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## Gifts of Appreciated Securities

**There are increased incentives for donating appreciated securities (such as stocks that have gained in value) to The Christian Resource Centre (CRC)!**

The 2006 Federal budget increased the incentives for Canadians to donate publicly traded securities directly to charities by eliminating the payment of capital gains tax on such direct gifts.

This change has created a gifting mechanism that may benefit both you and the charities you support. The new rules allow you to:

- realize significant profits from the appreciated securities you wish to donate,
- pay no income tax on the gains realized,
- make a generous gift to your favourite charities,
- make use of the excess tax credit generated from this gift to reduce other tax liability.

To qualify for this special tax treatment, the securities must:

**Be 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

**Have appreciated in value**

**Be donated in kind to a charity or public foundation**

- not be sold by donor
- have their ownership transferred directly to charity or public foundation

### **How do I gift my appreciated securities?**

If you would like to make a gift of appreciated securities to the CRC, the Toronto United Church Council (TUCC) will receive your gift of appreciated securities, sell the stock and pass the proceeds of the sale to the CRC. TUCC will:

- provide the necessary forms and information to handle the transaction;
- sell the securities;
- issue a charitable receipt for the fair market value of the shares on the date of receipt;
- distribute the proceeds to the CRC in accordance with your instructions;
- maintain your anonymity, if you so wish; and
- provide flexibility in the distribution of the proceeds. They can be distributed immediately to the CRC, or can be held as part of the CRC Endowment Fund.

The following chart compares gifting \$50,000 of appreciated securities with selling the security and giving the proceeds from the transaction.

	<b>Sell the shares and donate the cash</b>	<b>Donate the shares directly to charity</b>
Purchase price	\$10,000	\$10,000
Current value	\$50,000	\$50,000
Capital Gain	\$40,000	\$40,000
Taxable Capital Gain	\$20,000 @ 50%	\$0
<b>Tax Payable on Capital Gain@ 45%</b>	<b>\$9,000</b>	<b>\$0</b>
Tax Credit @ 45% of donation*	\$22,500	\$22,500
Net Tax Credit used to pay other tax liabilities	\$13,500	\$22,500
Benefit to charity	\$50,000	\$50,000
<b>Sum of Benefit</b>	<b>\$63,500</b>	<b>\$72,500</b>

\* Tax rates vary from province to province

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To inquire about Gifts of Appreciated Securities, please contact Bruce Voogd, Fund Development Manager at [brucev@terc.ca](mailto:brucev@terc.ca). All donations to the CRC are tax deductible. Our charitable registration number is: 108114133 RR0001.