

## Why Give a Gift of Securities?

Gifts of securities are a cost-effective opportunity to transform an asset into immediate and significant support for benefit of Health Sciences North Foundation.

By donating appreciated stocks, mutual funds, stock options or flow through shares, donors pay no tax on the capital gains, receive a tax receipt for the fair market value of the securities, and reduce their taxes. Through a gift of securities, you can help us to advance health care, both now and in the future.

## The Advantage of Donating Securities

A gift of appreciated securities is a worthwhile alternative to a cash gift. Flexible choices allow you to decide how you want to give, and the elimination of capital gains tax on gifts of appreciated securities provides you with a substantial tax incentive for donating stock.

### The benefits of donating securities include:

- Satisfaction of seeing your gift put to good use today
- Charitable tax receipt
- No capital gains tax paid

### Three Simple Steps Donating a gift of appreciated securities:

1. Determine with your financial advisor which investments will make the most philanthropic and financial impact. Your broker will require written instructions from you authorizing the transaction. **Please complete the transfer of stock form attached.**
2. Contact **Jennifer Ashcroft, Senior Director, Major Gifts** to let us know your intention of making a gift and we will provide you with the appropriate account information (email: [Jashcroft@hsnsudbury.ca](mailto:Jashcroft@hsnsudbury.ca) / cell: 249-377-9397).
3. Instruct your broker to transfer your securities directly to Health Sciences North Foundation and complete our transfer form available online and/or provided to you.

It is very important to notify us prior to contacting your broker to transfer the securities. Contacting us will ensure the foundation can identify your generous donation and avoid delays in providing a tax receipt and/or acknowledgment of the gift. Brokers are often unable to provide us with the donor's information.

### Your choices when giving securities include:

1. Giving immediately or as part of your will planning
2. Donating part of your stock and retaining the remainder for personal use
3. Employee stock options and flow through shares

## Scenario: Gift of Appreciated Securities

|                                 | Sell shares and donate cash  | Donate shares directly   |
|---------------------------------|--|--|
| Current value of shares         | <b>\$50,000</b>  | <b>\$50,000</b>  |
| Amount paid for shares          | <b>\$10,000</b>  | <b>\$10,000</b>  |
| Capital gains                   | <b>\$40,000</b><br>( $\$50,000$ current value - $\$10,000$ purchase price)               | <b>\$40,000</b><br>( $\$50,000$ current value - $\$10,000$ purchase price)       |
| Tax on capital gains            | <b>\$10,000</b><br>( $\$40,000$ capital gains $\times$ 50% taxable gains $\times$ 50%**) | <b>\$0</b><br>(no capital gains tax payable on donated shares)                   |
| Tax credit                      | <b>\$25,000</b><br>( $\$50,000$ donation $\times$ 50%**)                                 | <b>\$25,000</b><br>( $\$50,000$ donation $\times$ 50%**)                         |
| Net tax savings from donation   | <b>\$15,000</b><br>( $\$25,000$ - $\$10,000$ tax on capital gains)                       | <b>\$25,000</b>  |
| Total tax savings from donation | <b>\$15,000</b><br>( $\$25,000$ tax credit - $\$10,000$ tax on capital gains)            | <b>\$35,000</b><br>( $\$25,000$ tax credit + $\$10,000$ in tax on gain not paid) |
| Total tax savings from donation | <b>\$35,000</b><br>( $\$50,000$ gift - $\$15,000$ total tax savings)                     | <b>\$15,000</b><br>( $\$50,000$ gift - $\$35,000$ total tax savings)             |

\*Scenario for illustrative purposes only

\*\*Assumes gift made in Ontario at a marginal tax rate of 50%

### Saving Money while Saving Lives – An Example of a Donor who has given a gift of shares

*\* For the past fourteen years, Bob and Susan have made an annual donation to Health Sciences North Foundation. Inspired by the work the Hospital does in their community, Bob and Susan wanted to give a larger gift this year.*

*They looked at their investments, and decided to sell some stock and donate the proceeds to Health Sciences North Foundation. Before doing so, Susan contacted the Foundation and discovered the tax advantages of donating securities directly.*

*Bob and Susan were delighted to learn that they would pay no capital gains tax on the appreciated value of their donated securities, receive a charitable tax receipt, all while supporting the lifesaving work of the Hospital.*

*In consultation with their financial advisor they donated \$50,000 in shares to Health Sciences North Foundation.*