

Accounting for Non-Cash Gifts to the Anglican Church

The information in this document does not constitute legal or financial advice and should not be relied upon as a substitute for professional advice. Donors are encouraged to seek professional legal, estate planning, and financial advice before deciding on a course of action. The examples given are general and reflect conditions at the time of writing and are subject to change.

Listed Securities

When donors make an outright gift of **listed securities** (such as shares, bonds, bills, warrants, debentures, futures, and mutual fund units), they receive a special tax benefit (effective with the May 2, 2006 Federal Budget): they will not be taxed on *any* portion of the capital gain. They will receive a donation receipt for the *full* amount of the gift of listed securities.

The donor can specify what the gift is to be used for – for example, for a named parish, for a diocesan program or activity, or for future use through the Anglican Church Ministries Foundation (Niagara).

In Niagara the Anglican Church Ministries (ACM) Foundation exists to invest, manage and deploy financial resources for future ministry in Niagara. It is the policy of both the Anglican Diocese of Niagara and the Anglican Church Ministries Foundation, unless otherwise instructed in unusual circumstances, to immediately sell any gifts of securities and invest the cash proceeds as directed by the donor.

The Diocese of Niagara has an account with the Burlington office of CIBC Wood Gundy to receive gifts of securities on behalf of parishes, the ACM Foundation, or the diocese. The details are as follows:

CIBC Wood Gundy (receiving Institution information below)

Account Name: The Synod of The Diocese of Niagara

Account Number: 4560182810

FINS# T079

DTC# 5030

Dealer 9280

Investment Advisor: Michael Hendershot

CIBC Wood Gundy

277 Lakeshore Road East

Oakville, Ontario

L6J 1H9

Phone: 888-633-9316

Fax: 905-337-5448

E-mail: michael.hendershot@cibc.ca

To facilitate the transfer, donors should inform both Mr. Hendershot and the Synod Finance Office (Jody Beck, (905) 527 1316, joanna.beck@niagara.anglican.ca) of their actions and intentions.

Example,

A donor arranges to give 250 shares of Company X to the Diocese of Niagara. She stipulates that the gift is to be shared equally by her Parish and the Preserve to Serve Endowment Fund.

The amount on the tax receipt is based on the value of the shares at the close on the day the shares are received by CIBC Wood Gundy (e.g. \$40.20).

The shares were sold immediately for \$40 per share less broker's fees of \$150.

The gross proceeds of the transaction were $250 * \$40 = \$10,000$.

The net proceeds of the transaction were $(250 * \$40 - \$150 = \$9,850)$.

The donor receives a tax receipt for $250 * \$40.20 = \$10,050$.

The parish, in this specific example, receives a gift of \$4,925 and the Preserve to Serve Endowment Fund receives a gift of \$4,925.

The Donor receives a tax receipt from the Diocese of Niagara for \$10,050; the full amount based on the closing value for the day the shares were received by CIBC Wood Gundy.

Other **Gifts of Property and Gifts of Residual Interest** can have complex tax implications. Please consult a Tax Specialist to determine the Tax consequences of donation of properties.

For more detailed information contact:

Jody Beck

Anglican Diocese of Niagara

(905) 527-1316

joanna.beck@niagara.anglican.ca

or

Jim Newman, Stewardship Consultant

Anglican Diocese of Niagara

(905) 527-1316

jim.newman@niagara.anglican.ca
