

Making a Gift of Stock



community foundation

Greater Rochester

For good. For ever.™

Our Mission

The Community Foundation of Greater Rochester is dedicated to enhancing the quality of life for citizens of the Greater Rochester Area by serving as a community endowment builder, a community grantmaker and community leader.

To achieve our mission the Community Foundation seeks to

- Encourage charitable giving from a wide range of donors
- Attract charitable funds for permanent endowments
- Strengthen the financial infrastructure of the nonprofit community
- Serve as a catalyst for change, an innovator to solve problems, a partner with other local groups and a resource for solutions to current and emerging community needs.

A gift to the Community Foundation of Greater Rochester is a gift that benefits our community now and long into the future.

For more information contact:

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from your gift of stock are to be used. We also need the name of the stock and number of shares you are donating.

Q: Can I take the entire charitable income tax deduction for the stock that I give in the year of the gift?

A: For gifts of stock, the charitable income tax deduction taken may be up to 30% of your adjusted gross income in the year of the gift. If the gift is sizable and you cannot use the entire deduction the first year, you have five consecutive years to carry over the tax deduction.

Q: What about mutual funds?

A: Mutual fund may be donated to the Community Foundation with the same tax advantages to you as appreciated security gifts. However, the transfer/gifting procedures differ. The Community Foundation must establish an account with the mutual fund representing the gifted shares of the mutual fund. Once this new account is established, the Foundation may receive the shares of the mutual fund gifted and consequently sell (redeem) them, resulting in the gift. This process is more time consuming than stock transfers.

The information provided is meant to be general in nature. You should always check with your legal and/or financial advisors prior to making a gift of stock to the Community Foundation.

A Gift of Stock

Like many of us over the years, you may have accumulated stock that has significantly appreciated in value. You have a concern about selling the stock, since there will be capital gains tax due on the difference between your original cost basis and the fair market value of the stock at the time you sell it. Here's a thought: if you are interested in supporting the Community Foundation of Greater Rochester, why not think about donating some of your appreciated stock to the Community Foundation? In that way, you can make a significant gift plus avoid the lump sum capital gains tax liability.

Current tax laws provide an incentive for you to make a charitable gift of stock at a remarkably low cost. The tax savings are achieved in two ways. First of all, you pay no capital gains tax upon the transfer of stock to the Community Foundation. Second, you may take a charitable income tax deduction for the full fair market value of the stock on the date of gifting the stock to the Community Foundation of Greater Rochester.

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FAQs

Q: How is the charitable contribution amount for a gift of appreciated stock determined?

A: Stock that is regularly traded on a stock exchange is valued by using the average between the high and the low price on the date of the gift.

Q: What is the date for valuing a stock gift?

A: The valuation date of stock depends on the method of delivery. If the stock is delivered by hand, that is the date determining the value of the stock. If the stock is mailed, the postmark will determine the date of the gift, assuming that the stock power(s) are received in due course. If the stock is wire transferred, the date of the gift is the date the stock hits the designated Foundation brokerage account.

Q: Can I contribute closely held stock?

A: Yes, we can accept stock in closely held corporations. There can be significant tax advantages for making such a gift. Please contact us for more information as gifts of closely held stock are more complex.

Q: Can I contribute stock that has decreased (depreciated) in value, rather than appreciated?

Q: What is the process for delivering the stock to the Community Foundation?

A: There are three commonly used methods for donating stock to the Community Foundation: by hand, by mail, and by wire transfer (through a broker) to the Foundation's brokerage accounts.

1. If you deliver the stock by hand, you may sign a separate stock power to indicate your release of the stock. Your signature on the stock power form must be exactly as it is recorded on the stock certificate(s).

2. When delivering stock to us by mail, we suggest you send the stock certificate(s) and stock power(s) in separate envelopes. The stock certificate(s) should be sent by registered or certified mail, return receipt requested. We will need a separate stock power for each individual stock certificate. Be sure to sign the stock power(s) exactly as the name reads on the stock certificate(s). Do not fill in our name on the stock power(s).

3. If you wish to have your stock wire transferred through your broker, you can instruct him/her to wire the stock directly to our account. We will be happy to provide you or your broker with the appropriate Foundation brokerage account and DTC numbers necessary to complete this type of an electronic transfer.

We will need written documentation from you, providing your name, address, and telephone number along with a statement regarding your desire to give the stock to the Foundation and instructions detailing exactly how and where