

Gifts of Stock-Points of Consideration

Advantages of Appreciated Stock held for a minimum of 1 year

- Avoid capital gains tax on the increase in value.
- Receive an income tax deduction for the full Fair Market Value (FMV is the current value of the stock on the Date the Gift is made and NOT the original basis which is the amount you paid to purchase the stock).

Example: If you purchased some stock many years for only \$1,000 and it is now worth \$10,000, an outright gift of stock to Blue White Scholarship Foundation would result in a charitable contribution deduction of \$10,000. In addition, there would be no tax on the \$9,000 appreciation.

Gifts of appreciated stock are fully tax deductible-up to a maximum of 30% of your adjusted gross income. For example, if your adjusted gross income for this year is \$100,000, up to \$30,000 of long-term appreciated stock and other property gifts may generally be deducted this year. Any excess can generally be carried forward and deducted over as many as five subsequent years.

How to Give a Gift of Stock

If your stock is held in a brokerage account, ask your broker to contact us about opening a temporary account so that the stock may be transferred to BWSF to complete the donation. The procedure for donating stock through your broker is as follows:

- The broker deposits the stock in an account in the Foundation's name.
- The broker calls BWSF for instructions on disposition of the stock. (NOTE: you as the donor must not direct the broker to sell or hold the stock after the transfer has been authorized to gift the stock to BWSF. Stock sold by a donor for BWSF is treated as a cash gift, and the donor is liable for any capital gains tax incurred.)

Stock transfer instructions- Ask your broker to transfer or

If you hold the stock certificate, mail it to BWSF using the following procedure:

- Mail the unendorsed certificate to BWSF attn.: Executive Director.
- Send by CERTIFIED MAIL.
- In a separate envelope, mail a signed stock power form, with your signature guaranteed by a commercial bank or brokerage firm, by ordinary first-class mail, to the same address as the certificate. Stock power forms can be obtained from your bank or brokerage firm.

Valuation Basis for Gifted Stock

The value of a gift of publicly traded stock is based on the average of the high and low share prices on the date of the gift. The valuation date depends on the method of transfer.

If you mail the stock certificate and stock power form in separate envelopes, the later of the two postmarks on the envelopes determines the date of the gift.

If your broker transfers the stock to the Foundation's account, the date of the gift is defined as the date on which the stock entered the BWSF account.

