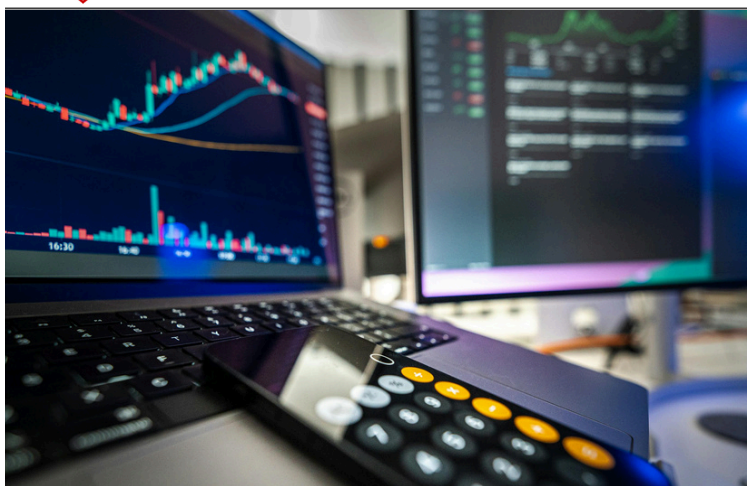




GIFTS OF SECURITIES



The Salvation Army British Columbia Division

The Salvation Army
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Give Back to Your Community – and Lower Your Taxes.

People who own stocks, bonds or mutual funds are pleased when their investments increase in value. Unfortunately, when these investments are eventually sold for cash, the resulting capital gains tax amount can be higher than expected. By donating your publicly traded securities directly to The Salvation Army, you can eliminate the capital gains tax on any increase in value.

The Salvation Army will issue a charitable tax receipt for the full fair market value of the transferred securities on the date they are received into our account.

This tax receipt:

- Helps you reduce the amount of tax you pay on your income.
- May be carried forward if your donation exceeds your annual limit and used in any of the next five years.
- May help reduce the taxes on your estate in the year of your death and allow more of your estate to go to your beneficiaries.

Donations of employee stock options.

Many employees of public companies are partly compensated with options to purchase their employer's stock at a discount. Donations of public company stock purchased through these plans receive the same tax treatment as gifts of public securities. Arrangements for transfer of company stock are usually made through the employee's benefits plan administrator.

Please contact The Salvation Army before you donate securities.

We will provide you and your broker with the information needed to complete the stock transfer and take full advantage of the available capital gains tax exemption.



GIFTS OF SECURITIES

EXAMPLE

A donor in a 50% tax bracket plans to donate \$10,000 to The Salvation Army.

The securities originally cost \$2,000 and are now valued at \$10,000. Let's compare the following two scenarios when the donor:

(A) sells the stock and donates the proceeds.

(B) transfers \$10,000 worth of stock directly to The Salvation Army.

Description	A	B
Value of Shares (A)	\$10,000	\$10,000
Cost Base of Shares	\$2,000	\$2,000
Capital Gain	\$8,000	\$8,000
Capital Gain Inclusion Rate	50%	0%
Taxable Capital Gain	\$4,000	nil
Tax on Capital Gain (B)	\$2,000	nil
Donation Tax Credit (D)	\$5,000	\$5,000
Net Tax Savings (D-B=F)	\$3,000	\$5,000
Net After-tax Cost of Donation (A-F)	\$7,000	\$5,000

In this example, the donor saves \$2,000 in tax if the securities are transferred directly to The Salvation Army instead of selling the shares and then making a cash donation of the same value.

Always seek professional advice.

We encourage you to seek independent financial or legal advice before finalizing a legacy gift to The Salvation Army.



Why I donated stocks

"I have been supporting The Salvation Army for over 50 years because of my great admiration for the work they do. They are available to help people in need, at any time... so I have decided to increase the amount I give them. I spoke with my accountant and decided to donate some of my common shares.

This makes good sense all around, since I don't have to pay capital gains tax on these shares, and The Salvation Army gets full credit for their entire value, to help them continue their good works. I hope others share in my desire to help out The Salvation Army - they are so worthy of our support."

- Mr. W. Charron

JOIN THE CIRCLE OF HOPE

The Circle of Hope consists of caring individuals who have made a lasting gift to The Salvation Army. Join the Circle of Hope and you'll receive:

- Personalized recognition that suits you.
- Invitations to special Salvation Army events.
- A personal tour of our facilities or programs.

If you have already remembered The Salvation Army in your will or have made another type of lasting gift, please contact your **Gift Planner**.



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