Glossary of Common Terms taken from Planned Giving for Canadians, 3rd Edition

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Adjusted cost base (or basis): the amount paid for property, increased by capital improvements and decreased by depreciation.
Administrator: the person or entity appointed by the court to settle an estate when a person has died without a valid will.
Advantage: The benefit a donor receives in exchange for a charitable gift. The advantage cannot exceed 80% of the amount transferred to the charity.
Annuity: a contracted right to receive payments of a specific amount at stated intervals for life, or for a term of years, in consideration of a transfer of cash or other assets.
Appreciated property: property, such as securities, real estate, and collectibles, whose current fair market value exceeds the purchase price.
Attribution rule: tax rule stating that when an individual transfers or loans property to a spouse or minor child, the income from the property and, in the case of transfer to a spouse, also the capital gain and loss is taxed to the individual at his or her marginal rate.
Beneficiary: the person or organization that receives a bequest under a will, proceeds from a life insurance policy (or from some other financial arrangement, such as a retirement plan), or distributions from a trust.
Bequest: a gift of property through a will to a particular beneficiary. Also called a legacy.
Capital: with reference to a trust, the principal upon which income is earned. Also called corpus.
Capital gain or loss: the profit or loss resulting from the sale or other disposition of a capital asset.
Carryback: the portion of a donation receipt issued for a gift made by a donor during the year of his or her death, and not used on the decedent's terminal tax return, that can be claimed (subject to allowable limitations) on the return for the year preceding the year of the decedent's death.
Carryover: the portion of a donation receipt not used in the current year and carried forward for use in succeeding years
Cash surrender value: the cash paid by an insurance company to the owner of a policy when the policy is terminated prior to the death of the insured.

Charitable gift annuity: a fixed sum of money paid by a charity, at certain intervals, for the life of the annuitant(s), or for a term of years, in exchange for a donation of cash or other property.
Charitable income trust: a trust in Canada that pays a fixed amount to charity for a certain period of time and then distributes the principal to named individual beneficiaries or to the donor.
Charitable remainder trust: an irrevocable trust that pays income to one or more individual beneficiaries for life or a term of years, and then distributes the remaining assets to one or more charities.
Codicil: an addition or amendment to a will.
Contingent bequest: a testamentary gift that takes place only if the testator is not survived by certain individuals or if other stated conditions are not met.
Death benefit: the amount payable by an insurance company to the beneficiary(ies) at the death of the insured.
Decedent: a person who has recently died and whose estate is in process of being settled.
Deferred gift: any charitable gift arrangement in which the charity's use of the asset is delayed to some future time.
Depreciation: with reference to property, the process of being worn out or becoming obsolete. Certain types of property qualify for depreciation deductions.
Donee: the recipient of a gift.
Donor: a person, foundation, or corporation that makes a gift.
Endowed fund agreement: a document describing the name, purpose, funding, and administration of an endowment, normally signed by the donor and the charity.
Endowment: a principal sum, permanently set aside and invested by a charity, with only the income used for charitable purposes.
Estate: everything that a person owns or has an interest in.
Estate Trustee/Executor: the person or institution (such as a trust company) named in a will to carry out the terms of the will.
Fair market value: the price at which a fully-informed seller, who is under no compulsion to sell, would be willing to sell an asset to a fully-informed buyer, who is under no compulsion to buy.
Gift-in-kind: a gift of property other than cash (a gift of securities, real estate, or art).

Insured annuity: a combination of a prescribed annuity and a life insurance policy.
Inter vivos gift: a gift made during a donor's lifetime.
Inter vivos trust: a trust created by an individual during his or her lifetime.
Interest-free loan: a loan (sometimes made to a charity) on which the lender receives no interest.
Intestate: to die without having executed a valid will.
Irrevocable trust: a trust that cannot be terminated or changed by the person creating it.
Joint tenancy: a form of property ownership by two or more people with the right of ownership passing to the person or persons who survive. Normally, property owned in joint tenancy passes to survivors outside of a will.
Life interest: the right to use property or receive income from a trust for the duration of one's lifetime.
Notary: in Quebec, a person with legal authority to draft a will.
Outright gift: a gift in which the donor retains no interest and which may be used by the charity now. Also called a present gift.
Power-to-vary clause: language in an endowment or other gift agreement that permits the stated purpose of a gift to be amended if circumstances change.
Present gift: a gift which is available for the charity to use now. Also called an outright gift.
Probate: the court-supervised process of validating a will and administering an estate in accordance with the terms of the will.
Probate duty (or fee): a tax levied in some provinces on the gross estate.
Remainder interest: the right to receive the remaining property when a trust terminates.
Residual bequest: a testamentary gift of all or a percentage of what remains of an estate after paying other bequests and expenses.
Residual interest: the right to receive property when the rights of one or more persons to use the property have expired.
Revocable trust: a trust that can be terminated or changed by the person creating it.
Specific bequest: a testamentary gift of a specific amount of money or particular property.

Spousal trust: a trust established by one spouse to provide income for another. Taxation of gain in property transferred to a spousal trust is deferred until the disposition of the property or termination of the trust.
Tangible property: (also "tangible personal property") property other than cash, securities, and real estate. Examples are automobiles, paintings, and furniture.
Tax credit: the amount that may be subtracted from the tax otherwise due.
Tax rate: percentage of tax to be paid on a certain level of income. Tax rates depend on the amount of taxable income.
Term insurance: written for a specific period and pays a death benefit if the insured dies within that period.
Terminal income tax return: the income tax return filed by an executor for the year of a decedent's death, including income from January 1 to the date of death plus taxable gain recognized at the time of death.
Testamentary gift: a gift made under the will of a donor. Also called a "bequest."
Testamentary trust: a trust created under the will of an individual, which begins at the death of that individual.
Testate: to die having executed a valid will.
Testator: a person who has died with a valid will.
Trust: an arrangement under which an individual (the settlor) transfers property to a person or institution (the trustee) to be managed for the benefit of one or more beneficiaries.
Trustee: the person or institution that holds legal title to property in a trust and has responsibility for managing it.
Universal life insurance: a combination of yearly renewable term insurance and a tax-deferred investment account. It pays a death benefit and builds up cash value, but the amount of cash value depends on the performance of investments.
Whole life insurance: a policy that remains in force for the entire life of the insured, so long as premiums (usually level) are paid. A whole life insurance policy builds up cash value.
Will: a legal declaration of how a person's property is to be distributed at death.
Will contest: a challenge to the validity of a will based on various grounds, such as competency of the testator, accuracy of the beneficiary designation, etc