Holland Bloorview
Kids Rehabilitation Hospital Foundation

Gifts of Securities

Donors to Holland Bloorview Kids Rehabilitation Hospital Foundation can benefit by gifting securities rather than cash. The 2006 Federal budget eliminated capital gains tax on a gift of publicly traded securities to public charities. This is in comparison to the usual capital gains inclusion rate of 50% on the sale of securities.

The potential tax savings may be very significant.

The key elements to making a successful gift of shares are:

- The gift must be of "qualified" appreciated securities (including shares, mutual fund shares, segregated fund shares, bonds, warrants), and options listed on a prescribed stock exchange.
- The donor must transfer the securities to Holland Bloorview Kids Rehabilitation Hospital Foundation in kind without selling them. If the donor sells the securities before transferring, standard capital gains tax rules apply to the disposition (50% of the gain rather than 0%).
- **Shares can be transferred** with directions in writing and there is no limit on maximum or minimum share value.

The following example illustrates the tax saving for a gift of shares compared to a gift of cash.

Gift Examples		**Gift of Shares**	**Gift of cash after Shares are Sold**
Market Value of Shares		$30,000	$30,000
Cost Base for Tax Purposes		$10,000	$10,000
Capital Gain		$20,000	$20,000
Taxable Capital Gain Included in Income (0% when shares are donated) (50% when shares are sold)		$0	$10,000
Tax on Capital Gain (assume 50% tax rate)		$0	$5,000
Tax Savings from Gift of Shares	**A**	$5,000	$0
Tax Benefit from Donation ($30,000 X approximate 50% tax rate)	**B**	$15,000	$15,000
Total Tax Savings for Donor (C = A + B)	**C**	$20,000	$15,000

The amount of tax saving is determined by the size of the capital gain accruing from the shares to be gifted. The larger the accrued capital gain the greater your tax saving.

Therefore, you should carefully consider both your current and future tax situation and the appreciated value of your shares. Please contact your financial advisor or call Donna Inch, Director, Finance & Administration at Holland Bloorview Kids Rehabilitation Hospital Foundation, 416-753-6074.

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How to Give a Gift of Securities to Holland Bloorview Kids Rehabilitation Hospital Foundation

Electronic Transfer of Shares

- Please contact Holland Bloorview Kids Rehabilitation Hospital Foundation at (416) 753-6074 or (416) 424-3809 prior to your planned transfer of shares, to discuss the shares being considered.
- We will provide a Letter of Direction to you, which you should complete and forward to the appropriate parties.
- Your broker can arrange for the electronic transfer of shares to our account.
- Please inform us once the transfer has been completed.
- The valuation of the gift of shares for tax receipting purposes will be determined by the closing price on the date the gift is received into the Foundation's account.

Physical Delivery of Stock Certificates

- Please contact Donna Inch at Holland Bloorview Kids Rehabilitation Hospital Foundation prior to your planned gift of securities to discuss the shares being considered – Tel: (416) 753-6074
- Arrangements for pick-up and delivery to the Foundation's custodian may be available or you can send the shares to:

  Holland Bloorview Kids Rehabilitation Hospital Foundation
  Attention: Donna Inch, Director Finance & Administration
  150 Kilgour Road
  Toronto, ON M4G 1R8

- The share certificates can either be re-registered in the name of the Foundation or a Power of Attorney form can be completed in order to transfer the ownership of the security to the Foundation.
- The valuation of the gift of shares for tax receipting purposes will be determined by the closing price on the date the gift is received into the Foundation's account.