



## Donating Gifts of Publicly Traded Securities or Mutual Funds A Simple, Cost Effective Way to Give

### Gift Planning Tip

*Gifts of securities are a cost-effective opportunity to turn an asset into immediate and significant donation to assist Casey House. By donating appreciated stocks or mutual funds, donors pay no tax on the capital gains, receive a tax receipt for the fair market value of the securities and reduce their taxes.*

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A stock portfolio is often among the most valuable assets you own—and one that can carry substantial capital gain tax liability with its appreciation in value. Donating stocks or mutual funds can reduce or even eliminate capital gains tax while supporting Casey House.

You can donate the following securities:

- Shares that are listed on the stock exchanges prescribed by Canada Revenue Agency
- Units of mutual funds

### **The Advantage**

A gift of appreciated securities is a worthwhile alternative to a cash gift. Flexible choices allow you to decide how you want to give, and the elimination of capital gains tax on gifts of appreciated securities provides you with a substantial tax incentive for donating stock. To take advantage of the tax savings, the securities must be donated in-kind. If you sell the shares first and then donate the cash to Casey House Foundation, you will be subject to capital gains tax.

### **Benefits of Donating Gifts of Securities or Mutual Funds**

- Satisfaction of seeing your gift put to good use today
- A charitable tax receipt
- No capital gains tax paid
- Reduce taxes to your estate: If you leave publicly traded securities to Casey House through your will, your taxable capital gain may be eliminated and your estate may claim a tax credit of up to 100% of your net annual income in the year of death and the year preceding.

### **Choices**

- Giving immediately or as part of your will planning
- Donating part of your stock and retaining the remainder for personal use
- Employee stock options
- Flow-through shares

### How it works\*:

	Sell shares and donate cash	Donate shares directly
Current value of shares	\$50,000	\$50,000
Amount paid for shares	\$10,000	\$10,000
Capital gains	\$40,000 (\$50,000 current value - \$10,000 purchase price)	\$40,000 (\$50,000 current value - \$10,000 purchase price)
Tax on capital gains	\$10,000 (\$40,000 capital gains x 50% taxable gains x 50%**)	\$0 (no capital gains tax payable on donated shares)
Tax credit	\$25,000 (\$50,000 donation x 50%**)	\$25,000 (\$50,000 donation x 50%**)
Net tax savings from donation	\$15,000 (\$25,000 - \$10,000 tax on capital gains)	\$25,000
Total Tax savings from donation	\$15,000 (\$25,000 tax credit - \$10,000 tax on capital gains)	\$35,000 (\$25,000 tax credit + \$10,000 in tax on gain not paid)
Net cost of gift	\$35,000 (\$50,000 gift - \$15,000 total tax savings)	\$15,000 (\$50,000 gift - \$35,000 total tax savings)

\*Scenario for illustrative purposes only. | \*\*Assumes gift made in Ontario at a marginal tax rate of 50%.

### How to Make a Gift of Appreciated Securities

1. Determine with your financial advisor which investments will make the most philanthropic and financial impact.
2. Contact us to let us know you have made your gift.
3. Instruct your broker to transfer your securities directly to Casey House Foundation and complete our transfer form available online.

### For More Information

If you are interested in learning more about gifts of securities, contact Kulin Matchhar at 647.649.9587 or [kmatchhar@caseyhouse.ca](mailto:kmatchhar@caseyhouse.ca) to discuss supporting Casey House with a gift of publicly traded securities or mutual funds.