

## DONATING SHARES, STOCKS OR MUTUAL FUNDS

### Why donate Securities (shares, stocks or mutual funds)?

If you own publicly traded securities that have increased in value since you purchased them, using them to make your charitable donations is the most tax effective way to give. If you sell the securities, you will pay tax on 50% of the capital gain. If you transfer the securities to a charity - instead of selling them and donating the cash - you will pay no tax on the capital gain. You will receive a charitable receipt for the full market value of the securities on the day the transfer is received by a registered charity like Tearfund Canada.

### What kinds of stocks, bonds or shares qualify?

Any publicly traded security is a stock or bond that trades on a stock exchange recognized by Canada Revenue Agency (CRA). The CRA recognizes the TSX & TSX Venture exchanges in Canada. The New York stock exchange, the AMEX as well as the NASDAQ in the United States, are also recognized by CRA. Many foreign country exchanges also qualify.

Mutual funds are considered publicly traded securities even though they do not trade on stock exchanges and qualify for making in-kind donations.

You can only donate securities that are held in a non-registered investment account. Investments held in a registered account (RRSP or RRIF) do not qualify for these tax savings. Capital gains on investments held in a tax free savings account are already tax exempt, so donating these investments will not generate the same tax savings as donating securities held in a taxable investment account. Always donate the stocks, bonds or mutual funds with the greatest capital gain because this will save you the most tax.

### How Can I donate Shares to Tearfund Canada?

To donate gifts of stock or shares to Tearfund Canada please ask your financial advisor or investment institution to transfer the stocks to Tearfund Canada's account as follows:

Account Name: Tearfund Canada  
Account No: 58764011  
CIBC Investor's Edge  
800 Bay Street, 2nd Floor  
Toronto, ON  
M5S 3A9  
Tel: 1-800-567-3343

Please ensure that your investment institution knows that this is a donation. Attached is a sample letter of direction for your use. Tearfund Canada will only accept publicly traded marketable securities. Our policy is to sell these within five days of receiving them, without restriction.

### How is the donation receipt value calculated?

A receipt will be issued for the value of the securities on the day the transfer is received in Tearfund's brokerage account. The value is determined by the closing price, or the average of the high and low trading price, whichever calculation yields the higher receipt value. For mutual funds, which are priced once a day, the daily closing price is used, provided the transfer is received prior to market close.

When the securities have been transferred to Tearfund Canada's brokerage account, we will place an order to sell them. It can take a few days to several weeks from the time you initiate the transfer until the securities arrive, therefore the amount you are receipted for may be different from the value of the shares on the day you initiate the transfer. Because the market price of the securities fluctuates, the difference between the two numbers is due to the market value changes during the transfer period.

Your donation receipt will show the value of the securities on the day the securities are received in Tearfund Canada's account.

Tearfund Canada Charitable Registration # 10822 2191 RR0001

**LETTER OF DIRECTION**

To:

\_\_\_\_\_  
(Name of Financial Institution)

Address: \_\_\_\_\_

Contact: \_\_\_\_\_ Ph #: \_\_\_\_\_

I/We \_\_\_\_\_ and  
\_\_\_\_\_ (Full names of Transferor(s))

Confirmed with \_\_\_\_\_ that:  
(Name of Financial Institution)

(a) I/We am/are the beneficial owner(s) of the securities described below and wish to donate them effective immediately to Tearfund Canada, a registered charity (Charitable # 10822 2191 RR0001).

Name of Security: \_\_\_\_\_

Number of Shares: \_\_\_\_\_

CUSIP Number: \_\_\_\_\_

(b) The securities are to be deposited to Tearfund Canada’s brokerage account as follows:

Account Name: Tearfund Canada  
Account No: 58764011  
CIBC Investor's Edge  
800 Bay Street, 2nd Floor  
Toronto, ON  
M5S 3A9  
Tel: 1-800-567-3343

Tearfund Canada  
310-600 Alden Road  
Markham, Ontario  
L3R 0E7

X \_\_\_\_\_

X \_\_\_\_\_

(Signature of donor(s) as it appears on account)

Date: \_\_\_\_\_

Note: Please set up either CDS / DTC to deliver to this to Tearfund Fund Investment account.