

Grace University Lutheran Church



Gifts of Appreciated Stock

Donating shares of stock that have appreciated in value for over one year can have income tax advantages. There is an opportunity to avoid paying capital gains tax on the appreciated value of the donated shares of stock.

The good news is Grace University Lutheran Church now has a brokerage account and a process that will allow you to make a gift of appreciated stock. You could consider making a gift of appreciated stock toward:

- Your annual pledge
- Capital campaigns
- Endowment fund or other fund
- One-time designated gift

This can be accomplished whether you have a discount online brokerage account or have a personal financial advisor. We have established a brokerage account with Thrivent Financial to receive shares of stock contributed to Grace. It is important to understand that you only avoid realizing capital gains income if you donate the shares of stock. If you sell the stock and then donate the funds, you will realize capital gains income. It is also important to understand the tax implications will be dependent on your individual tax situation. There have been recent tax regulation changes, and not everyone will reduce their income taxes by gifting appreciated stock.

If you would like to consider making a contribution of appreciated stock contact Steve Solbrack at steve@solbrack.com and he will advise you on the steps you need to take.

Disclaimer:

Steve Solbrack and Grace University Lutheran Church cannot and do not give legal or tax advice. Steve can advise you on the process and potential opportunity but cannot give you tax advice. Before making a decision, we recommend you consult with a tax accountant to determine if this is the right choice for you.

For those of you that want a few more details on the process, here is a brief summary:

If you have an online brokerage account go to the form section and download the form. It might be named charitable donation form or gift of appreciated stock form. If you have a financial advisor request the form from them. Email the form to Steve. He can help you complete the form, and he can provide you with information for receiving firm name and DTC number and receiving account name and number. The rest of the information on the form will be completed by you and your financial advisor.

You will submit the completed form to your online brokerage account or your financial advisor. They will process the form and transfer the shares of stock to Grace's Thrivent brokerage account. It will take a few days to be processed until Thrivent sells the stock and receives the cash proceeds. Thrivent will then transfer the funds to Grace's checking account. Thrivent is not charging us any fees for this service. The actual contribution you make will be based on the cash transferred to Grace, not the value of the stock at the time you submit your completed form.

July 13, 2020