

HOW YOU CAN SAVE

Upon transfer to the CAMH Foundation, donations of publicly listed securities are sold immediately and a tax receipt is issued for the fair market value* of the appreciated stock on the day of the sale. Donors can claim charitable contributions of up to 75% of their net income, with a five-year carry forward on any unused donation amounts.

* Either the average price or closing price of the share on the date received by CAMH, whichever provides the best indicator of fair market value on a normal and active trading day.

	Donate the shares directly	Sell the shares and donate the gross proceeds
Value of donation to CAMH	\$ 100,000	\$ 100,000
Fair market value of shares	\$ 100,000	\$ 100,000
Cost basis of shares	\$ 20,000	\$ 20,000
Capital gains	\$ 80,000	\$ 80,000
Taxable capital gain (50% for sold securities and 0% for donated securities)	–	\$ 40,000
Income tax (taxable capital gain x 50%)	–	\$ 20,000
Tax credit (donation x 50%)	\$ 50,000	\$ 50,000
NET TAX SAVINGS	\$ 50,000	\$ 30,000

Assuming that the income tax rate is 50%, when you donate securities directly rather than selling them, the amount saved will always be 25% of the difference between the value of the securities and their cost base.