[First Name Last Name]

[Address]

[City] [Zip] [Postal Code]

[City], on [day month year].

**Subject: The gift of securities, a tax advantage.**

[Mrs. OR Mr. OR Hello],

[Name of organization] wishes to express our deepest appreciation for the generosity you have shown towards our cause over the past few years. Thanks to your contribution, we will be able to [describe the organization's mission].

In order to encourage your commitment, we feel it is important to share with you some financial tips that could optimize your gesture from a tax standpoint. Did you know that donating securities could save you taxes? Here is an example of a scenario illustrating the tax advantage of an in-kind donation over a donation from the proceeds of the sale of a security:

*\*50% tax rate. 50% tax credit (Based on the 2021 marginal tax rate for an individual in Quebec with an income above 109,755$, please note that tax rates and tax credit vary according to your own tax situation) For more information, click* [*HERE*](https://assets.kpmg.com/content/dam/kpmg/ca/pdf/tnf/2021/ca-make-your-2021-charitable-gifts-go-further.pdf) *and* [*HERE*](https://www.canada.ca/en/revenue-agency/services/tax/individuals/topics/about-your-tax-return/tax-return/completing-a-tax-return/personal-income/line-12700-capital-gains/completing-schedule-3/determining-your-taxable-capital-gains-losses/gifts-publicly-traded-shares-stock-options.html)*.*

|  |  |  |
| --- | --- | --- |
|  | **Option 1**  **Donation of $10,000**  **Proceeds from the sale of shares** | **Option 2**  **Donation of shares** |
| Proceeds of sale | 10 000$ | 10 000$ |
| Adjusted cost base | 2 000$ | 2 000$ |
| Capital gain | 8 000$ | 8 000$ |
| Taxable gain (50% of $8,000) | 4 000 $ | 0 |
| Tax on gain (50% of $4,000) | - 2 000$ | 0 |
| Tax credit (50% of $10,000) | 5 000$ | 5 000$ |
| Tax gain ($5,000 - $2,000) | 3 000$ | 5 000$ |
| Cost of donation | 7 000$ | 5 000$ |

If you hold securities (stocks) or funds in a non-registered account, you may be able to achieve significant tax benefits by donating your securities. A discussion with your accountant or investment advisor will provide you with more information on this subject.

Thank you in advance for your generosity and do not hesitate to contact us for more information

*[signature]*

[First Name Last Name ]

[Title]

[Name of organization]

[Address]