



## Contributions of Stock

Thank you for considering the donation of your appreciated stock (or other property) to St. Paul's Church. We wish to provide you with some general information concerning the treatment of donated, appreciated stock (or other property). We recommend that you consult with your accountant or attorney before making your contribution so that you are ensured of the highest benefit under today's tax laws.

The primary benefit of giving appreciated stock (or other property) is that the Church is able to receive the stock's full value without reduction for the payment of taxes on the stock's capital gains. Since the Church is a qualified, public charity (under Internal Revenue Code 501(c)(3)), the Church does not pay taxes on the receipt of appreciated stock (or other property). This means that if the stock's value is \$1,000, the Church will receive the full \$1,000 in value notwithstanding that capital gains would normally have applied had the stock been sold rather than gifted to the Church.

An added benefit is that upon making a gift of appreciated stock (or other property) you generally will not recognize any gains or incur any tax liability on the transfer of such property to St. Paul's Church. For example, if \$1,000 of Yahoo stock is contributed (for which you paid \$20), the gain of \$980 that would have been recognized had you sold the stock is ignored if the stock is gifted to St. Paul's Church. As before, there are a certain, limited exceptions to this rule, and we suggest that you consult with your accountant or attorney to determine whether an exception may apply in your situation.

And finally, a gift of appreciated stock (or other property) will generally allow you to deduct the full fair market value of the stock (or other property) against your income taxes. For example, if publicly traded stock is contributed, the mean average (the average of its high and low values on the date of contribution) will be the amount of the allowable, charitable deduction. St. Paul's status as a qualified public charity allows the highest eligibility for deductions against individual income taxes. Depending on your individual tax situation, you may be able to fully recognize – as a deduction against taxes – the full value of the appreciated stock. There are limitations to how much of the deduction will be recognized in the year of the gift. If a limitation on recognition applies, the donor is nonetheless able to carry forward the unused portion of the charitable donation for five years as a deduction against future taxable income. There are also available to the donor alternative methods to calculate the deduction of the appreciated stock. As before, it is important that you consult with your accountant or attorney to determine which method is best for you.

In summary, the gift of appreciated stock (or other property) is really three gifts in one: (1) the Church receives the full value of the stock without reduction for taxes; (2) no capital gains are recognized by you on the transfer of the stock; (3) you receive a valuable tax deduction for the gift of the stock.

If you wish to make a donation of stock, ask your broker to transfer the stock to St. Paul's Episcopal Church in Burlingame through:

Vanguard Brokerage Services St. Paul's account #6582 8980

DTC # 0062

St. Paul's Federal Tax ID number: 94-116-0945

It would be very helpful if you would notify St. Paul's Bookkeeper about an impending stock transfer since it is rare that the stock transfer includes the name of the giver. This will ensure that your gift of stock gets credited properly. St. Paul's Bookkeeper can be reached at (650)348- 4811 ext. 5 or by email at [finance@stpaulsburlingame.org](mailto:finance@stpaulsburlingame.org). Thank you!