



Do you have securities (stocks, bonds or mutual funds) that have increased in value significantly since you purchased them? Did you know that charitable gifts of listed securities are exempt from capital gains?

When selling/cashing securities you are taxed on 50% of the capital gain. If, however, you choose to transfer (donate) the securities to a charity, like the University of Ottawa Heart Institute, you are exempt from paying capital gains and receive a charitable tax receipt for the fair market value of the securities. The charitable tax receipt can then be used to offset your taxes.

Example - Gift of Listed Securities vs Gift of Cash

The following example shows the cost of making a contribution (transfer) of securities versus making a cash donation.

Rob & Jennifer are regular donors to the Heart Institute and they have been considering making a larger contribution. They own stock they purchased previously for \$40,000 with a current value of \$100,000, resulting in a capital gain of \$60,000. Their income tax and tax credit rate is 46%.

	Transfer Gift of Securities	Gift of Cash
Gift (market value)	\$100,000	\$100,000
Tax Credits - Taxable Income =		
▪ Tax Credit: 46% x \$100,000 market value	\$46,000	\$46,000
▪ Capital Gains Tax: 46% (%50 of \$60,000)	Exempt	- \$13,800
Total tax savings:	\$46,000	\$32,200



Making a gift of securities versus a gift of cash gave Rob & Jennifer an additional \$13,800 in tax credits, and a \$100,000 charitable tax receipt to help offset their taxes!

Please note that this example is for illustration purposes only. Your personal financial and tax situation is unique and tax rates and charitable gift policies can differ by province.

Please consult with your legal or tax advisor to ensure that you receive a full and accurate explanation of the benefits to you of your charitable gift.