Trust can help you make the most of your giving, maximising your impact through well researched donation opportunities, strategic planning and expert knowledge.

Since 2009, The Gift Trust has been helping individuals, families, and businesses across Aotearoa get more impact out of their giving. We've helped dozens of donors donate millions to charity, and commit millions more for future charitable giving.

If you're ready to take the next step on your giving journey, we'd love to help you along the way.

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Pictured: The Learning Environment, a socio-ecological education project which donors of ours have supported.

# Your options

There are many ways to give to charity. We've broken down the three main ways people give, so you can make the choice that's right for you.

	Consider this if:	Who you can support in a tax-efficient way: <sup>1</sup>
 <b>Opening a Gift Account with The Gift Trust</b>	You want a giving solution with low costs, where experts handle administration and compliance, and can help you find the causes that are right for you.	Any New Zealand or overseas organisation of your choice with proven charitable purpose, registered or unregistered, including small community groups and projects, iwi and hapū involved in charity work.
 <b>Starting a private foundation</b>	You want to operate a charitable organisation and potentially employ staff, hire investment managers, actively manage grantmaking, and sponsor charitable events.	IRD-approved charitable organisations. <sup>2</sup>
 <b>Giving directly to charities</b>	You want to make one-off donations and manage your own donation receipts at tax time.	IRD-approved charitable organisations. <sup>2</sup>

# Getting started

Gift Accounts simplify the giving process, so you can enjoy your philanthropy.

	 <b>Opening a Gift Account</b>	 <b>Starting a private foundation</b>	 <b>Giving directly to charities</b>
<b>GETTING STARTED</b>			
<b>Start-up time</b>	Immediately, on receipt of funds	1–3 months minimum	N/A
<b>Start-up costs</b>	None	Can require substantial establishment costs, including legal and compliance work	N/A
<b>Practical minimum size</b>	As little as \$5,000	Substantial assets required, generally upwards of \$3 million	\$5 <sup>3</sup>
<b>ADMINISTRATION</b>			
<b>Ongoing admin on your part</b>	All you need to do is tell us when you want to make a charitable gift, or if you'd like us to find charities that match your priorities – The Gift Trust does the rest.	You'll need to manage assets, keep records, select charities, administer grants, file tax returns, maintain board minutes, and more.	You'll need to collate all your donation receipts at the end of each tax year, and respond to any future donation requests.
<b>Annual admin fees</b>	We charge fees of 1-2% p.a. – the more you give, the lower our fee.	Approximately 2-4% p.a. depending on the size of the fund (including accounting and auditing, but excluding staffing).	N/A, unless you use an external service to collect and process your donation tax credits.
<b>Legal reporting and liability</b>	Funds are legally owned by The Gift Trust, so we do all the reporting under our charity registration, and our expert Trustees assume all the overall responsibility and risk.	Private foundation board of trustees assumes full responsibility and risk. Accounts and statement of performance required within 6 months of the end of the financial year.	N/A

# Tax, investments, and impact

Gift Accounts can attract tax-free growth, helping you amplify your impact now and in generations to come.

	 <b>Opening a Gift Account</b>	 <b>Starting a private foundation</b>	 <b>Giving directly to charities</b>
<b>TAX AND INVESTMENTS</b>			
<b>Tax-exempt status</b>	Any donations you make into your Gift Account are eligible for a 33% tax credit. <sup>4</sup>	If your foundation is approved as a donee organisation by the IRD, any donations you make to it are eligible for a 33% tax credit.	Donations to IRD-approved charities are eligible for a 33% tax credit. <sup>1,2</sup>
<b>Control over your giving</b>	We follow your instructions unless we have a good reason not to do so, and we'll always consult with you.	You retain complete control over your foundation's giving, limited only by its governing documents.	You retain complete control over your giving.
<b>Donated funds can be invested tax-free</b>	✓	*	✗
<b>Control over your investments</b>	You choose where your donated funds are invested, either in safe term deposits, one of our professionally-managed investment funds, or in a fund managed by your personal financial adviser.	You control your foundation's investments, and if you're a registered charity, you don't pay tax on growth. You do, however, have to establish, research, and manage investment vehicles.	You control your own investments, but you have to pay tax on any growth.
<b>ANONYMITY AND LEGACY-BUILDING</b>			
<b>Can support charities anonymously</b>	✓	* <sup>5</sup>	* <sup>6</sup>
<b>Ability to name successors / leave legacy</b>	✓	✓	✗

# Your giving style

Gift Accounts support your philanthropy, whatever your giving style is.

	 <b>Opening a Gift Account</b>	 <b>Starting a private foundation</b>	 <b>Giving directly to charities</b>
<b>Endowment</b>	Tax-free growth with zero admin.	Tax-free growth, do your own admin.	No tax-free growth, do your own admin.
<b>Spend-down</b>	Grow your principal and spend it down with zero admin.	Costly to manage as admin requirements change.	N/A
<b>Collaborative fund</b>	Easy-to-use webpage to facilitate tax-efficient giving by multiple donors.	Challenging to make connections and handle administration of shared giving.	
<b>Corporate giving</b>	Strategic support in choosing giving mission and criteria, tax free growth, easy administration, branded giving.	Requires administrative staffing, philanthropic guidance and a legal giving entity.	Difficult to source advice to ensure effective giving - giving is simple, but tax administration is difficult.
<b>Family giving</b>	Facilitated family workshop to design strategy, tax-free growth, easy administration, anonymity if required.	Philanthropic advice sourced externally, with heavy admin load. No anonymity possible.	Philanthropic advice sourced externally, heavy admin load. Anonymity often possible.

## Notes

1. You can of course give directly to organisations that aren't NZ registered charities, but unless they're on the IRD's 'donee status list', you won't be able to get a tax credit for those gifts. As we're a New Zealand registered charity ourselves, any donations you make to a Gift Account managed by The Gift Trust qualify for New Zealand donation tax credits, even if your donated funds end up with a non-NZ registered charitable cause.
2. Not all NZ registered charities have IRD 'donee status', and not all entities that are NZ registered charities.
3. You can donate any amount to a charity, but you can only get an NZ tax credit if you give \$5 or more to the same charity in a given tax year.
4. Donation tax credits are capped at 33% of your annual taxable income. For more information, consult your professional adviser, or the IRD website: <https://www.ird.govt.nz/income-tax/income-tax-for-individuals/individual-tax-credits/tax-credits-for-donations>.
5. Anonymity is limited, as trustees must be listed publicly on the Charities Register.
6. If you wish to get a tax receipt (and therefore a tax credit), you must provide your name.



## Getting more **impact** from your charitable giving

Since 2009, The Gift Trust been helping individuals, families, and businesses across Aotearoa get more impact out of their giving. If you're ready to take the next step on your giving journey, we'd love to help you along the way.

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