



# VILLAGE

CHURCH

## How to Give Stocks and Securities

Individuals are able to donate appreciated assets (stocks, bonds, mutual funds) to Village. Why would gifting assets out of a non-retirement (taxable) account be better than giving by cash or check?

- You can possibly give more. By donating an asset that has appreciated for more than a year, you're potentially giving up to 20% more than if you sold it and then made a donation. The reason is simple: avoiding capital gains taxes. If the asset has a capital gain and is long term in nature (held more than 1 year) and you itemize your tax deductions, you may be able to deduct the Fair Market Value the day you give the asset.
- You will avoid having to pay the capital gains tax on the increased value while it was held.
  - If the gain on the asset is short term in nature (held less than 1 year) and you itemize your tax deductions, you may be able to deduct your original cost basis on your tax return.
  - If the asset has a capital loss, it's probably better to sell the stock first and give the cash. If you itemize your tax deductions, you'll still be able to deduct the gift and you'll be able to take a capital loss on your tax return.
- One rule to remember: the deduction is limited to 30% of your adjusted gross income (AGI).
- Always talk to your tax advisor about your specific situation. If you'd like to give in this way, contact Patty Deiser ([patty@villagebeaverton.com](mailto:patty@villagebeaverton.com)).