

Canadian Foundation for Geotechnique
Consider Donating Securities Instead of Cash
(Published in Geotechnical News, June 2008)

The Canadian Foundation for Geotechnique (the Foundation) is the primary charitable foundation associated with Canadian geotechnique, and it funds the Canadian Geotechnical Society's awards, prizes and lecture tours. This year, for the first time, the Foundation will also present the *Canadian Foundation for Geotechnique National Graduate Scholarship* at *GeoEdmonton08* in September.

The semi-annual Cross Canada Lecture Tours are typically sponsored by a number of very generous Canadian geotechnical consulting firms. The funding for the other awards, prizes and lectures comes from individual members of the CGS, the local sections and the local organizing committees of the CGS annual conferences.

A change to Canadian tax laws in 2006, has improved the tax benefit for individuals who donate shares, stocks, mutual funds and certain other securities to charitable organizations, such as the Foundation. Donating securities is now more attractive because the individual avoids paying taxes on the capital gains accumulated on the securities and therefore receives a larger tax credit for the donation. The example below illustrates the advantages.

	Pre 2006 change If securities are sold and cash is donated to the Foundation	Since 2006 change If securities are donated directly to the Foundation
A: Current value of security	\$1000.00	\$1000.00
B: Purchase price of security	\$400.00	\$400.00
A-B=C: Capital gain on security	\$600.00	\$600.00
D: Capital gain taxes on C (assuming top Ontario marginal tax rate)	\$139.23	\$0.00
A-D=E: Funds available to the Foundation	\$860.77	\$1000.00
F: Tax credit to donor (46.41% of E)	\$399.48	\$464.10

You can see from the right-hand column that, if the securities are donated directly to the Foundation, the individual pays no capital gains tax and receives a larger tax credit, and more funds are available to the Foundation. A win-win situation!

This method of donation may not be for everyone. Interested individuals should consult with a financial institution or a financial planner to ensure that this strategy is appropriate for their financial situation. And remember, donating securities should not be done solely to reduce taxes. Donating to the Foundation is an act of generosity.

If you are interested in donating securities to the Foundation, contact:

Mr David Harding
Treasurer, Canadian Foundation for Geotechnique
c/o WESA Ltd, 3108 Carp Road
PO Box 430
Carp, ON, K0A 1L0
Tel: (613) 839-3053, ex. 238
Email: dharding@wesa.ca