

A donation of appreciated stocks, securities, bonds or mutual fund shares is the most tax-efficient way to give to York University since you will not pay tax on the capital gain. Your security or mutual fund donation means a larger donation for York. It also means a larger charitable tax credit for you for the full fair market value of the gift.

Types of Gifts that Qualify

Publicly traded securities, including stocks, bonds, and units of Canadian mutual funds.



How It Works

When you sell a publicly-traded security, you are subject to income tax on 50% of the capital gain. By choosing to donate that appreciated investment, today or as a bequest in your will, you will reduce the real cost of your charitable giving by the amount of capital gains tax saved. You might even opt to increase the amount of your gift without increasing the net cost. You'll also receive a tax receipt for the full fair market value of the closing price of the securities on the day the gift is received by the University, which could offer added tax benefits.

Benefits

- ✓ Satisfaction of seeing your gift put to good use today.
- ✓ Gift can be designated to a specific area that is meaningful to you.
- ✓ A charitable tax receipt for the closing market price on the day that York receives your stock or securities in its brokerage account.
- ✓ No capital gains tax paid.
- ✓ Can be given today, or as part of your will/estate planning.
- ✓ You may donate part of your stock and retain the remainder for personal use.



"I give to York because it's a gift that keeps on giving."

"Donating stock is no strain on my budget, because the money is already invested and not part of my cash flow. If I redeem the stock personally, any gains in value are subject to tax. But donating the stock directly to York solves the tax problem. This makes a lot of sense to me. The staff at York helps make the transfers easy to accomplish. More importantly, it contributes to the education of new generations of students who can make a difference in the world."

—Earle Nestmann (MSc '71, PhD '74) is a York University alumnus and member of the University's Board of Governors

Sample Gift of Securities

The following chart illustrates the cost-saving potential of gifting stocks or securities.

	Option 1 Sell shares and donate cash	Option 2 Donate shares directly
Current value of shares	\$50,000	\$50,000
Amount paid for shares	\$10,000	\$10,000
Capital gains	\$40,000 (\$50,000 current value - \$10,000 purchase price)	\$40,000 (\$50,000 current value - \$10,000 purchase price)
Tax on capital gains	\$10,000 (\$40,000 capital gains x 50% taxable gains x 50%*)	\$0 (no capital gains tax payable on donated shares)
Tax credit	\$25,000 (\$50,000 donation x 50%*)	\$25,000 (\$50,000 donation x 50%*)
Net tax savings from donation	\$15,000 (\$25,000 - \$10,000 tax on capital gains)	\$25,000
Total tax savings from donation	\$15,000 (\$25,000 tax credit - \$10,000 tax on capital gains)	\$35,000 (25,000 tax credit + \$10,000 in tax on gain not paid)
Net cost of gift	\$35,000 (\$50,000 gift - \$15,000 total tax savings)	\$15,000 (\$50,000 gift - \$35,000 total tax savings)

****The chart above assumes a marginal tax rate of 50%***

This financial information is provided for illustrative purposes only. It should not be relied upon as a substitute for professional advice. If you are considering a gift of securities, please contact your financial and/or tax advisors.

Contact Us

To obtain further instructions on how you can make a tax-wise gift of appreciated stocks or other securities, please contact us.

Marisa Barlas
Senior Development Officer, Gift Planning
York University
4700 Keele Street, West Office Building
Toronto, ON M3J 1P3

416-650-8221
barlas@yorku.ca
alumniandfriends.yorku.ca/givestock