Gift of Publicly Traded Securities by an Individual

Abundance CANADA

Gifts of Publicly Traded Securities

Donating publicly traded securities (stocks, bonds and mutual funds) is the most tax-efficient way to make charitable donations. When publicly traded securities are donated "in-kind" to a Canadian charity like Abundance Canada, the capital gains inclusion rate drops from 50% to 0%.

Instead of selling the securities, you transfer them to Abundance Canada as a gift in-kind.

Abundance Canada will send you a donation receipt for the fair market value of the securities on the day you initiated the gift-in-kind transfer.

Example of the Tax Advantage for a Donation of Securities to Charity

	Sell Securities and Donate Cash	Donate Securities as Gift In-Kind
Donation to Charity	$50,000	$50,000
Adjusted Cost Base	($10,000)	($10,000)
Capital Gain	$40,000	$40,000
Taxable Capital Gain	$20,000 (50%)	$0 (0%)
Marginal Tax Rate (example)	40%	40%
Tax Payable	$8,000	$0

In this example, when the securities are donated directly to the charity as a gift in-kind, you do not realize a taxable capital gain, saving you $8,000 in tax payable. The $50,000 donation receipt can then be used to off-set other income tax payable.

Tax Planning Tips:

+ Eliminate the taxable capital gain on the donated securities.
+ Receive a donation receipt based on the fair market value of the securities on the day you initiate the transfer to Abundance Canada.
+ Use donation receipt to off-set other income tax payable.

Next Steps

Established in 1974, Abundance Canada envisions a world where everyone lives generously, because we believe *generosity changes everything™*. To learn more about donating publicly traded securities, contact Abundance Canada at **1.800.772.3257** to speak with a gift planning consultant. All consultations are confidential, with no obligations.

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Generosity changes everything

abundance.ca | 1.800.772.3257 | generosity@abundance.ca