



Transforming lives for homeless children & their families

## Donation of Appreciated Securities to Charity

Did you know that you can make donations to Family Promise of North Idaho with appreciated investments?

Contributing stocks, bonds, or mutual funds that have appreciated over time has become increasingly popular in recent years, and for good reasons! Most publicly traded securities with unrealized long-term capital gains (meaning they were purchased more than a year ago and have increased in value) may be donated to a public charity, without the need to sell them first. When the donation is made, the donor can claim the fair market value as an itemized deduction (assuming the total of their itemized deductions exceeds the standard deduction) on their federal income tax return. The amount deducted can be up to 30% of the donor's adjusted gross income (AGI).

When the securities are donated, no capital gains taxes are owed because the securities were donated, not sold. The greater the appreciation, the bigger the tax savings will be!

*➤ Excess charitable deductions can generally be carried forward for up to five years. Consult a tax professional regarding your specific tax situation.*

## Sample Request to your Broker

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Please transfer the following 50 shares of XYZ Inc. – (use stock, mutual fund, etc. symbol).

Transfer and deliver free to:

Bank of XXXXX/Broker name

DTC # 1234

For credit to Account # 12345678

In the name of ABC Foundation, Inc.

Tax ID# of (ABC Foundation Inc.)

Account is located at the City and State, Office of Bank of XXX

Account representative: Jane Doe Telephone:

(800) xxx-xxxx

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*➤ It is also helpful to identify the lot that is to be donated to ensure the shares with the lowest cost basis are donated for the largest tax benefit.*

*➤ Tax laws are complex and subject to change. You are encouraged to consult your tax advisor regarding your specific situation and any potential tax benefits of your donations.*