Securities Donations: A Crash Course

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Webinar Reminders

• You can hear us, but we can’t hear you.

• Have questions? Type them into the Questions Log at any time.
Webinar Reminders

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• Turn up your computer’s volume.

• Click Sound Check under Audio in your GoToWebinar Panel.

• Select the speaker tab and then turn the volume on the speaker to the far right for maximum volume.
Webinar Reminders

- For the best webinar experience, close all other applications.

- Yes!
  The links to the webinar slides and recording will be emailed to you within 24 hours. You’ll be able to watch the recorded video on demand.
Ready to get started?
Securities:
A crash course
CanadaHelps is a non-profit social enterprise serving charities & donors.

CanadaHelps is a charity that helps charities. We ensure all Canadian charities – most notably the smallest ones that need it the most – have access to the online fundraising tools, technology, and education they need to succeed. Because we’re a charity, our fees are a fraction of those of the for-profit alternatives.

For donors, we offer a one-stop shop for supporting any registered Canadian charity online. CanadaHelps makes giving easy. Easily explore and discover new causes. Give once or monthly, donate securities, or increase your impact fundraising for charity. Enjoy instant or anytime access to all your charitable tax receipts.

At a glance: Trusted for over 16 years, more than 17,000 charities rely on our non-commercial online fundraising platform and more than 1 million Canadians have given using CanadaHelps. We have a spotless record for safe and secure payment processing and instant tax receipting and operate on less than 1.8% of donation revenues.

Imagine Canada Standards Accredited: Achieved by just over 100 organizations, CanadaHelps has demonstrated that it meets the 73 Standards required to achieve this accreditation in the areas Board Governance, Financial Accountability and Transparency, Fundraising, Staff Management, and Volunteer Involvement.
The Benefits of Donating Securities

Your donor benefits from the standard federal and provincial charitable tax credits, PLUS the capital gain is eliminated resulting in a larger tax credit.

Your charity benefits as it receives a larger gift – and securities gifts are already larger in size, typically major gifts.
### Example: The Mechanics

- **Avoid the capital gains tax.**
- **Give more.**
- **Get more back.**

<table>
<thead>
<tr>
<th></th>
<th>Sell Shares and Donate Cash</th>
<th>Donate the Shares</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>FMV of shares</strong></td>
<td>$100,000</td>
<td>$100,000</td>
</tr>
<tr>
<td><strong>Adjusted cost base of shares</strong></td>
<td>$40,000</td>
<td>$40,000</td>
</tr>
<tr>
<td><strong>Capital Gain</strong></td>
<td>$60,000</td>
<td>$60,000</td>
</tr>
<tr>
<td><strong>Income inclusion for Capital Gain</strong> ($60,000 x 50% of gain x 45% tax rate)</td>
<td>$13,500</td>
<td>$0</td>
</tr>
<tr>
<td><strong>Charitable Tax Receipt</strong></td>
<td>$100,000</td>
<td>$100,000</td>
</tr>
<tr>
<td><strong>Tax credits for gift at 45%</strong></td>
<td>$45,000</td>
<td>$45,000</td>
</tr>
<tr>
<td><strong>Tax Savings after offsetting tax on capital gain</strong> ($45,000 - $13,500)</td>
<td>$31,500</td>
<td>$45,000</td>
</tr>
</tbody>
</table>
The Easiest Way to Accept Securities

Canada’s largest online mutual fund & securities donation platform.

1. **Get the Donate Securities button.**
   Enable your donors to gift securities to your charity. Simply copy and paste two lines of HTML code.

2. **Let CanadaHelps do the work.**
   We facilitate the sale of the security, issue the tax receipt, and disburse the proceeds to your charity.

1. **Proceeds go right into your bank less our low, non-commercial fee.**
   - Less than $10,000 = 3%
   - $10,000 to $49,999 = 2.5%
   - $50,000 to $99,999 = 2.25%
   - $100,000 and up = 2%
It’s Easy for Your Donor Too!

Canada’s largest online mutual fund & securities donation platform.

1. **Click Donate Securities** on your website and complete a short online pledge form.

2. **Complete the Letter of Authorization** and submit to their broker. They can download this on pledge confirmation page. We attach it to the email confirmation. If pledge still open we send 7 and 14 day reminders to donor & broker.

3. **CanadaHelps does the rest** facilitating the sale of the security, confirming sale details and providing a tax receipt to donor, disbursing funds to your charity.
Gift in Kind

Donation of Publicly-Traded Securities

Gifts to all charities: charitable organizations, public foundations, private foundations

Gifts of securities listed on prescribed public exchange, as well as bonds, mutual fund units and shares
Receipt Valuation

Securities tax receipt is based on closing price on the day the security was received by our broker—**this is the value of the tax receipt (NOT proceeds of sale)**

**Treatment of Gifts:**
- Canadian best practice to sell immediately
- Sale price of receipt has not effect on tax receipt
When Speaking with Donors

• Gifts of public securities must be donated “in kind” in order to qualify for elimination of gain

• Be sure donor’s broker does not sell before transferring

• Be clear about timing of donation, in-kind donations take longer than cash gifts to transfer, liquidate and receipt.
Securities vs. Mutual Fund Donations

• CanadaHelps accepts Mutual Fund donations as part of our in-kind donation program.

• **BEWARE!** Mutual Funds take longer to process and sell so warn donor of timing around receipt and year-end.

• CanadaHelps cannot guarantee donations will be processed for a 2016 tax receipt after Friday December 16 **BUT** we are working on gifts right up until the end of the year!
Integrate Securities into Your Appeals

Title Dr Mr Mrs Ms Other
First name/s
Surname
Company
Address
State Postcode
Phone
Email

Method of Payment:
Cheque or money order (payable to McCusker Foundation)

Credit Card: MasterCard / Visa (Please circle)

Expiry Date

Cardholder’s name
Signature
Date

Please accept my donation of $__________

Donations of $2.00 or more are tax deductible.
Donations can be made by filling out this form and returning it to the Foundation or by contacting the Foundation direct.

☐ I would like information on leaving CHARITY NAME in my Will
☐ I have included CHARITY NAME in my Will
☐ I would like information on donating securities
Emails, Newsletters & More
Helpful Resources

Ready-to-go Marketing Copy & Graphic

The Benefits: Save More, Give More
The Canada Revenue Agency does not apply capital gains tax on donations of publicly traded securities. Capital gains are the increase in the value of your securities over the price you paid at purchase.

<table>
<thead>
<tr>
<th>Sell securities and donate the after-tax proceeds</th>
<th>Donate securities through CanadaHelps</th>
</tr>
</thead>
<tbody>
<tr>
<td>Original Cost of Securities</td>
<td>$1,000.00</td>
</tr>
<tr>
<td>Current Market Value</td>
<td>$5,000.00</td>
</tr>
<tr>
<td>Capital Gain</td>
<td>$4,000.00</td>
</tr>
<tr>
<td>Tax on Capital Gains</td>
<td>$920.00</td>
</tr>
<tr>
<td>Donation amount after-tax</td>
<td>$4,080.00</td>
</tr>
<tr>
<td>Your charitable tax credit</td>
<td>$1,876.80</td>
</tr>
</tbody>
</table>

Here’s an example of how to calculate the benefits:

- If you sell your shares for $5,000.00, you'll have a capital gain of $4,000.00.
- By donating the proceeds to CanadaHelps, you save the tax on the capital gain.


Simple How To Get The Donate Securities on Your Website

Add a Donate Securities Button to Your Website

When your supporters click the CanadaHelps Donate Securities button on your website, they’ll be guided through the process of donating securities to your charity. It’s easy!

https://www.canadahelps.org/en/trainingvideos/
Have questions?
Ask Paul

Please type your questions into the Questions Log on your GoToWebinar panel.
Call us today to learn more about what we offer!

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