

Example of a Gift of Securities

Benefits of Gifts of Securities by an individual

Market Value of Securities and Amount of Donation	\$20,000.00
Total price you paid for securities	<u>\$10,000.00</u>
Capital Gain	\$10,000.00
Tax Savings	
Value of Charitable Donation Tax Credit (43.7% of Donation)	\$8,740.00
Savings on Capital Gains Tax not paid (43.7% of 1/2 the capital gain)	<u>\$2,185.00</u>
Total Tax Savings	\$10,925.00

Summary

Value of your donation to Mulgrave School	\$20,000.00
Effective Cost of your Donation to Mulgrave School	
Market value of securities	\$20,000.00
Less total tax savings as shown above	<u>-\$10,925.00</u>
Effective cost of your donation to Mulgrave School	\$9,075.00
Your Actual Cost of your Donation to Mulgrave School	
Original cost of securities	\$10,000.00
Less value of Charitable Donation Tax Credit	<u>-\$8,740.00</u>
Actual cost of your donation to Mulgrave School	\$1,260.00

If you would like to know more about giving securities to Mulgrave School, or need clarification of the information provided above, please contact Derek Muzyka in the Finance Office at 604-913-6037.

The above example is for illustrative purposes only. For the value of the charitable donation tax credit, it is assumed that the individual has already made a \$200 donation to a registered charity. All information provided in this example is of a general nature only and should not be considered a definitive analysis of tax law nor a substitute for professional advice. The amount of the charitable receipt will be based on the value of the securities as at the close of trading on the date they are received by Mulgrave School.

Please note this example also assumes the top BC marginal tax rate of 43.7%.