

Benefits of Making a Stock Transfer Contribution



Most people think of cash when they consider a charitable contribution, but a gift of securities may be a wiser choice. By contributing appreciated securities through United Way of the Bay Area, you make a powerful community contribution while gaining valuable tax advantages. If you have owned appreciated securities for at least a year and a day, your contribution can offer the following benefits:

✓ Eliminate Capital Gains Tax

By donating your appreciated securities, you avoid the capital gains tax you would owe if you sold the securities yourself. The deduction of gifts of appreciated capital-gains property is limited to 30% of your adjusted gross income, subject to the five-year-carry-forward provision.

✓ Enjoy a Last Minute Tax Break

At the end of the calendar year, when tax breaks and timing are critical, securities can be deducted on the date you transfer them.

✓ Stock Advantages Over Cash

Your securities donation can deliver significant tax advantages over a cash donation, allowing you to fund the community issues you care about at a lower after-tax cost to you. The chart to the right depicts the difference between the after-tax cost of a gift of cash and a gift of stock. Assume that the stock was originally purchased at \$250 (basis), the income tax rate is 27%, and the capital gains tax is 20%.

*For tax receipt purposes, actual stock valuation is based on the mean of the highest and lowest price on the day the stock is received by United Way. Gifts of stock will be liquidated when received, and brokerage fees will be deducted from the gross proceeds. The net proceeds will be disbursed to your charities.

Potential Stock Benefits		
	Cash	Stock
Value of Gift	\$1,000	\$1,000
Ordinary Income Tax Deduction	(\$270)	(\$270)
Capital Gains Tax Savings	\$0	(\$150)
After Tax Cost of Gift	\$730	\$580

NOTE: THIS TABLE IS FOR ILLUSTRATIVE PURPOSES ONLY. ONLY YOUR OWN FINANCIAL OR TAX ADVISOR CAN ADVISE IN THESE MATTERS.

✓ Claim the Market Value

By claiming the market value (versus the cost basis) of the securities, you can enjoy a charitable contribution tax deduction equal to the average of the highest and lowest quoted sales price on the day you make the gift.

✓ One Receipt for Gifts to Many Charities

You will receive one tax receipt for the total value of your gift while retaining the ability, through United Way of the Bay Area, to distribute any portion of your gift to a variety of nonprofit organizations or United Way of the Bay Area Core Issues that you care about.

Make a Stock Transfer Contribution in Three Simple Steps:

- 1) Complete the Securities Contribution Form (next page).
- 2) Fax a copy to your broker.
- 3) Fax a copy to United Way of the Bay Area at (415) 808-4429.

Stock Transfer Contribution and Authorization Form



Thank you for your interest in contributing securities to United Way of the Bay Area. To follow up on our conversation, use this form to deliver transfer instructions to your broker. When you are ready to transfer your gift, please print clearly and complete all of the following information, submitting the originally signed document to your broker and faxing a copy back to the United Way Stock Coordinator at (415) 808-4429.

1. Donor Information

To expedite the handling of your gift, please print clearly.

Name _____

Home Address _____

City, State, Zip _____

Company Name _____

Daytime Phone () _____

Fax Number () _____

Email Address _____

2. Designation Estimations

United Way's Bay Area Community Fund

Maximize your impact with a gift to United Way's Bay Area Community Fund. This fund makes targeted Bay Area investments in early child hood development, affordable healthcare, youth violence prevention, and increasing opportunities for the working poor.

% Total Gift* _____

Agency Name _____

Address _____

City, State _____ Zip _____

% Total Gift* _____

Agency Name _____

Address _____

City, State _____ Zip _____

% Total Gift* _____

(Please attach additional pages as needed.)

Note that gift may be adjusted based on the value at the time of transfer.

X Sign Here

Signature _____ Date _____
(required)

3. Securities to Transfer

Security Name	
Number of Shares	
Estimated Value*	
Security Name	
Number of Shares	
Estimated Value*	
Security Name	
Number of Shares	
Estimated Value*	

*For tax receipt purposes, actual stock valuation is based on the mean of the highest and lowest price on the day the stock is received by United Way. Gifts of stock will be liquidated when received, and brokerage fees will be deducted from the gross proceeds. The net proceeds will be disbursed to your charities.

4. Transfer Authorization

I/we, _____ hereby authorize on this ___ day of _____ 200_____ my/our broker at _____ to transfer from my account number _____ to the following

United Way of the Bay Area account:

- Please transfer my gift of securities to the United Way of the Bay Area account at Merrill Lynch where the account number is 6CA-04118, DTC #5198

Questions or comments?

Please contact
Stock Coordinator, United Way of the Bay Area
221 Main Street, Suite 300
San Francisco, California 94105
ph: 415-808-4479
fax: 415-808-4429