



Cambrian College Foundation Board of Directors – Donation Policy – Securities

Date Approved: March 27, 2019

Date Reviewed by Finance Committee:
February 21, 2019

Date Revised:

1. Overview

Donors who donate certain publicly traded securities "in kind" to Canadian private foundations or registered public charities, such as Cambrian College Foundation, are exempt from the payment of capital gains tax on any profit created by the fair market value of the donation. Your gift will result in a non-refundable tax credit that will reduce your income taxes. You can use it in the year of your gift or carry it forward for up to five additional years. Qualifying securities include stocks, bonds, trust units, exchange-traded funds, segregated funds and mutual funds units. In order to qualify, the donation must be made "in kind" (or in their current form, unsold) and the shares must be publicly traded on Canadian or other major international exchanges (private company holdings do not qualify at this time).

2. Process

- a. You fill out the Transfer Form and send a copy to the Foundation and a copy to your broker. This ensures we are able to provide you with a receipt and know what you want us to do with the proceeds of the sale.
- b. Your broker transfers the stock or mutual fund you directed to the Foundation.
- c. The Foundation provides you with a tax receipt for the value of the shares or mutual fund units at the close of the markets on the day the Foundation receives them.
- d. The Foundation sells the securities as soon as possible and directs funds as requested.

The process takes approximately three weeks. There are occasions when it takes longer. If your gift is time-sensitive, please speak with Foundation staff before initiating the transfer.



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The chart below shows the tax advantage when you donate shares to the Cambrian College Foundation instead of selling them and donating the proceeds. This calculation assumes a tax rate of 46%.

	Gifting Shares	Writing a cheque after selling shares
Value of the shares	\$50,000	\$50,000
Original purchase price	25,000	25,000
Capital Gain	25,000	25,000
Taxable gain at 50%	0	12,500
Tax on capital gain at 46%	0	5,750
Net Donation to College	\$50,000	\$44,250
Donation tax credit at 46% to Donor	\$23,000	\$20,355

5. Amendments

The Donation Policy – Securities shall be reviewed annually from the date of approval. It may be recommended that they be altered to meet the current needs of the Committee by agreement of the majority.

The above Donation Policy Securities for the Finance Committee have been agreed to:

Committee Chair

Date of approval by Committee

Ron Chrysler

February 21, 2019