

How to Donate Stock, Mutual Fund Shares, or Other Marketable Securities to the Allegan County Community Foundation

One of the most tax-efficient ways to make gifts or pledges to the Foundation is by means of giving appreciated stock, mutual fund shares, or other marketable investments. The income tax benefits can be substantial. If you donate the actual investment, you receive an income tax deduction for the value of the investment when the gift is complete – and by making such a donation you avoid paying capital gains tax on the appreciation.

For example, let's say you bought JCI stock in 2000 for \$5,000; and the investment is now worth \$10,000. If you want to honor a pledge or make a gift, you could sell the stock for \$10,000, pay the capital gains tax of \$750 (assuming a 15% capital gains tax rate on the \$5,000 gain), and donate the remainder – which would be \$9,250. The amount of **your charitable deduction would be \$9,250**. If you are in the 28% income tax bracket, **your potential tax savings is \$2,590**.

Let's say, instead, you simply donate the actual shares of JCI stock – worth \$10,000, and allow the Foundation to sell the stock. The amount of **your charitable deduction would be the full \$10,000**, resulting in a **potential tax savings of \$2,800**. You save more tax and the Foundation receives \$750 more. Everyone wins!

There are rules that may limit your tax deduction in any given year, so please check with your tax planner before making a substantial gift.

We have set up a brokerage account specifically to receive and sell donated stock, mutual fund shares, or other marketable investments. If you are in possession of physical certificates, please contact Pam Dolezan at Chemical Bank (269) 983.3992 to arrange for delivery. If your holding is with an investment firm, please provide your investment firm instructions to transfer the investment using the following information:

PARTICIPANT ID (DTC#): 2039
AGENT BANK ID: 94952
INSTITUTION ID: 95353
AGENT INTERNAL ACCOUNT NUMBER: 11241
INTERESTED PARTY: 52587
INTERESTED PARTY ACCOUNT NUMBER: 616153011

Please furnish advance notice for all deliveries of gifts to the contact listed above. Please identify the Fund the donation is to be allocated to as well as your name and contact information (unless anonymity is requested). This is necessary to ensure immediate identification and notification of gifts to the Foundation. For tax purposes, the Foundation will prepare a letter of acknowledgement to document your gift. *Thank you.*

www.alleganfoundation.org