ENBRIDGE
TOUR ALBERTA FOR CANCER

# MAKING A GIFT OF APPRECIATED SECURITIES

A gift of stocks or other marketable securities to the Alberta Cancer Foundation through the Enbridge Tour Alberta for Cancer can have a significant impact on all Albertans facing cancer.

## WHY THE ALBERTA CANCER FOUNDATION

As the official fundraising partner for all cancer centres across the province, the Alberta Cancer Foundation exists to create more hope and more moments for all Albertans facing cancer, no matter where they live or the type of cancer they are facing. We surround patients and their families with love and support, while empowering the best and brightest to tackle the most difficult, challenging problems we face. As a single community of committed, passionate Albertans focused on a single goal, we are relentless in our pursuit of bringing the best cancer care and research possible to our province.

### A GIFT OF SECURITIES

Stocks, bonds and mutual funds that are listed on a public exchange, such as the Toronto Stock Exchange, can be easily transferred to the Alberta Cancer Foundation. By doing so, you pay no tax on the capital gain and will receive a charitable tax receipt for the market value, based on the closing price on the day the shares were legally transferred to the Foundation's account at our custodial agent, the Royal Bank of Canada (RBC).

### BENEFITS TO YOU

A gift of securities allows you to make a gift to cancer research and care in a tax-effective way, without affecting your cash flow:

- When you cash in securities that have appreciated, growth from when you purchased them to when you sold them is your capital gain. In Canada, 50% of the capital gain is subject to tax at your marginal income tax rate for that year.
- By transferring your securities to the Alberta Cancer Foundation instead of cashing them in, you eliminate all tax owing on the capital gain.
- Plus, you receive the charitable tax receipt for the total value of the transfer on the date it is received, which can be used to generate a tax credit worth up to 50% of the entire donation amount.

### THE PROCESS

Following these three steps will help you quickly and easily donate your gift of publicly-listed securities to the Alberta Cancer Foundation:

- **Step 1: Speak with your advisor**
  Determine the best plan for you and the most advantageous security to donate.
- **Step 2: Contact us to discuss**
  Let's discuss what you'd like your gift to do, and then we can help you initiate the transfer by using our form. The "Letter of Authorization from Donor to Broker" is available from your Alberta Cancer Foundation contact, at any one of our offices, and on our website.
- **Step 3: Complete the form**
  Once complete, send it back to us and forward to your broker with instructions that you want the securities transferred to the Alberta Cancer Foundation. Ensure you include the participant name or team you would like your donation directed to.

ENBRIDGE
TOUR ALBERTA FOR CANCER

# SCENARIO: HOW GIVING SECURITIES CAN HELP DONORS MAKE A BIGGER IMPACT

After losing both their parents to cancer years before, and supporting numerous friends and family on their own cancer journeys, donors John and Sheila became passionate about doing what they could to fund world-leading research for new treatments. They wanted to have a big impact, in the most cost-effective way possible.

After speaking with the Alberta Cancer Foundation on tax savings with charitable giving, and with their financial advisor, John and Sheila learned that they could donate the appreciated securities from their portfolio directly to the Foundation. As a gift from their assets that are tucked away for the future, and not their daily income, they realized they could give more that they thought. Additionally, by transferring the securities directly to the Foundation, they would eliminate any capital gains tax that would have to be paid if they cashed in those same securities.

With the cost-base of the securities and their marginal income tax rate, transferring $10,000 in securities would save them from paying $1,920 in tax on the capital gain. They also got a clearer understanding of the tax credit they would receive from their donation, resulting in a $4,950 reduction on their tax owing for the year.

Clearly a well-performing stock, John and Sheila were hesitant about giving the appreciated stock. However, their advisor recommended they use their tax credit to buy back the securities, thereby adjusting the cost-base of the securities. While the hope is that the stock continues to grow, the capital gain, and therefore related tax, would be significantly less the next time they wanted to cash-in that stock.

By being strategic and using all the tax benefits available for charitable giving, John and Sheila were able to make a bigger impact than they thought they could for less net cost than expected.*

## $10,000 GIFT TO THE ALBERTA CANCER FOUNDATION

$1,920 saved by donating the shares directly to the Alberta Cancer Foundation, and the Alberta Cancer Foundation still receives the full $10,000.

| | Sell securities and donate cash | Donate securities |
|---|---|---|
| Current market value | $10,000 | $10,000 |
| Original cost | $2,000 | $2,000 |
| Capital gain | $8,000 | $8,000 |
| Taxable capital gain (50% of gain) | $4,000 | - |
| Tax on capital gain [1] | $1,920 | - |
| **Cost of your donation** | | |
| Donation | $10,000 | $10,000 |
| Donation tax credit [2] | ($5,050) | ($5,050) |
| Tax on capital gain | $1,920 | - |
| Net cost of the donation | $6,870 | $4,950 |

*Note: Scenario for illustrative purposes only.

[1] This assumes the highest Alberta federal and provincial combined tax rate of 48%.

[2] In Alberta, the combined provincial and federal tax credit is 75% on the first $200 donated, 50% for every dollar above the first $200.

## CONTACT US

If you are thinking of making a gift of a securities to the Alberta Cancer Foundation, please contact Christy Soholt directly at **780-991-1088,** or **christy.soholt@albertacancer.ca** to discuss the process or get started.