



Instructions for a Gift of Securities

Benefits of giving securities

Avoid capital gains taxes by contributing securities that have appreciated in value to United Way, you avoid the capital gains taxes you would otherwise owe if you sold the securities for your personal benefit.

Take a charitable tax deduction:

For federal income tax purposes (including alternative minimum tax purposes), you can deduct the value of the securities on the date of your contribution. The net value of your contribution is the average between the high- and low-quoted selling price on the date that the securities passed from your control. Your gift will be acknowledged in writing by United Way for tax purposes.

Give a larger gift:

A gift of stock may allow you to make a larger charitable contribution than would be possible with cash or payroll deduction.

How to give gifts of stock:

To contribute shares that are held at your brokerage house, trust department or financial institution, do the following:

Notify: **Liz Fuentes** PH: **512.382.8604**
liz.fuentes@unitedwaycapitalarea.org

1. United Way will provide complete instructions and a Transfer Letter that you can use to direct your broker to transfer stock directly to United Way's brokerage account.

If you have physical possession of the actual stock certificates you would like to contribute, do the following:

Notify **Liz Fuentes** PH: **512.382.8604**
liz.fuentes@unitedwaycapitalarea.org

1. In one envelope, send by certified/registered mail (or deliver in person) unendorsed certificate(s) and a brief letter of transmittal stating your name, address and that you intend to transfer the named stock and number of shares as a gift to United Way Capital Area (2000 E. MLK Jr. Blvd., Austin, Texas 78702-1340).
2. In a separate envelope to the same address, send one stock power form for each security. Stock power must be signed (with signature guaranteed), leaving all other spaces blank. Include a photocopy of the transmittal letter that accompanied the stock. A stock power form may be obtained from a bank, broker or United Way.

Putting a gift of stock to work for you:

Assume you purchased 100 shares of ACME Corporation in 1985 for \$2,000. Today, the shares are worth \$10,000. If you sold the stock, you would realize an \$8,000 capital gain. With current tax rates, you could owe as much as \$1,600 in federal capital gains tax.

You decide to make a \$10,000 charitable gift to United Way. You usually make your gift by payroll deduction or check, but decide to see whether a gift of stock would be more cost effective for you. Your comparisons are (federal tax benefits only) as follows.



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Give securities as gift	Sell securities and give cash	
\$10,000	\$10,000	Gift value
\$3,960	\$3,960	Ordinary income tax deductions (39.6% tax bracket)
\$1,600 saved	\$1,600 paid	Capital gains tax - saved or paid (assuming 20% tax rate)
\$5,560	\$2,360	Net tax savings
\$4,440	\$7,640	Cost of gift after tax

The above savings are realized only when stock is transferred directly to United Way. Sale of stock and donation of proceeds may subject donor to capital gains tax. This example illustrates the potential value of a stock gift and highlights some of the maximum available benefits. These benefits depend upon a number of things, including the amount of the stock's appreciation, your adjusted gross income and current federal/state tax rates. We strongly advise that you contact your accountant or other tax advisor to determine the exact income tax effect of any donation.