



THE PRESBYTERIAN CHURCH OF CHESTNUT HILL

Gifts of Securities to the Church

A charitable gift in the form of long-term appreciated securities generally provides two important tax advantages to the donor. First, the donor is entitled to a charitable income tax deduction based on the fair market value, not the cost basis, of the securities, provided that they have been owned for more than twelve months. Second, the donor avoids any potential tax on the capital gains and any sales commission that would be payable upon the sale of the securities.

For example, a donor who is in the 31% tax bracket, owns securities currently valued at \$50,000 that were purchased several years ago for \$20,000. The donor contributes the securities to the church and realizes a \$50,000 charitable deduction that saves \$15,000 in income taxes (31% of \$50,000). In addition, the donor avoids the potential capital gains tax of the \$30,000 paper profit for a further benefit of \$8,400 (28% of \$30,000).

The full fair market value of gifts of long-term capital gains securities is deductible up to 30% of a donor's adjusted gross income. Any amount in excess of the 30% ceiling can be carried forward for five years.

Transferring Securities to the Church

The process to transfer securities is very easy.

When securities are in the possession of the donor they should be delivered to the church, without endorsement, either by hand, or by registered mail. A stock power bearing the donor's signature guaranteed by a commercial bank should be delivered separately. If the certificates are already endorsed, the stock power is not required. However, the certificates are therefore negotiable and should be hand-delivered or sent by insured mail. A signed gift letter stating that you are donating the securities to the church and for what purpose should accompany the securities.

The gift value of the stock is the mean of the published high and low price as of the latest postmarked date or the date the securities are hand-delivered (usually the date on the gift letter).

The second method for stocks and mutual funds is to transfer them, using the electronic system, to our account at Burke, Lawton, Brewer & Burke in Spring House, PA. Burke, Lawton uses the clearing services of First Clearing, LLC. The following information should be supplied to the donor's broker or mutual fund contact:

First Clearing, LLC
One North Jefferson Avenue
St. Louis, MO 63103
DTC Participant # 0141

The Presbyterian Church of Chestnut Hill
Gift Account No. 6455-8599
First Clearing, LLC Tax ID # 23-2384840

In this case a gift letter describing the purpose of the donation should be sent to the Treasurer's office at the church to insure the identification and proper use of your donation. Please include the name of the securities and the number of shares donated.

In both cases the donor will receive a letter from the church verifying the amount of the gift, along with the proper IRS form.

Please contact the church office with any questions, 215-247-8855.