



Gifts of Securities Overview

Advantages of Donating Securities

Making a gift of securities to Trafalgar Castle School is a worthwhile alternative to donating cash. The elimination of capital gains on gifts of appreciated securities provides donors with a substantial tax incentive. By donating appreciated stocks, mutual funds, stock options through shares to Trafalgar Castle School, donors are exempt from this tax and receive a tax receipt for the fair market value of the securities. The following example illustrates the benefits:

	DONATE SHARES DIRECTLY	SELL SHARES AND DONATE PROCEEDS
Current Value of Shares (A)	\$10,000	\$10,000
Amount Paid for Shares (B)	\$5,000	\$5,000
Capital Gains (A-B=C)	\$5,000	\$5,000
Capital Gain Inclusion Rate (D)	0%	50%
Taxable Capital Gain (CxD=E)	\$0	\$2,500
Tax on E (assuming 49.5% marginal rate)	\$0	\$1,238
Donation Tax Credit (A x 46.4%)	\$4,640	\$4,640
Net Tax Savings (F)	\$4,640	\$3,403
Net After-Tax Cost of Donation (A-F)	\$5,360	\$6,598

**Assumes gifts made in Ontario at marginal tax rate of 46.4%. Rates are subject to change and vary by province.*

HOW TO DONATE IN TWO EASY STEPS

STEP 1

Complete all sections of the “Gift of Securities – Shares Transfer Form” and submit to your broker to initiate the transfer.

Please Note: For privacy reasons, your broker cannot disclose your name to us. Please complete the Donor Information section, including your daytime phone number in case we need to contact you. Your advisor will provide you with an identification number which will act as transaction number in case the transactions needs to be tracked.

STEP 2

Fax, email or mail a copy of the completed Gift of Securities – Shares Transfer Form to Marguerita Dykstra, Director of Finance at Trafalgar Castle School.

Please Note: This step is important as securities are transferred anonymously into our account. Notifying us of this transfer will ensure you receive your official tax receipt. Unexpected and/or unidentifiable transfers may cause a delay in gift recognition and receipting.

The Share Transfer Form can be obtained from dykstra.marguerita@trafalgarcastle.ca