

two precautions:

1. For appreciated securities that you have held for less than one year and one day, only your cost basis is deductible.
2. It is usually more advantageous to sell stock that has decreased in value, claim the loss on your tax return, and contribute the cash proceeds.

giving securities

stocks, bonds, mutual funds

a wise way to give

when you donate long-term* appreciated securities to your church or united methodist charity:

1. You incur no capital gains tax.
(That's your "extra" tax savings!)
2. The Foundation incurs no capital gains tax when it sells the securities.
3. Typically, you can deduct the fair market value of the securities as of the date of your gift. The income tax deduction limit is 30% of your adjusted gross income.
(Alternatively, you may elect to claim only your cost basis value and use the higher deduction limit for cash gifts.) Any unused deduction may be carried forward and used for as many as five additional years.

*For this purpose, an asset is "long term" if held for more than one year.

Your Missouri United Methodist Foundation can assist you in making your gift to any United Methodist church or related charitable organization. We receive the securities, sell them, and then send the net proceeds to the church or charity as you have directed.

timely considerations

Consider a gift of appreciated securities whenever you prefer not to incur capital gains tax, such as in these circumstances:

when you wish to upgrade your portfolio

Donate appreciated, low-dividend stock. Use your cash to buy stocks that pay higher dividends.

when you wish to increase your cost basis in a stock you intend to hold

Give your low-basis securities. Use your cash to purchase more of the same stock at current prices and thereby increase your cost basis without incurring any capital gains tax.

when you want a higher yield

Create a Foundation Charitable Gift Annuity or Charitable Remainder Trust with low-yield, highly appreciated securities. Your capital gain liability is greatly reduced, you and/or other beneficiaries receive annual income, and you may claim a charitable gift income tax deduction (must itemize).

With the tax-saving advantages achieved by donating appreciated securities, many United Methodists find they can be more generous to their local church and United Methodist institutions and agencies than they could be with an after-tax gift of cash.



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