

Gifts of Publicly Traded Securities – Donor Article

Donating Your Securities is Simple and Tax-Smart!

Photo by Alison Spriggs.

Louise Irwin has always been an avid hiker throughout British Columbia. She has watched in growing dismay as pristine lands have suddenly been developed into housing, golf courses or high-end resorts. “People don’t always know that their favourite hiking spots, which they have enjoyed for years, are not parks but actually private land.” With land values climbing, the allure of the development dollar has been overwhelming, and these natural lands are quickly disappearing. She noticed one organization which was doing something about that and wanted to support it.



“TLC strategically buys the really special properties while they are still available. If you want to save land and heritage places in BC, this is the obvious choice,” says Louise.

Louise has donated to TLC since its beginning nearly 10 years ago, but this year she wanted to do more. A new tax incentive announced by the Canadian government in 2006 spurred her into action. Louise discovered from her accountant that she could liquidate a portion of her stock portfolio without having to pay capital gains while making a donation to TLC. This was of particular interest because many years ago, she had purchased publicly listed securities for very little. Over the years the investment had grown to a significant amount. She knew that at some point she was going to have to sell the stock, but worried about what that would do to her income bracket for taxation.

<>Donating the stock to a charity would allow her to receive tax credits based on the value of stock donated, with no income tax implications. Louise was pleasantly surprised to find that donating stocks to TLC was really very easy too. “All I did was make two calls, it was that simple!”

Louise let TLC know her intentions, and then called her broker with the same message. The rest was taken care of by the broker, TLC and TLC’s broker. A charitable tax receipt was issued to Louise based on the value of the stock at the close of the trading day when the transfer was received by TLC’s broker. Louise’s receipt will be used against her income tax this year, and any portion of the gift which has been unused can be carried forward for up to five years.

The new tax laws made a big difference in Louise’s ability to support a group whose work she truly believes in. “I hope that more people take note of this tremendous opportunity. We want to give to organizations that speak to our heart, but it is not always simple to do that. **Donating stock has been the simplest and most tax-smart way to give that I have found.**”

By donating securities (stocks, bonds and mutual funds) directly to TLC, rather than selling and donating the cash value, you can avoid capital gains and save special places including your favourite hiking spots.