



## Gifts of Publicly Traded Securities

**Stock shares, mutual fund shares, and bonds are examples of securities.**

**Due to tax advantages over cash, securities are a popular asset for funding charitable gifts.**



### **Why should I consider a gift of securities?**

If your securities holdings have appreciated in value, you may have an opportunity to avoid capital gain tax that would be applied to the appreciation when the securities are sold. You may also earn an income tax charitable deduction for the full market value of the securities. In a sense, the IRS pays for a portion of your gift!

#### **Opportunity:**

Gift to the Foundation of stock shares valued at \$5,000  
Purchased several years ago for \$1,000

#### **Result:**

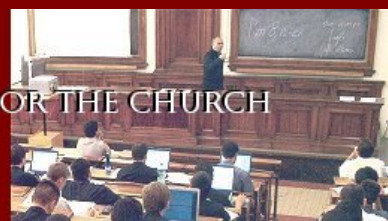
Capital gain tax avoided: \$600  
Savings from income tax charitable deduction (35% combined tax bracket): \$1,750  
Actual "cost" of \$5,000 gift: \$2,650

The income tax charitable deduction for the shares given to the Foundation can partially or entirely offset the capital gain tax due on other shares you sell.

### **Can I also earn income payments from my gift?**

A variety of charitable life income arrangements give you the opportunity to make a gift to the Foundation while retaining a stream of income for yourself or someone else. By funding a life income arrangement with appreciated securities, you may benefit from avoiding or deferring the capital gain taxes that you would otherwise pay. Some alternatives allow you to "lock in" an income that is no longer dependent on fluctuations in the securities markets. Because some of the financial benefit is returned to you as income, the income tax charitable deduction will be less than for an outright gift of the securities.

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### **What if my securities declined in value?**

One option is to sell the securities, enjoy a potential income tax deduction for the capital loss, and give the cash proceeds to the Foundation. An income tax charitable deduction is generally available for the charitable gift.

### **What if I want to continue investing in the security?**

You may still benefit by making a gift of the security and then repurchasing additional shares with the cash you were contemplating giving to the Foundation. You may avoid the capital gain tax on the charitable gift, yet continue to hold new shares that have a higher cost basis (purchase price). When you eventually sell the new shares, you'll benefit from less taxable capital gain – or a greater tax deductible loss if the value decreases.

### **How can I make a gift of securities to the Gregorian University Foundation?**

If the securities are held in “street name” or electronically in your brokerage, bank, or other account, contact the Foundation office for a securities transfer letter of instruction that can be presented to your account representative. The letter includes all the information needed to process the transfer. Make sure you notify the Foundation office of the gift and intended designation for use of the gift; otherwise, we may not be able to identify the purpose or donor of the securities.

*Warning: If your account representative sells the securities before transferring them, you may end up paying capital gain tax that you expected to avoid. Give clear instructions to transfer, not sell, the securities.*

If you are holding the securities as certificates, contact the Foundation office for a “stock power” form (your account representative may provide one). Sign the stock power but do not enter other information or dates; Foundation staff will enter that information based on the date we receive the documents. Then mail the certificates in *separate envelopes* to the Foundation office (address below).

### **How can the Gregorian University Foundation be of assistance?**

Charitable planning is a highly specialized skill. We have staff specialists and resources available to support both your investigation and implementation of gift planning techniques. Our services are professional, confidential, collaborative and provided without cost or obligation. We encourage you to call on us to assist you, your family and advisors in exploring charitable opportunities in estate and financial planning.

## **Gregorian University Foundation**

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