

## Donate Appreciated Long-Term Securities to the Transforming Center

Transforming Center donors are always looking for ways to make their charitable dollars go farther and make more of a difference. Donating long-term appreciated securities directly to the Transforming Center — rather than selling the assets and then donating the cash proceeds — is one of the best and easiest ways for donors to give more.

### One of the most tax-efficient ways to give

By taking advantage of the applicable tax incentives, donors can significantly increase the amount of funds available to them for giving to the Transforming Center. A contribution of long-term appreciated securities — i.e. stocks, bonds and/or mutual funds that have realized significant appreciation over time — is one of the most tax-efficient of all ways to give.

### The two key advantages

Any long-term appreciated securities with unrealized gains (meaning they were purchased over a year ago, and have a current value greater than their original cost) may be donated to the Transforming Center and a tax deduction taken for the full fair market value of the securities (up to 30 percent of the donor’s adjusted gross income).

Since the securities are donated rather than sold, capital gains taxes from selling the securities no longer apply. The more appreciation the securities have, the greater the tax savings will be.

### Donating Appreciated Securities: A Win-Win for Donors and the Transforming Center Alike<sup>1</sup>

The table below illustrates potential tax savings for a direct donation by a donor in the 33% tax bracket of a long-term appreciated security with a cost basis of \$1,000, and a value of \$5,000:

	Donate Stock directly to the TC	Sell securities and then donate cash proceeds to the TC
Current fair market value of securities	\$5,000	\$5,000
Capital gains tax paid (20%)	0	-800
Charitable Deduction	\$5,000	\$4,200
Value of Charitable Deduction Less Capital Gain Taxes Paid	\$1,650	\$586

<sup>1</sup> This is a hypothetical example for illustrative purposes only. State and local taxes, the federal alternative minimum-tax and limitations to itemized deductions applicable to taxpayers in higher-income brackets are not taken into account. Please consult your tax advisor regarding your specific legal and tax situation. Information herein is not legal or tax advice.

## How to Make a Gift of Securities to The Transforming Center

(Please note: the Transforming Center has a *sell immediately* policy regarding gifted securities.)

### 1. If your securities are held in an account:

- a. Ask your broker to make an electronic transfer of the securities to The Transforming Center's account, as follows:  
UBS Account # HB 51425  
UBS DTC # 0221
- b. When the securities are received into the Transforming Center's account, we will send you a receipt.

The amount of the tax deduction is the value of the security at the time of sale. This may be slightly different than the value on the day you authorize the transfer.

### 2. If you hold the paper certificate for your securities:

- a. Execute a separate stock power and complete a letter of authorization (separate document we will supply). *Your signature(s) will need to be guaranteed by a financial institution that has your signature(s) on record.*
- b. If you have already had the certificate reissued in the name of The Transforming Center, it is not necessary to provide us with a stock power.
- c. In either case, send the documents to us at **209 S. Naperville Road, Wheaton, IL 60187** via registered mail or express mail (UPS, FedEx or USPS).
- d. When the documents are received, we will send you a receipt.

The amount of the tax deduction is the value of the security at the time of sale. This may be slightly different than the value on the day you authorize the transfer.

### 3. If you are transferring shares of a mutual fund:

Please contact Tom Dewey by phone (630-588-8133 x301) or by email (tdewey@transformingcenter.org) with the:

- a. Name of your mutual fund company
- b. Contact information of your broker (if any)
- c. Name or symbol of the securities
- d. Number of shares; and expected transfer date

Each mutual fund company has a unique procedure, so our UBS Financial Services representative will need to contact your mutual fund company or your broker to coordinate the transfer.