

Did you know that there are **increased incentives** for **donating appreciated securities** to your favourite charities?



... please read to learn how this giving benefits charities like Citizens for Public Justice

The 2006 Federal budget increased the incentives for Canadians to donate publicly traded securities directly to charities by eliminating the payment of capital gains tax on such direct gifts.

This creates a gifting mechanism that may benefit your favourite charities like CPJ. The new rules allow you to:

- realize significant profits from the appreciated securities you wish to donate,
- pay no income tax on the gains realized,
- make a generous gift to your favourite charities,
- make use of the excess tax credit generated from this gift to reduce other tax liability.

To qualify for this special tax treatment, the securities must:

Be publicly traded securities which include:

- stocks or shares listed on an approved stock exchange
- units or shares in a Mutual Fund
- units of a segregated fund trust from an insurance policy

Have appreciated in value

Be donated in kind to a charity or public foundation

- not sold by donor
- ownership transferred directly to charity or public foundation

How do I gift my appreciated securities?

If you would like to make a gift of appreciated securities to CPJ, you can do so through Christian Stewardship Services, a charity that assists both donors like you and organizations like us in the area of planned giving. Christian Stewardship Services will receive your gift of appreciated securities and look after all the details by:

- providing the necessary forms and information to handle the transaction,
- selling the securities,
- issuing a charitable donation receipt for the fair market value of the shares when received,
- distributing the proceeds to the your favourite charities in accordance with your instructions,
- giving anonymously on the your behalf (if you so wish), and
- providing flexibility in distributing the proceeds – either immediately to your charities or holding them for you in an Endowment or Donor Advised Fund.

The following chart compares gifting \$50,000 of appreciated securities with selling the security and giving the proceeds from the transaction.

	Sell the shares and donate the cash	Donate the shares directly to charity
Purchase price	\$10,000	\$10,000
Current value	\$50,000	\$50,000
Capital Gain	\$40,000	\$40,000
Taxable Capital Gain	\$20,000 @ 50%	\$0
Tax Payable on Capital Gain@ 45%	\$9,000	\$0
Tax Credit @ 45% of donation*	\$22,500	\$22,500
Net Tax Credit used to pay other tax liabilities	\$13,500	\$22,500
Benefit to charity	\$50,000	\$50,000
Sum of Benefit	\$63,500	\$72,500

* Tax rates vary from province to province

There is no cost to you. Christian Stewardship Services uses a discount brokerage firm to sell the shares and then distributes the proceeds to CPJ and your favourite charities at no charge.

If the opportunity to donate appreciated securities is attractive to you, please contact CPJ at 613-232-0275 or 1-800-667-8046 or cpj@cpj.ca.

Are your planned giving needs being met?

We recommend Christian Stewardship Services to you as a reliable and trusted professional service for all of your planned giving needs. They provide free, confidential advice and will work with you to plan your gifts effectively. They will assist you in structuring your giving, both while you are living and through your estate, and give you excellent counsel on: gifts of appreciated securities, revocable deposit agreements, charitable gift annuities, bequests, endowment gifts, gifts of RRSP's/RRIF's, or gifts of life insurance.

Christian Stewardship Services is a registered Canadian charity dedicated to connecting faith, families and finances for maximum benefit and efficiency in estate and gift planning.

Please visit their website at www.csservices.ca.

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