

Donations of Stock or Other Appreciated Property

Cash donations are just one way to contribute to the mission of Aldersgate UMC. If you want to make a charitable gift before the end of the year, consider appreciated property. Whether you donate stock, mutual funds, coins, or real estate, you may qualify for a tax break while the Church enjoys the benefit of the full value of your donation.

As an example, assume you hold shares of stock that you purchased for \$2,000 five years ago that is now worth \$10,000. If you donate the securities instead of selling them, you get a deduction for the stock's current market value, plus you avoid paying the 20 percent long-term capital gains tax on the \$8,000 your investment has earned. And Aldersgate receives the full \$10,000 value of your donation.

Here's an added advantage to donating stock or mutual fund shares. If your portfolio incurred losses, you would typically write them off against your gains, minimizing your capital gains tax. But, if you give away your gains, you can still use your losses to reduce your regular income. For most people, this produces a greater benefit since income tax rates are higher than the capital gains tax rate.

If you are interested in donating appreciated assets, we strongly encourage you to consult your tax accountant to make sure you qualify for the tax savings and ensure this gift option is best for you. There are conditions and limitations on donations of appreciated property, such as you must have held the investments for more than one year and your charitable deduction is limited to a percentage of your adjusted gross income. Your tax accountant will be better informed on your personal financial situation and the current tax laws in effect.

The safest and most efficient way to donate securities is via electronic transfer. Your broker will be used to this type of transaction and will need the church's brokerage information as listed in Stock Donation Instructions.

If you have any questions on donating appreciated property, please contact Randy Johnson at randy@aldersgateabilene.org.

