

Donating marketable securities to BTBC

- Once you are moved by the Holy Spirit to make financial offering to God at BTBC, you have two options:
 - Cash
 - Marketable securities (e.g. stocks, bonds, mutual funds)
- Federal government provides tax incentive for direct donation of marketable securities – No capital gain tax
- Donation involves transfer of securities to CBOQ
- No minimum amount (\$ value or # of shares) requirement

An example of Gov't Incentives

(illustration purpose, not investment advice)

- Stock with a cost base of \$10/share, now worth \$50.10/share
- Two scenarios of donor's marginal tax rate for illustration purpose:
 - ~30% (over \$44K taxable income, 2014 tax year)
 - ~40% (over \$83K taxable income, 2014 tax year)
- Donor considering offering the worth of 100 shares to BTBC

	Direct by cash		Transfer of Securities	
	30% tax	40% tax	30% tax	40% tax
Market Value of security	5010	5010	5010	5010
Commission to sell	10	10	0	0
ACB (cost) of security	1000	1000	1000	1000
Capital Gain	4000	4000	4010	4010
Capital Gain Tax	600	800	0	0
Net donation	4410	4210	5010	5010
Lost Government incentives to BTBC	600	800		
Donor's income tax credit	1323	1684	1503	2004
Lost in Donor's tax savings	180	320		

CBOQ Process

- Donor transfers securities to CBOQ
 - Fax form to CBOQ, CBOQ's broker and donor's broker
 - CBOQ sells security immediately after transfer is complete
 - No selling cost to donor, CBOQ or BTBC
- CBOQ issues tax receipt (\$ amount = market value at transfer time) and thank you letter to donor directly
- CBOQ issues a cheque to BTBC (\$ amount = market value at selling time)
- CBOQ does not inform BTBC of the identity of the donor
- BTBC records CBOQ donation as “other income”