

# Turning stock market gains into community investment

## GIFT OF APPRECIATED STOCK

**Everybody wins when you make a gift of appreciated stock to your community foundation.** Your gains are put to good use. Your gift of stock is reinvested in your community, and it qualifies for an immediate tax credit.

### How it works

- You make a gift of eligible securities directly to your community foundation.
- Your gift can be placed into any of our charitable funds in your name, in the name of your family or business, or in honour of any person or organization you choose. For example, you can use your gift to create a Designated Fund or a Donor Advised Fund. Or you can establish an Unrestricted Fund so your gift can respond to the most pressing community needs.
- Your gift qualifies for a tax credit and you avoid the capital gains tax that would otherwise arise from the sale of this stock.
- We handle all the administrative details.
- Your gift can be placed into an endowment that is invested over time. Earnings from your fund are used to make grants addressing community needs. Your gift – and all future earnings from your gift – is a permanent source of community capital, helping to do good work forever.

### More benefits

- Giving eligible appreciated stocks, mutual funds or employee options through a community foundation is popular among a range of givers – individual investors, families, entrepreneurs, and even groups of friends who have formed investment clubs.
- By giving stock through your community foundation, you can avoid capital gains taxes that would be due as a result of the sale of the stock and establish a charitable fund that benefits the local causes and organizations you care about most. With gifts of appreciated stock, your stock market earnings translate into community impact, so you get a more rewarding return on your portfolio. You can support special programs for at-risk youth, senior citizens, or other people in need; address environmental concerns; or support the arts.

**Employee stock options:** Transferring shares to a charity, once your stock options are exercised, eliminates your capital gains and nets a tax receipt.

**Gifts of Life insurance:** If you have given a life insurance policy to a registered charity consider using appreciated stock to fund the annual premium payments.

**Bequests or Gifts by will:** If you have left a charitable gift in your will, consider including the language to allow your executor or trustee to take advantage of appreciated stock to fund the gift to gain the tax benefits for your estate.

## Generating a return for your community

*“Our stock returns provided the means for giving to our community,” say Joanne and Gerald Johnson. That’s why they joined the many people who choose to contribute appreciated stock directly to their local community foundation.*

*Last year, the Johnson fund supported a local family outreach program, a homeless shelter, and a local theatre group. “Some of our charities are too small to accept direct stock gifts,” says Joanne. “Giving through the community foundation eliminates that barrier.”*

*The Johnsons received a tax credit based on the fair market value of their appreciated stock, while avoiding the capital gains tax that would otherwise arise from its sale. Gerald says, “It’s a simple, satisfying way to give.”*

