



PUBLICLY TRADED SECURITIES

Gifts of securities—that is, gifts of stock, bonds and mutual funds—have become a popular choice for donors who would like to make a gift to Assiniboine Community College. Effective May 2, 2006 the Federal Government eliminated the capital gains tax on gifts of publicly traded securities to charitable organizations. Donors can now donate listed securities to Assiniboine Community College Foundation Inc., obtain a tax-receipt for the market value of the gift and are completely exempt for any capital gains tax. The tax provision applies whether the securities are donated outright, or are donated through a gift in your will.

Most shares are donated electronically from the donor's brokerage to the College's brokerage. Individuals wishing to make a gift of securities are required to sign a simple transfer of securities form authorizing the gift.

Securities must be donated in kind to the College in order to qualify for the tax exemption. It is important that the donor does not first sell the shares and then donate the proceeds.

The table below illustrates the tax benefit of donating shares that were purchased in the year 1996 at a cost of \$2,000 that are currently valued at \$10,000.

Current Securities Value	\$10,000
Cost of Shares	\$2,000
Total Gain	\$8,000
Taxable Gain (50% of \$8,000)	\$4,000
Tax on Gain (25% of \$4,000) but donation eliminates tax on gain	\$0
Charitable Tax Receipt	\$10,000
Manitoba's Tax Credit	46.4% or \$4,640.
Net cost to make the gift	\$5,360.00

If you are considering a gift to the College and you own appreciated securities, please consider the alternative of making your gift in the form of securities. Also, if you are considering selling all or a portion of your investment in securities that has appreciated significantly, you may want to consider donating a portion of the shares to the College. You could use the charitable donation tax-receipt to eliminate the capital gains tax that you would otherwise have had to pay on the rest of the securities you plan to sell.

Some donors who have large capital gains in shares that they may have held for a long period of time may elect to donate the shares, trigger the capital gains exemption, and use the return they receive on their income taxes to repurchase shares in the same company at a higher adjusted cost basis.

The purpose of this publication is to provide general information, not to render legal advice. In addition, any changes in the tax structure may affect the examples listed in this information. You should consult your own lawyer or other professional advisor about the applicability to your situation.

Shape future generations of students; shape your future.



Founded in 1997, the Foundation is a non-profit charitable organization registered with Canada Revenue Agency and provides charitable tax receipts.

For more information on leaving a legacy and the Foundation's Planned Giving Program, please contact Beth Proven at (204) 223-5708.

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assiniboine.net/foundation