



# Donation of securities

A philanthropic  
development tool  
for NPOs



**Jean-Philippe Bernard, FCSI®, CIM®**

Wealth Advisor  
Portfolio Manager



**NATIONAL BANK  
FINANCIAL**  
WEALTH MANAGEMENT

**BERNARD** | FINANCIAL  
GROUP

# Our team

- › **More than 50 years** of accumulated experience in the financial sector
- › **CIM Portfolio Manager:** Our investment management expertise at your fingertips
- › Nearly **300 clients** including **70 NPOs** (See NPO offer and testimonials)
- › Our dual expertise: **NPOs and officers/directors**



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Wealth Advisor and Portfolio Manager  
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Jean Philippe has been with the National Bank since 1998. He has been working with NPOs, associations, entrepreneurs and professionals since 2003, so he knows their business dynamics well. He will be able to provide sound advice for your financial management.



**Francis Martin**  
Wealth Associate  
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Francis joined National Bank Financial in 2016 and most recently worked under the umbrella of 1859 Private Banking. He excels at dealing with clients on a daily basis and provides outstanding client service.



**Olivier Babineau-Jacques, CIM®**  
Investment Analyst  
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National Bank Financial in 2016, Olivier excels at dealing with clients on a daily basis. His deep dedication ensures outstanding customer service. Having worked with NPOs, associations, entrepreneurs and professionals for more than 6 year, he knows their specific business dynamics well.



**Éric Harvey**  
Financial Security Advisor  
National Bank Insurance Firm<sup>1</sup>

Éric and his team will advise you on your group insurance program for your employees and offer you interesting solutions for your planned giving program.

**National Bank Financial – Wealth Management** 1, Place Ville-Marie, suite 1700, Montreal, Quebec, H3B 2C1

1. Insurance products and services are provided by National Bank Insurance Firm Inc. CABN is not a member of the Canadian Investor Protection Fund (CIPF). Insurance products are not protected by CIPF.

# Donation of publicly traded securities

(including segregated or pooled funds)

- › The government has made it particularly attractive to donate publicly traded shares by **eliminating the capital gains tax**.
- › The operation usually consists of a simple electronic transfer of shares, carried out by a consultant.
- › **Benefits:** Immediate receipt for a donation equivalent to the fair market value (FMV) of the shares.

# Example / Donor wishes to make a donation of \$10,000

Option 1 Gift of \$10,000 Proceeds from the sale of shares		Option 2 Donation of shares
Proceeds from sale	\$10,000	\$10,000
Capital gains	\$8,000	\$8,000
Taxable gains (50% of \$8,000)	\$4,000	0
Tax on gains (45% of \$4,000)	\$-1,800	0
Tax credit (45% of \$10,000)	\$4,500	\$4,500
Tax gains \$4,500 – \$1,800	\$2,700	\$4,500
Cost of donation	\$7,300	\$5,500

Fair market value of shares	\$10,000
Base price of the shares	\$2,000
Tax rate (hypothetical combined rate)	45%
Receipt for donation	\$10,000
Tax credit (45%)	\$4,500

# Benefits and features

Benefits – Organizations	Benefits – Donors	Eligible Assets	Donors –Types
<ul style="list-style-type: none"><li>› Immediate use</li><li>› Liquidity</li><li>› Low risk</li><li>› Generally simple and inexpensive operation</li></ul>	<ul style="list-style-type: none"><li>› Receipt for fair market value</li><li>› No capital gains tax</li><li>› Satisfaction of seeing the donation used immediately</li></ul>	<ul style="list-style-type: none"><li>› Shares</li><li>› Bonds</li><li>› Mutual funds units</li><li>› Employee Share Ownership Plan Units</li></ul>	<ul style="list-style-type: none"><li>› Holders (of any age) of eligible securities who can afford to forgo those securities and the interest or dividends they would earn</li></ul>

# Our guidance



- › Reception of the securities in the organization's account and notification sent to the client;
- › Sale - without commission - of the securities received (certain conditions apply);
- › If desired, after the sale, transfer of the amount to your bank account;

# «Your **organization** has a unique reality»

It is with a tailor-made strategy  
that it will best respond to its mission

[Tell us about your organization](#)

« Turnkey tools at  
your disposal »



# Donation of securities – Letter and form

[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 are more details:

	Option 1 Donation of \$10,000 Proceeds from the sale of shares	Option 2 Donation of shares
Proceeds of sale	10 000\$	10 000\$
Capital gain	8 000\$	8 000\$
Taxable gain (50% of \$8,000)	4 000 \$	0
Tax on gain (45% of \$4,000)	- 1 800\$	0
Tax credit (45% of \$10,000)	4 500\$	4 500\$
Tax gain (\$4,500 - \$1,800)	2 700\$	4 500\$
Cost of donation	7 300\$	5 500\$

\*45% tax rate. 45% tax credit

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]

## Donation of a publicly traded security to your organization's name

Thank you for your valuable support to your organization's name by donating securities. The transfer of securities (stocks, bonds and mutual funds) is a simple process through which you could realize significant tax savings.

### 1. Donor Information

Name \_\_\_\_\_  
Address \_\_\_\_\_  
City \_\_\_\_\_ Prov. \_\_\_\_\_ Postal Code \_\_\_\_\_  
Phone Number \_\_\_\_\_ Email \_\_\_\_\_

### 2. Broker Information

Name of the firm \_\_\_\_\_  
Name of the broker \_\_\_\_\_  
City \_\_\_\_\_ Prov. \_\_\_\_\_ Postal Code \_\_\_\_\_  
Phone Number \_\_\_\_\_ Email \_\_\_\_\_  
Fax \_\_\_\_\_

### 3. Securities to be transferred

Originating account number \_\_\_\_\_  
Quantity \_\_\_\_\_ parts of \_\_\_\_\_ description \_\_\_\_\_  
Quantity \_\_\_\_\_ parts of \_\_\_\_\_ description \_\_\_\_\_

### 4. Depositary of securities transferred in kind

Investment account of your organization's name \***xxx-xxxx-x**

National Bank Financial

DTC BrokerCode XXXXX CUID NBCE

XXXXX EUROCLEAR No. XXXXX XXXX

I authorize this transfer as a charitable donation to your organization's name. I agree that your organization's name, or its agent, may contact my broker for transactional purposes.

Donor/client's signature \_\_\_\_\_ Date \_\_\_\_\_

Additional comments or instructions:

### Your donation receipt

- The value of your donation receipt is calculated based on the closing price of the securities on the day the National Bank Financial custodian acknowledges receipt.
- Exception—Transfers from an estate: Please contact your organization's representative regarding the valuation of securities.

- Please complete this form. The information requested are necessary for the transfer, follow-up and issuance of receipts.
- Send this form to your broker. Your broker will make the necessary arrangements for the transfer of the securities to the investment account of your organization's name.

Your organization's  
logo

Your organization's name cannot initiate the transfer. If you are not dealing with a broker, please fax this form directly to your investment institution.

- Send a copy of this form to the Foundation's broker (or ask your broker to do so):  
Jean-Philippe Bernard  
National Bank Financial  
Management of account transfers  
1010, rue De La Gauchetière Ouest  
Mezz. 100  
Montreal, Quebec H3B 5J2  
Fax: 514 375-3510
- Send a copy of this form to your organization's name (or ask your broker to do so) so that we are able to issue a receipt for your donation.

### Name of your organization\*

General Manager  
Telephone: xxx  
Cellular: xxx  
Email: xxx  
Fax: xxx

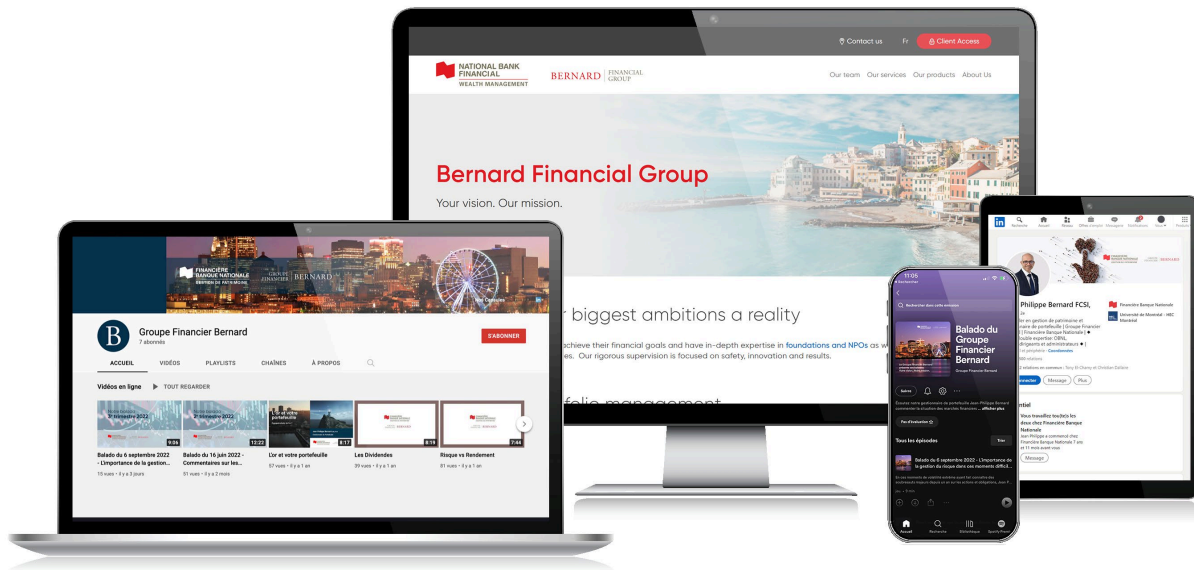
Your support is invaluable to us and we thank you from the very heart for helping us to help us in the mission of your organization.

Digital signature

The charity registration number of your organization's name is the number of your organization.

Send us an email to receive the  
editable Word version  
[olivier.babineaujacques@bnc.ca](mailto:olivier.babineaujacques@bnc.ca)

# Keep in touch



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Jean-Philippe Bernard



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