APPRECIATED STOCK FAQ

UNIVERSITY OF VALLEY FORGE

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THE ADVANTAGES OF GIVING APPRECIATED STOCK TO THE UNIVERSITY OF VALLEY FORGE

If you are considering a charitable contribution to the University of Valley Forge this year, it is in your best interest to seek out the most effective manner in which your money can have the greatest impact on the future of the University. Giving appreciated stock is one of the most tax-efficient means of donating available.

The University of Valley Forge recommends that you consult your tax advisor when considering a gift of appreciated stock or other securities.

WHY DONATE STOCK TO THE UNIVERSITY OF VALLEY FORGE?

First and foremost, you will have the satisfaction of knowing that your money is invested in an organization you believe in.

Second, you will be eligible to receive an income tax charitable deduction for the full fair-market value of the stock at the time of the gift.

Third, you will avoid the capital gains taxes on the appreciated stock.

HOW CAN I DONATE STOCK?

You may be able to deduct the full fair-market value of your appreciated stock – not just what you originally paid – and save again by avoiding all capital gains taxes on the appreciated value.

Gifts of appreciated stock are deductible up to 30% of your adjusted gross income. A gift in excess of that limit may be carried forward for up to five tax years.

ARE THERE SPECIAL CONSIDERATIONS?

To qualify for these special tax advantages, the stock or other security must have been held by you for at least one year. If you make a gift of stock, it must be done by December 31 to qualify as a deduction for the current tax year.

CAN YOU GIVE ME AN EXAMPLE?

Take a look at the potential tax savings of donating appreciated stock versus a cash gift. The chart below assumes you wish to donate shares of stock worth $10,000 that you purchased for $2,000 several years ago.

TAX BRACKET	CHARITABLE DEDUCTION	INCLUDING LONG-TERM CAPITAL GAINS TAX SAVINGS*	NET TAX SAVINGS
10%	$1,000	$1,125	**$2,125**
15%	$1,500	$1,125	**$2,625**
25%	$2,500	$1,125	**$3,625**
28%	$2,800	$1,125	**$3,925**
33%	$3,300	$1,125	**$4,425**
35%	$3,500	$1,500†	**$5,000**

*ASSUMES 15% ON 75% APPRECIATED VALUE

†20% CAPITAL GAINS RATE APPLIES

HOW IS THE VALUE OF THE STOCK CALCULATED?

For an actively traded stock, the gift value is the average of its high and low market quotations on the date you transfer the stock to the University.

WHAT IF I DONATE SHARES IN A MUTUAL FUND?

The value of the deduction is equal to the public redemption value of the shares on the date of donation.

WHAT IS THE PROCESS FOR DONATING STOCK?

You can instruct your broker to transfer your gift to the University's account at:

University of Valley Forge
Truist Investments
Account: WA8-079584
DTC #0226

Please have your broker inform the University directly of the transfer with the following information:

Name of the donor
The name of the security
The number of shares
The date of the gift
Fair market value

The University of Valley Forge will then instruct our broker on the disposition of your generous donation.

CAN I GIVE CASH AS WELL?

Cash gifts are always welcome, and represent the simplest way to make a contribution to the University. Cash gifts are deductible for income tax purposes up to 50% of your adjusted gross income. A gift in excess of that limit can be carried forward as a deduction for up to five additional years.

WHO DO I CONTACT WITH QUESTIONS?

If you have questions, please contact:

Steve DeFrain
Vice President of Development
srdefrain@valleyforge.edu
484.686.4843