



Donating Stocks & Mutual Funds

Does it make sense for you?

In 2006, the Canadian Government changed tax laws to make it advantageous for Canadians to donate appreciated securities (stocks and mutual funds) to Schools and charities. Here are some of the benefits:

- You don't pay any tax!

Normally, when you sell or transfer securities you pay taxes on the capital gain (the difference between the selling price and the purchase price – if it's positive). When you give the security directly to charity, you are exempt from any tax on the capital gain – *A special treatment!*

- You get a full charitable receipt!

You are allowed to receive a charitable receipt for the *full value of the donation!* Even though you are not required to pay tax, you still receive full credit for the gift.

- You make a generous gift at a low personal cost!

Because of the special tax savings, you can give more to your Church at a personal cost equal to before.

Are there conditions?

Yes, in order to qualify for the special treatment, the following conditions must be met:

1. The gift must be of publicly traded securities which include:
 - Stocks or shares listed on an approved stock exchange
 - Units or shares in a Mutual Fund
 - Units of a segregated fund trust from an insurance policy
2. Have appreciated in value
3. Be donated *in-kind* to a charity or public foundation
 - Ownership must transferred directly to charity or public foundation – the stock can't be sold by the donor

Gifts of Appreciated Securities

For several years now I have been using Christian Stewardship Services for making charitable donations. The most tax effective way of doing this is by donating publicly traded shares that have appreciated in value. Normally disposing of such securities attracts capital gains tax but in recent years this method of donating has even made more attractive by totally eliminating the capital gains tax.

I understand that not many people have been using this method of donating; I certainly will continue using it as long as I have some securities that have appreciated.

John Rozema, CSS Client

For more information on how you can make a gift of securities to Your Church using our Partner organization: Christian Stewardship Services, please contact:

Shalem Mental Health
OR Christian Stewardship Services
1-800-730-3490 | admin@csservices.ca