

Example 1: Donation of cash

Donation of \$10,000 cash

	Donation	Federal Credit	Alberta Credit	Total
First \$200	200	30	20	50
In excess of \$200	9,800	2,842	2,058	4,900
Total:	<u>10,000</u>	<u>2,872</u>	<u>2,078</u>	<u>4,950</u>

Net cost to donor:

Cash donation	10,000
Tax saving	<u>(4,950)</u>
Net cost to donor	<u>5,050</u>

Benefit to charity: 10,000**Example 2: Sale of security purchased for \$5,000 and trading at \$10,000 and donate net proceeds**

Step 1: Sale of security

Proceeds on sale	10,000
Tax on gain (presuming top marginal tax rate)	<u>(975)</u>
Proceeds after tax	<u>9,025</u>

Step 2: Donation of proceeds after tax (i.e. \$9,025)

	Donation	Federal Credit	Alberta Credit	Total
First \$200	200	30	20	50
In excess of \$200	8,825	2,559	1,853	4,413
Total:	<u>9,025</u>	<u>2,589</u>	<u>1,873</u>	<u>4,463</u>

Net cost to donor:

Value of security donated	10,000
Tax saving	<u>(4,463)</u>
Net cost to donor	<u>5,538</u>

Benefit to charity: 9,025**Example 3: Sale of security purchased for \$5,000 and trading at \$10,000 and donate net proceeds**

Step 1: Sale of security

Proceeds on sale	10,000
Tax on gain (presuming eligible security)	<u>-</u>
Proceeds after tax	<u>10,000</u>

Step 2: Donation of proceeds after tax (i.e. \$10,000)

	Donation	Federal Credit	Alberta Credit	Total
First \$200	200	30	20	50
In excess of \$200	9,800	2,842	2,058	4,900
Total:	<u>10,000</u>	<u>2,872</u>	<u>2,078</u>	<u>4,950</u>

Net cost to donor:

Value of security donated	10,000
Tax saving	<u>(4,950)</u>
Net cost to donor	<u>5,050</u>

Benefit to charity: 10,000

Note: The actual tax savings could vary depending on the personal tax circumstances of the donor, and should be confirmed by the donor's tax advisor.