CANADIAN WILDLIFE FEDERATION

## Gifts of publicly traded securities

A gift of **publicly traded securities** is an attractive option for many donors. When you transfer to Canadian Wildlife Federation (CWF) a gift of shares, bonds, bills, warrants, futures, or units of mutual funds listed on a prescribed public stock exchange, you will not pay tax on any capital gain. Because you also qualify for a charitable tax receipt based on the asset's fair-market value, the net cost of a gift of securities may be less than a gift of an equivalent amount of cash after selling your securities yourself.

The process of gifting securities is simple. At your direction, your broker will electronically transfer your securities to Canadian Wildlife Federation's broker. The broker then sells the stock immediately after receiving the transfer. Based on the fair market value of the stock on the day it was donated, CWF issues you or your estate, a charitable tax receipt for 100 percent of the funds received minus the broker fees. If you wish to designate your gift for a specific use CWF is happy to discuss that option with you. A gift of securities will satisfy a deep Canadian need to conserve vulnerable wildlife and its habitat.

You may also wish to consider donating listed securities in your Will instead of making a cash bequest. Because capital gains will not be taxed in this case, your estate may realize considerable tax savings that may increase the amount going to other beneficiaries.

## Benefits of gifting securities

- **Satisfaction** - You have the satisfaction of knowing your legacy gift will support much needed conservation of Canadian wildlife through the programs and advocacy of CWF.
- **Flexible** – Canadian Wildlife Federation can benefit from your gift now or in the future through a direction in your Will.
- **Tax planning** - You or your estate receive a tax receipt for the full fair-market value of your gift.
- **Cost-effective** - You make a gift without depleting your current bank account.
- **Tax benefit** - You or your estate avoids capital gains on any gift of publicly traded securities.

## Sample of a gift of securities

Mary Cavanaugh wishes to make a gift of shares worth $50,000 to support CWF in providing assistance to threatened wildlife species. The original purchase price of the shares was $20,000. Here is what happens:

Assume she is taxed at a rate of 46 per cent of combined federal and provincial charitable tax rate (varies by Province,) See the difference in taxes paid if she sells the shares and donates the proceeds versus donating the shares directly to the CWF.

| | **Sells Shares, Donates Proceeds** | **Donates Shares to the School** |
|---|---|---|
| 1. Value of the shares | $50,000 | $50,000 |
| 2. Original purchase price | $20,000 | $20,000 |
| 3. Capital gain | $30,000 | $30,000 |
| 4. Taxable gain (line 3 x 50%) | $15,000 | $0 |
| 5. Donation tax credit (calculated at 46%) | $23,000 | $23,000 |
| 6. Tax on capital gain (line 4 x 46%) | $6,900 | $0 |
| 7. Net tax savings (line 5 – line 6) | $16,100 | $23,000 |
| 8. Donation receipt | $50,000 | $50,000 |

**Please seek professional advice:**

The Canadian Wildlife Federation strongly recommends that you seek professional advice to ensure your financial situation and those of your dependents are considered, your tax situation reviewed and that your gift is tailored to your circumstances.

For more information, contact:


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