

YOUR GUIDE TO GIFTS OF PUBLICLY TRADED SECURITIES

What is a gift of publicly traded securities?

A gift of **publicly traded securities** is an attractive option for many donors. When you transfer to St. Clement's School 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 St. Clement's School's brokerage. 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, the School issues you or your estate a charitable tax receipt for 100 percent of the funds received minus the broker fees. SCS then directs the proceeds of the sale to whatever program or project you wish.

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.

(please turn over)

Benefits to you

- **Satisfaction** – You have the satisfaction of knowing your legacy gift will support transformational education for young women.
- **Flexibility** – The School can benefit from your gift now or in the future through a direction in your will.
- **Cost-effectiveness** – You make a gift without depleting your current bank account.
- **Control** – You choose the area of work you would like your gift to support.
- **Tax planning** – You or your estate receive a tax receipt for the full fair market value of your gift.
- **Tax benefit** – You or your estate avoids capital gains on any gift of publicly traded securities.

For further information please contact:

St. Clement's School Advancement Office 416 483 4835 x2272
21 St. Clements Ave., Toronto, ON, M4R 1G8 scs.on.ca/support-scs
Charitable number 10500 5805 RR0001

ST. CLEMENT'S
SCHOOL

Passion. Courage. Curiosity.



YOUR GUIDE TO GIFTS OF PUBLICLY TRADED SECURITIES CONTINUED

Sample of a gift of securities

Elinor Smith wishes to make a gift of shares worth \$50,000 to support SCS in providing assistance to many young women. 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. See the difference in taxes paid if she sells the shares and donates the proceeds versus donating the shares directly to the School.

	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 expert advice

St. Clement's School strongly recommends that you seek professional advice to ensure your financial situation and those of your dependents are considered, your tax situation reviewed, and your legacy gift tailored to your circumstances.

You can also download a Gift of Securities Transfer Form from our website: <http://www.scs.on.ca/wp-content/uploads/2015/01/Donation-of-Publicly-Traded-Securities-Form-2014-2015.pdf>

Alternatively, we can mail or email a transfer form for you to authorize the transaction and instruct your broker to complete the transfer.