

Donating Gifts of Securities



Donating publicly traded stocks, bonds, mutual funds or other securities is a tax-smart way to support Scarborough Health Network Foundation (SHN Foundation).

You can donate directly by transferring the securities electronically from your brokerage account to SHN Foundation's brokerage account, or sell the stocks and donate the cash proceeds. To benefit from the elimination of tax on capital gains, the most tax effective way is to donate directly by transferring the securities electronically from your brokerage account to SHNF's brokerage account.

The chart below **assumes a tax rate of 46.41 per cent.**

	SELL SHARES AND DONATE CASH	DONATE SHARES DIRECTLY
Market value of shares	\$50,000	\$50,000
Cost of shares	\$20,000	\$20,000
Capital gains	\$30,000 (\$50,000 market value – \$20,000 cost)	\$30,000 (\$50,000 market value – \$20,000 cost)
Tax on capital gains	\$6,961 (\$30,000 capital gains x 50% taxable gains x 46.41% tax rate)	\$0 (no tax on capital gains)
Donation Tax credit	\$23,205 (\$50,000 donation x 46.41% tax rate)	\$23,205 (same) (\$50,000 donation x 46.41% tax rate)
Total tax savings from donation	\$16,244 (\$23,205 tax credit - \$6,961 tax on capital gains)	\$0.00 (no tax on capital gains)
Net cost of gift	\$33,756 (\$50,000 gift - \$16,244 total tax saving)	\$19,834 (\$50,000 gift - \$30,166 total tax saving)

By donating the stocks directly, you will be exempt from paying tax on the capital gains and receive a donation receipt for the fair market value of your appreciated stocks based on the market closing price on the day SHN Foundation takes legal receipt of your donated stocks into our brokerage account. You can claim charitable donations for up to 75 per cent of your net income and there is a five-year carry forward on any unused donation amount.

FOR MORE INFORMATION, PLEASE CONTACT

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Note that the rates and calculations above have been simplified for illustration purposes and may not apply to your personal tax situation.



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