

Gifts of Publicly Listed Securities

When you donate a gift of securities, you can “put stock” in knowing you are supporting vital research, health education and advocacy programs. From funding innovative technology that our medical professionals and patients use, to educating future doctors, nurses and allied health professionals, you help create better healthier lives for people throughout Manitoba, Northwestern Ontario and Nunavut.

Many individuals are turning their investments into gifts for charity. Why? Because by gifting listed securities intact (do not sell first), the capital gain is eliminated and the tax receipt is for the full fair market value of the property. Listed securities are exchange listed stocks and bonds, mutual funds, segregated funds, and so forth.

When you sell a stock, bond, or mutual fund that has increased in value since you purchased it, you are required to pay tax on 50% of that increased value (the capital gain). However, if you donate the securities to charity, you pay no tax on the capital gain. This makes appreciated securities one of the most cost effective ways to donate to the Health Sciences Centre Foundation Inc.

The following example illustrates the benefit of gifting stock to make a donation versus selling the stock and donating the cash to charity (assume a 45% tax rate):

	Sell Shares and Gift Cash to Charity	Gift Shares to Charity
Total value of disposition (a)	\$10,000	\$10,000
Your purchase price (b)	\$ 2,000	\$ 2,000
Capital gains (c) <small>c = a - b</small>	\$ 8,000	\$ 8,000
Tax on Gain (d) <small>(45% X (50% X c))</small>	\$ 1,800	\$0
Donation (e)	\$ 10,000	\$10,000
Donation tax credit (f) <small>e X 46.4%*</small>	\$ 4,640	\$ 4,640 (only applied)
Net tax savings from donation (f-d)	\$ 2,840	\$ 4,640

* 46.4% is the combined (federal and provincial) charitable tax rate in Manitoba for gifts exceeding \$200

Thank you for considering how you can leave a legacy through the Health Sciences Centre Foundation Inc.

For more information please call the Health Sciences Centre Foundation Inc. at (204) 515-5612.

This material provides general information and is not intended to constitute or replace specific professional advice. Donors considering a legacy gift should speak to an advisor with appropriate tax and other expertise to implement a strategy that achieves their objectives.