

**01/16/10 - How do planned donations differ from annual donations?**

As a general rule, the beneficiary organization is obliged to spend during the year in progress, 80% of the donations for which a receipt has been issued during the terminated year. This law does not apply to certain types of planned donations, particularly bequests, along with the proceeds of a life insurance and donations where the benefit is reserved for at least 10 years (endowment funds).

According to the mission of the organization and the wishes of the donor, endowment funds can just as well be used for:

- Creating special service and support programs or scholarships,
- Funding long-term research programs,
- Participating in the operations of the organization.

By ensuring the perpetuity of a benefit which generates annual income, the endowment fund allows organizations to protect themselves against:

- Budget cuts
- Elimination of government grants
- Constant worry of not reaching annual objectives.