

Did you know that

if you plan to make a large donation and you hold financial securities, it may be advantageous to consider donating the securities rather than selling them? It's a simple way of making a donation at a lower cost.

Securities eligible for donation are:

- Shares of publicly traded companies
- Bonds
- Investment funds
- Stock options

Sample Donation

Take the example of securities purchased at a cost of \$6,000 with a market value of \$10,000 at the time of sale. By selling the shares it allows for a donation of \$10,000. There will be tax payable on the \$6,000 capital gain. Compare this donation with a gift of the securities without first selling them. In both cases, there is a tax credit for a donation equivalent to \$10,000.

	Sale of securities and donation of money	Gift of securities
Sale of securities	\$10,000	\$-
Tax payable on the capital gain (\$4,000 × 50% × 50%)	\$1,000	\$-
Donation amount	\$5,000	\$5,000
Net tax saving (\$5,000 - \$1,000)	\$4,000	\$5,000
ACTUAL COST OF DONATION	\$6,000	\$5,000

By choosing to donate securities directly to the FHMR without selling them, it will save cost you \$1,000 for a donation of \$10,000.¹

Benefits

- + As with any donation, you will benefit from a **donation tax credit** for which you will receive a tax receipt equivalent to the fair market value of the securities on the date the financial securities are deposited in the FHMR brokerage account.
- + An additional benefit is that **you will not have to pay income tax on any capital gain** resulting from the sale of the security at a higher price than the average purchase price, and subsequently donate the money.
- + You contribute to the **excellence of care and services** provided by the hospital..

¹ To simplify the example, the tax credit rate for donations and the tax rate are rounded to 50% for donations made in Quebec.

Key steps to making a gift of securities

1. Contact the FHMR to discuss your intention to make a donation.

2. Advise your financial advisor to determine which of your financial securities will offer the greatest donation tax benefit, i.e. the security which has the most significant market value increase.

3. Complete and sign the FHMR Securities Donation Form.

4. Send the duly signed form to the attention of Jean-Paul Galli, FHMR securities broker at National Bank Direct Brokerage.

5. Send a copy of the form to the attention of Valérie Paquette at the FHMR, so that we can follow up with your broker and the FHMR broker to ensure that the securities are transferred within a reasonable time.

6. The FHMR will send you a donation tax receipt indicating the market value of the securities on the date they are deposited in the FHMR brokerage account. The receipt will also show the quantity and the name of the donated securities. This is important for your tax return.

Information

Valérie Paquette is the planned giving expert who can answer all your questions. You may contact her by email: vpayette@fondationhmr.ca or by phone: 514 252-3435 ext. 104.