



## Donating Stock to Impact on Education

Thank you for your interest in making a charitable gift to Impact on Education in the form of a Stock Transfer.

For stock held in brokerage accounts, your broker can assist you in making a gift of stock via a direct transfer to Impact on Education. Giving a gift of publicly traded stock that has increased in value and that you have owned for more than one year may provide better tax benefits than giving cash. Your charitable income tax deduction is equal to the fair market value of the stock and you avoid paying the capital gains tax on any increase in the current value over the original cost of the stock. You may also save on brokerage fees because you are transferring ownership rather than selling the stock.

Here's how it works: If someone owns stock for more than one year that has gone up in value, that person can donate the stock to a nonprofit, get a deduction equal to the fair market value of the stock at the time of the transfer (its increased value), and never pay capital gains tax on the appreciated value of the stock. The nonprofit will never owe that capital gains tax either. It can take the stock and either sell it right away and not pay any tax, or it can hold on to it—but it will never owe capital gains tax on the appreciated value the donor realized.

Example: Ari owns 1,000 shares of Evergreen stock, which is traded on the New York Stock Exchange. He paid \$1,000 for the shares back in 2005 and they are worth \$10,000 today. He gives the stock to his favorite nonprofit, Impact on Education, and deducts its \$10,000 fair market value as a charitable contribution. Ari need not pay the 15% capital gains tax on the \$9,000 gain in the value of his stock. The Red Cross sells the stock and pays no taxes on the \$10,000 it receives. Had Ari sold the stock he would have had to pay a \$1,350 long-term capital gains tax on his \$9,000 profit (15% x \$9,000 = \$1,350). This would have left him only \$8,650 from the stock sale to donate to nonprofit.

Impact on Education's stock transfer information is:

JP Morgan/Banc One Securities Corp.  
Acct #733-02261  
Impact on Education  
DTC#0352  
Impact on Education Tax ID#: 84-0943046

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If you would like to discuss donating stock to Impact on Education, or are ready to make a donation of stock, please contact our Business Manager, Sharon Fullner.

[Sharon@ImpactOnEducation.org](mailto:Sharon@ImpactOnEducation.org) or 303-524-3865