

Another way to donate.....

(Info provided by Calvin's Financial Advisor)

The donation of shares in a company is the most effective way for individuals to donate. The following indicates the tax implications of donating shares.

When you donate shares you get the closing value of the shares on the day the shares are transferred to the charitable organization's investment acct. Also, **and most important, there is no capital gain tax on the shares to the person making the donation.** In most cases the shares normally get sold once they are deposited in the charities investment acct. Shares that are quality may be worth keeping if they produce income and may have a compound annual growth rate.

For example:

Adjusted Cost Base Price of ABC shares: \$50/share (what you paid for them)

Current Market Price: \$100/share when sold or transferred.

Capital Gain (if sold): \$50/share

Capital Gains Tax Paid on: $\$50/2=\$25/\text{share}$ (as 50% of the gain is tax free)

If the shares are **donated to the church:**

Capital Gains Tax to be paid on shares: \$0

Charitable Receipt is the full value of the shares on the date of donation to the Charity:

\$100/share

This is a tremendous advantage to an individual tax payer/congregation member.

You never know

Thanks for your time and consideration.

Your Finance and Stewardship Team