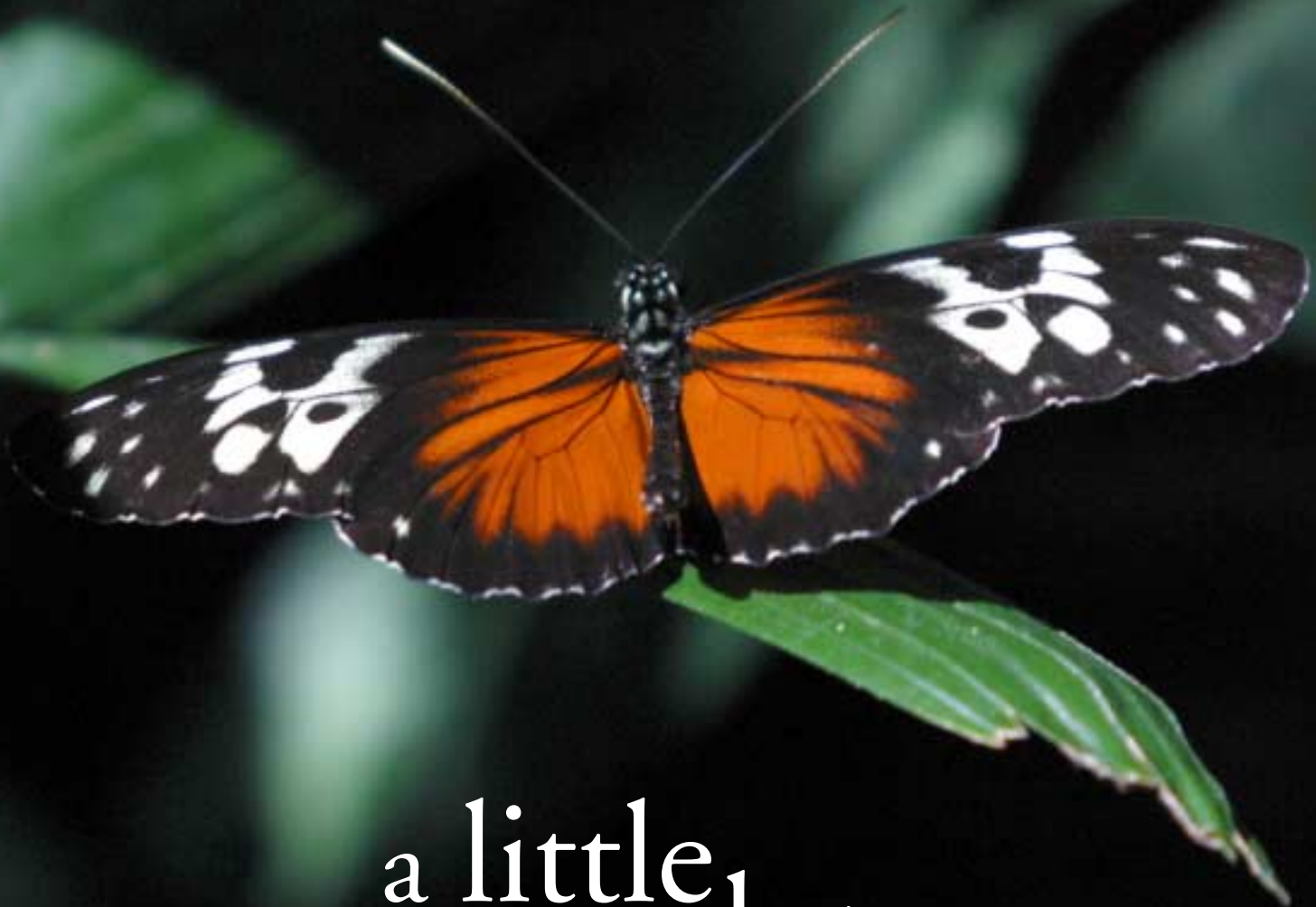


Outright Gifts



a little
means a lot



CAMPBELLFORD/SEYMOUR
COMMUNITY FOUNDATION

a living legacy rooted in the community

Outright Gifts

When a donor makes an "outright gift" of cash or property to the Campbellford/Seymour Community Foundation, every dollar goes to work the moment it is given, providing vital current support to local programs and/or building endowment funds (and generating ongoing endowment income). An outright gift gives our donors the satisfaction of seeing their gift at work and knowing that lives are being touched right now because they cared.

Acceptable Assets:

- Cash
- Cheques or Money Orders
- Payments on Credit Card
- Pre-Authorized Contributions (PAC), usually paid monthly
- Publicly Listed Securities (including segregated and mutual fund units)

Benefits to the Campbellford/Seymour Community Foundation:

- Available for immediate use
- Highly liquid
- Easy to administer
- Limited to no risk

Benefits to the Donor:

- Donation receipt for the full amount of gift
- Straightforward, easy-to-understand transactions
- Significant tax benefits depending on assets gifted
- Satisfaction of seeing the gift at work immediately

Most Appropriate For:

- Everyone (any age) who can afford to give up some principal and the interest it would otherwise earn.

Common Questions & Answers:

Q: Is an outright gift always made in cash?

A: Not necessarily, but a cash contribution -paid by cheque, money order or credit card- is the simplest way to give. Remember that a cheque or money order is considered to have been given on the day it was mailed, so a gift mailed late in December and received in January can still qualify for a donation receipt in the preceding tax year.

Q: What is the tax benefit of an outright cash gift?

A: Because a donor receives a donation tax credit for their gift, it is worth more than its actual cost. Since a federal tax credit reduces provincial taxes, a donor's combined tax savings could be nearly half of the contribution made.

A donor may claim up to 75 percent of earned income in charitable donations each year. Donations exceeding the limit can be carried forward and claimed on future tax returns for up to five years.

For example, a donor writes a cheque for \$1000 to the Campbellford/Seymour Community Foundation. The net cost of the gift to the donor is only \$550, because the donation receipt for the \$1000 will reduce their personal income tax by \$450 (assuming a combined tax credit of 45 percent).

Q: What is the tax benefit of a Publicly Listed Security?

A: When listed securities (including mutual funds) are contributed to a public foundation, like the Campbellford/Seymour Community Foundation, donors are taxed on only 25 percent of the gain. If those same securities are sold, the owner is taxed on 50 percent of the gain.

NOTE TO READER:

The purpose of this publication is to provide general information, not to render legal advice. In addition any changes in the tax structure may affect the examples listed in this information. Consult a lawyer or other professional advisor about the applicability of this information to your situation.