

DONATIONS OF MARKETABLE SECURITIES

WHAT ARE MARKETABLE SECURITIES?

- A marketable security is any equity or debt instrument readily salable and can easily be converted into cash at a reasonable price. Marketable securities include stocks, mutual fund shares, and bonds.

WHY DONATE MARKETABLE SECURITIES?

- The tax code can be very generous toward this form of giving if you have held the marketable security for more than one year and it has appreciated in value. Donating a marketable security to Aldersgate, then letting Aldersgate sell eliminates potential capital gains taxes and can increase the after tax proceeds.

WHAT MARKETABLE SECURITIES SHOULD I CONSIDER TO DONATE?

- Marketable securities which have appreciated in value (realizing a capital gain if sold) and held for more than one year, such as stock, mutual fund shares, and bonds can have tremendous tax advantages if donated to a charity.

HOW DOES THE TAX BENEFIT WORK?

- When you donate a marketable security to Aldersgate which you have held for more than one year and it has appreciated in value, you may be able to take a tax deduction equal to the full market value at the time of the donation.
 - Tax Deduction: For most marketable securities, the donor is allowed to include 100% of the market value at the time of the donation as a charitable contribution.
 - Capital Gains: The transfer of a marketable security to a charity does not generate a capital gains tax. Aldersgate, as a tax exempt entity, will realize the full market value, less transaction costs, at the time of sale without paying capital gains taxes.

WHAT MARKETABLE SECURITIES DOES ALDERSGATE ACCEPT FOR DONATIONS?

- Aldersgate accepts donations of stock, mutual fund shares, and bonds.

This information should not be considered as a basis for tax advice. Please contact your tax accountant for any tax advice.

WHAT IF I SELL FIRST THEN DONATE THE CASH?

- If the marketable security has appreciated in value, you may be subject to capital gains taxes thereby reducing the after tax proceeds from the sale of the marketable security, as a result reducing the amount which can be donated.

	Sell Marketable Security First	Donate Marketable Security
Market Value	\$ 10,000	\$ 10,000
Cost Basis	\$ -5,000	\$ -5,000
Capital Gain	\$ 5,000	\$ 5,000
Tax (assuming 15%)	\$ 750	\$ 0
Donation After Taxes	\$ 9,250	\$ 10,000
Potential Tax Deduction	\$ 9,250	\$ 10,000

CAN MARKETABLE SECURITIES BE DONATED DIRECTLY FROM A TRADITIONAL IRA ACCOUNT TO ALDERSGATE?

- If you are at least 70 ½ and born on or before June 30th, 1949 or at least 72 and born after June 30th, 1949 you can donate up to \$100,000 of marketable securities from your Traditional IRA account directly to Aldersgate. This is called a Qualified Charitable Distribution (QCD). A QCD counts toward the Required Minimum Distribution (RMD) and is not taxable or added to the Adjusted Gross Income of the donor (however a QCD cannot be used as a tax deduction on a tax return).

HOW DO I DONATE MARKETABLE SECURITIES TO ALDERSGATE?

- For marketable security donations please do the following:
 1. Contact your broker and request the marketable security to be transferred directly to the Aldersgate account and ask the broker to notify Mary Lou Myers at 989-295-8593, along with information on who donated and what was donated (i.e. John Doe donated 200 shares of ABC company). Aldersgate has an account with most brokers, such as Wells Fargo, Raymond James, Merrill Lynch and Edward Jones.
 2. Also, personally contact Mary Lou Myers at 989-295-8593 to let her know of the donation.

It is the policy of Aldersgate that all marketable security donations will be sold upon receipt. The cash proceeds from the sale of the marketable securities will be used for ministries at Aldersgate.