



Gifts of Securities



A donation of securities is like giving cash funds, although transferring securities, like publicly traded stocks, mutual funds or bonds, can be more advantageous to you while providing valuable support for RLMCHF. You can safely donate your stocks and securities, including flow-through stock, by transferring them electronically from your brokerage account to RLMCHF's brokerage account. You will receive a receipt for income tax purposes for the full appreciated value of your securities as of the closing trading price on the day of the transfer. You will also be exempt from any capital gains tax on your securities which makes this a very beneficial donation, as it provides you with considerable savings on your taxable income. For example, the table below compares the differences between selling your shares and donating cash versus transferring the same securities valued at \$10,000 at time of sale that were originally purchased for \$2,000:

Shares	Donate Shares	Sell Shares and Donate Cash
Value of Shares	\$10,000	\$10,000
Original cost	\$2,000	\$2,000
Capital gain	Nil	\$8,000
Taxable capital gain	Nil	\$4,000
Taxes payable @ 50% rate	Nil	\$2,000
Charitable donation after taxes	\$10,000	\$8,000
Donation Receipt for Income Taxes issued by RLMCHF:	\$10,000*	\$8,000

* Calculated by multiplying the # of shares donated by the closing price of the stock on the day of transfer



By donating the shares directly to the Foundation, rather than selling them and then making a cash donation, you receive a receipt for income tax purposes for the full amount of the shares with no fees or commissions deducted. In the example above, your receipt from the Foundation for income tax purposes will be for \$10,000. If, on the other hand, you sell the shares first, your capital gain is \$8,000 and any fees or commissions related to the sale are charged to your account. If you donate the entire amount of your gain, your receipt for income tax purposes will be for \$8,000. Also 50% of the capital gain is considered taxable income and you will be paying taxes on that amount. Your financial planner can best advise you on how to maximize your tax benefits when planning your gift of shares. Generally it is best to donate shares that have the largest capital gain.

If you hold actual share certificates that you wish to donate there are a couple of steps to be taken in advance. The shares first have to be evaluated to determine if they are still valid. This can be done by submitting a photocopy or scanned copy of the certificate(s) to the Foundation who will have them appraised. Once this process is completed you will be advised of the next steps.