

Gifts of Cash

A very straightforward way of making a gift to Brock University is by way of cash or cheque. This is an attractive form of gift for the donor who has cash readily available and wants to make an immediate donation. The University is able to invest the donation immediately to generate funds to support charity while the donor enjoys immediate tax savings.

If the donor wishes to liquidate an asset to make the cash gift, the possibility of gifting the asset rather than cash should be considered. There may be tax advantages, particularly with appreciated securities and possibly with other types of assets as well.

With a gift of cash, the donor receives an income tax credit for all amounts up to 75 per cent of net income as defined in the Income Tax Act. For amounts over \$200, the donation reduces tax liability at the full marginal tax rate. The donor may carry excess donations (those not claimed in the current tax year) forward for five taxation years.

In many cases, retired or self-employed persons can obtain immediate benefits by reducing quarterly tax instalments. Employed persons may obtain immediate authorization to reduce employer income tax withholdings.

Since this gift is made prior to death, it does not form part of the "Estate" and is therefore not contestable and does not attract various estate settlement fees.

Two Examples

In the first example, Mr. Roberts has net income of \$1,000,000 and wishes to make a \$500,000 gift to Brock University.

In the second example, the donors, Mr. and Mrs. Kline, have net income of \$60,000 and they are planning on making a gift to Brock University of \$30,000

	Mr. Roberts \$	Mr. & Mrs. Kline \$	
Brock University			
Value Received	500,000	30,000	
Donor			
Donation Receipt	500,000	30,000	
Donation claim limit	750,000	45,000	
Tax Savings	250,000	15,000	
Cost of Gift to Donor	250,000	15,000	

*Note: For illustration purposes, we have assumed the tax credit rate is 50 per cent. All figures are approximate.

