

## Donations of Stock to WPC

This is a basic description of how you can donate publicly traded stocks to Woodvale. It covers the mechanics of how to transfer the stock, and what you can expect from Woodvale. Procedures to follow when you file your income tax are also covered, however this is not authoritative tax advice.

### **Introduction**

Charities are permitted to issue charitable tax receipts for various types of donated property (gifts in kind) as allowed by Canada Revenue Agency. One form of gift in kind is publicly traded stocks. There are presently attractive tax advantages to this form of donation when capital gains are involved. A good overall description is found at <http://www.carters.ca/pub/bulletin/charity/2006/chylb94.htm>.

From a tax perspective, it only makes sense to donate shares if you will make a capital gain on the disposition of the shares. It is assumed that this is your situation.

### **Procedure for accepting stocks**

1. The shares are transferred to Woodvale by one of several means:
  - Signed stock certificate delivered by hand or mail, or
  - Electronic transfer to our brokerage account. This is the preferred method.

Our Scotia iTrade account number is 557-67277 and is in the name of "Woodvale Pentecostal Church". It is a Canadian dollar account. The following identifiers for the account may be required by institutions that are the source of shares:

- FINS# is T085
- CUID is SCOT
- DTC# is 5011
- Dealer is 9155
- Clearstream # 52065

The charitable registration number of the church is 85246 3124 RR0001.

If you or your broker have questions about Woodvale's account, contact is:

- Stephen Shew, [stephen.shew@sympatico.ca](mailto:stephen.shew@sympatico.ca), 613-599-4186

The following CRA bulletin describes this. [http://www.cra-arc.gc.ca/E/pub/tg/charitiesnews-12/news12-e.html#P115\\_17721](http://www.cra-arc.gc.ca/E/pub/tg/charitiesnews-12/news12-e.html#P115_17721)

2. Please tell Woodvale when you have made the transfer. Otherwise we'll have to wait for a statement from our broker in order to be aware that any stock was transferred.
3. Please tell Woodvale how you want the contribution to be used. For example, 50% to the general fund, 50% to the building fund. You may also specify "where needed most".
4. When we receive the stock, we use the closing price (as published from the stock exchange or obtained from the broker) to determine the valuation for tax receipting purposes. This will show up in the annual receipt we give to you at the end of the year.

When you subsequently file your tax return, you will need to declare the capital gain on Schedule 3 as usual. However the usual inclusion rate of 50% is reduced to 0% using form T1170. The following link explains what to do: <http://www.cra-arc.gc.ca/tax/individuals/topics/income-tax/return/completing/deductions/lines300-350/349/certain-e.html>

The relevant excerpt from it is:

"Completing your Form T1170 and Schedule 3

On Form T1170, Capital Gains on Gifts of Certain Capital Property, report the total of all amounts subject to the 50%, 25% or zero inclusion rate on line 6823 and/or on line 6825, depending on the type of property.

On line 132, line 153, and line 193 of Schedule 3, Capital Gains (or Losses), report the amounts calculated on Form T1170."