

**First Edition**

**November 2021**

**Report from the Community Fund**

**The Time is Now**

**To consider making a 2021 charitable donation.**

**One option to consider: a stock/bond transfer to the Fund**

A gift of publically traded securities is the transfer of ownership of stocks or bonds to the Hornby Island Community Fund, a fund within the Comox Valley Community Foundation.

Donating appreciated securities to the Hornby Community Fund allows you to eliminate capital gains tax and receive an immediate tax receipt for the market value of the securities.

An explanation excerpt from the Vancouver Foundation:

**Donor Benefits**

With a gift with securities, you receive an immediate donation receipt for the fair market value of the security, generally determined as the last quoted trading price on the day the gift is received by Vancouver Foundation. In addition, you receive favourable reductions in capital gains taxation. As well, gifts can be given during your lifetime or after, through your estate.

**Here’s an example of how it works:**
Let’s say you purchased common shares in ABC Company for a cost of $1,000. If the current market value of those shares has increased to $10,000, you would have a capital gain of $9,000. If you **sell those appreciated shares and donate the cash proceeds to Vancouver Foundation**, you’ll owe tax on 50% of the capital gain. But when you **donate and transfer the shares directly to Vancouver Foundation**, you owe no capital gains tax and you’re able to receive a charitable tax receipt for the full value.

Here are some approximate figures to illustrate the point:



1. *This assumes a 44% marginal tax rate. For calculating capital gain tax, this rate is applied to 50%*
2. *$8,020 represents the full value of $10,000 donation minus estimated capital gain tax of $1,980.*
3. *Charitable donation tax credits in BC for 2015 on donation amount after tax.*
* *Note: These are general figures for the purpose of illustration and do not constitute legal or financial advice. We encourage you to seek professional legal and/or financial advice before deciding on your donation to charity of the capital gain.*

By donating shares directly instead of selling and donating the cash proceeds, you can create a win/win situation.

**Thank you to all the Friends of the Fund**

To all the civic minded donors and raft of volunteers who help with events and fundraising, and to our host organization – the Comox Valley Community Foundation.

Together we are making a difference in our community.

If you, or someone you know, might be interested in serving, as a fund raiser, Board member, or a patron, please talk to one of our Board members, or check our website: [www.hornbycommunityfund.org](http://www.hornbycommunityfund.org)

Hornby Community Fund Board:  **Doug Bouey, Brenda Cha, April Lewis, Angie Read, and Karen Ross**