

Changing Lives FOREVER



Gifts of Stocks, Bonds and Mutual Funds

If you own publicly traded securities or mutual funds that have increased in value, you may want to consider donating a portion or all of those assets directly to CapitalCare Foundation. A gift of appreciated securities can, in most cases, be more cost effective than making an equal gift of cash. By donating the securities you eliminate the capital gains tax that would ordinarily become due if you had sold the appreciated securities on the open market and donated the proceeds from the sale to charity.

Tax Benefits

Normally, when an individual disposes of an appreciated asset, this will trigger a tax on 50% of the capital gain attributed to that asset. The term “disposes of” includes either selling that asset or giving it away. The exception to that rule happens when an individual makes a gift of appreciated publicly-listed securities to a registered charitable organization such as CapitalCare Foundation.

A word of caution — for that to happen, the stock itself must be donated and delivered (either electronically or in paper form) directly to CapitalCare Foundation or other registered charity in order to avoid having to pay capital gains tax brought about by the donor disposing of that asset.

The donor of such a gift will receive a charitable tax receipt for the fair market value of the shares on the day of transfer. That tax receipt can be used to offset taxes owing on up to 75% of your net income in the year the gift is made and any unused portion of that tax credit can be carried forward and used up over the next five years.

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Gifts of Stocks, Bonds and Mutual Funds *continued*

Transfer of Stock

When making a gift of securities, you should decide which securities or mutual fund holdings you wish to donate. In many cases this would be the most highly appreciated stocks in your portfolio. You would then instruct your broker to transfer the shares electronically or you could endorse the paper share certificates and forward them to CapitalCare Foundation. Most brokers want instructions for a charitable transfer of stock in writing. To simplify this process, CapitalCare Foundation has developed a Share Transfer Form for your convenience. Once the transfer has been completed, you will receive a tax receipt based on the closing value of that security on the date they are received in the CapitalCare Foundation's brokerage account. Please contact us in advance so that we may provide you with all the necessary information your broker will require to facilitate a smooth and prompt transfer.

Process

For further information, please contact Sherry Schaefer at 780-448-2430.

