

Securities are a special form of property (capital property) and include stocks, bonds and mutual funds. They are portable, transferable and usually easy to value. As such, they make an excellent charitable gift.

The May 2006 Federal budget eliminated the capital gains tax on donations of appreciated securities, making this an excellent time to consider donating publicly listed securities.

## Donor Benefits



### Tax Benefits

If you choose to transfer stock that has appreciated in value as a donation to the Markham Stouffville Hospital Foundation, the tax on the capital gains is now eliminated in lieu of the 50 per cent that would apply if you sold the asset or transferred it to another taxable individual.

### Tax Receipt

The fair market value of your securities is determined as of the closing price on the day the securities are transferred or received by the Foundation.

### Transferring is Easy

Giving stock to the Markham Stouffville Hospital Foundation is simple.

Ownership can be transferred either electronically or by endorsing the share certificate.

You have two options:

# 1

#### Electronic

Notify your broker in writing, stating that you want to transfer ownership of the shares. The transfer is performed electronically between your broker and the Foundation's broker.

# 2

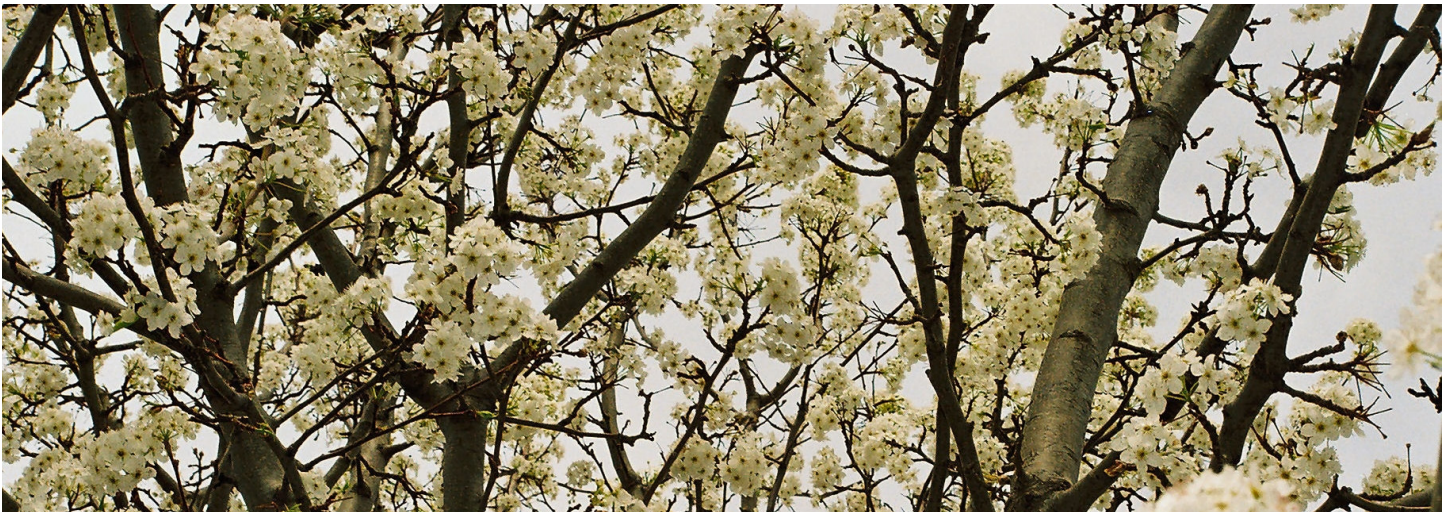
#### Endorsing Your Share Certificate

After determining the securities you wish to donate, endorse the security certificate(s) and send them to the Markham Stouffville Hospital Foundation; you can hand-deliver them, courier them or send via registered mail.



Many investors acquire substantial capital gains from shares that have appreciated in value. By donating those stocks to the Markham Stouffville Hospital Foundation, investors can share their good fortune and enjoy tax relief at the same time.

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## Donating Gifts of Listed Securities

### Example:

Mrs. Smith has listed stocks with a fair market value of \$100,000. The adjusted cost base is \$40,000. The example below shows the difference in a donation's net cost when you choose to transfer the securities in-kind as opposed to selling the securities and donating the cash.

	Cash Donation	Securities Donation
Fair market value	\$100,000	\$100,000
Adjusted cost base	\$40,000	\$40,000
Capital gains	\$60,000	\$60,000
<b>Taxable gain (50 % vs 0%)</b>	<b>\$30,000</b>	<b>0</b>
<b>Tax on capital gain (45%)</b>	<b>\$13,500</b>	<b>0</b>
Donation receipt	\$100,000	\$100,000
Tax benefit from donation	\$45,000	\$45,000
<b>Net tax savings*</b>	<b>\$31,500</b>	<b>\$45,000</b>
<b>Net cost of gift</b> (amount donated minus tax savings)	<b>\$68,500</b>	<b>\$55,000</b>

\* Net tax savings on cash donation = the tax benefit from donation minus the tax payable on the capital gains (\$45,000 - \$13,500 = \$31,500).

*The Foundation reserves the right to accept or reject the securities as well as the right to retain or immediately sell them at the current market price.*

Through the generosity of our communities, the Markham Stouffville Hospital Foundation supports Markham Stouffville Hospital to provide progressive community care. Donations the the Foundation help fund capital expenditures for equipment, technology, renovations, programs and education.

## SPECIAL NOTE

Your gift will not qualify for the elimination of the capital gain tax if you sell the shares and then donate the cash to the Foundation.

In order to benefit from the tax savings on the capital gains the shares must be transferred intact.

