

Tax savings from gifts of securities



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Welcome to part four of our six-part series outlining a range of creative strategies that can help you fulfill your philanthropic goals and support your community in the new economy.

Since the 2006 federal budget, certain publicly-traded securities that are donated "in kind" to Canadian registered charities are exempt from payment of capital gains tax on any profit created by the fair market value of the donation. Qualifying securities include stocks, bonds, trust units, exchange-traded funds and mutual fund units as well as shares acquired on exercise of employee stock options.

In order to qualify, the donation must:

- Be made "in kind" or in their current form (unsold)
- Be made to a Canadian, registered charity such as public foundations, private foundations and charitable organizations
- Be a listed, publicly-traded security (private company shares do not qualify at this time).

With this donation strategy, you will receive a tax receipt for the fair market

value of the donation. You will also save the tax otherwise payable on the capital gain created by donating the shares, saving you even more tax. This is an excellent "good-for-you, good-for-the-community" gifting strategy and represents an exceptional way to maximize the benefit of your charitable giving. If you own publicly-listed securities that have appreciated in value, it is prudent to consider using this method rather than simply writing a cheque to charity.

You will need to contact the charity to arrange the necessary paperwork to give a gift of this nature; gifts of publicly-traded securities can be reported on your tax return by filling out CRA form T1170, Capital Gains and Gifts of Certain Property.

Before making any financial decision or commitment, always consult an independent financial advisor.

Please visit www.lhsf.ca/securities or contact Lisa Mazurek at 519.685.8785 or lisa.mazurek@lhsc.on.ca to learn more about supporting local healthcare through a gift of securities.

Donations to London Health Sciences Foundation fund innovative equipment, research, education and enhanced patient care – they are not used for the day-to-day operational costs of our Hospital, like administrative salaries or supplies. Simply put, donor dollars make our Hospital great.

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