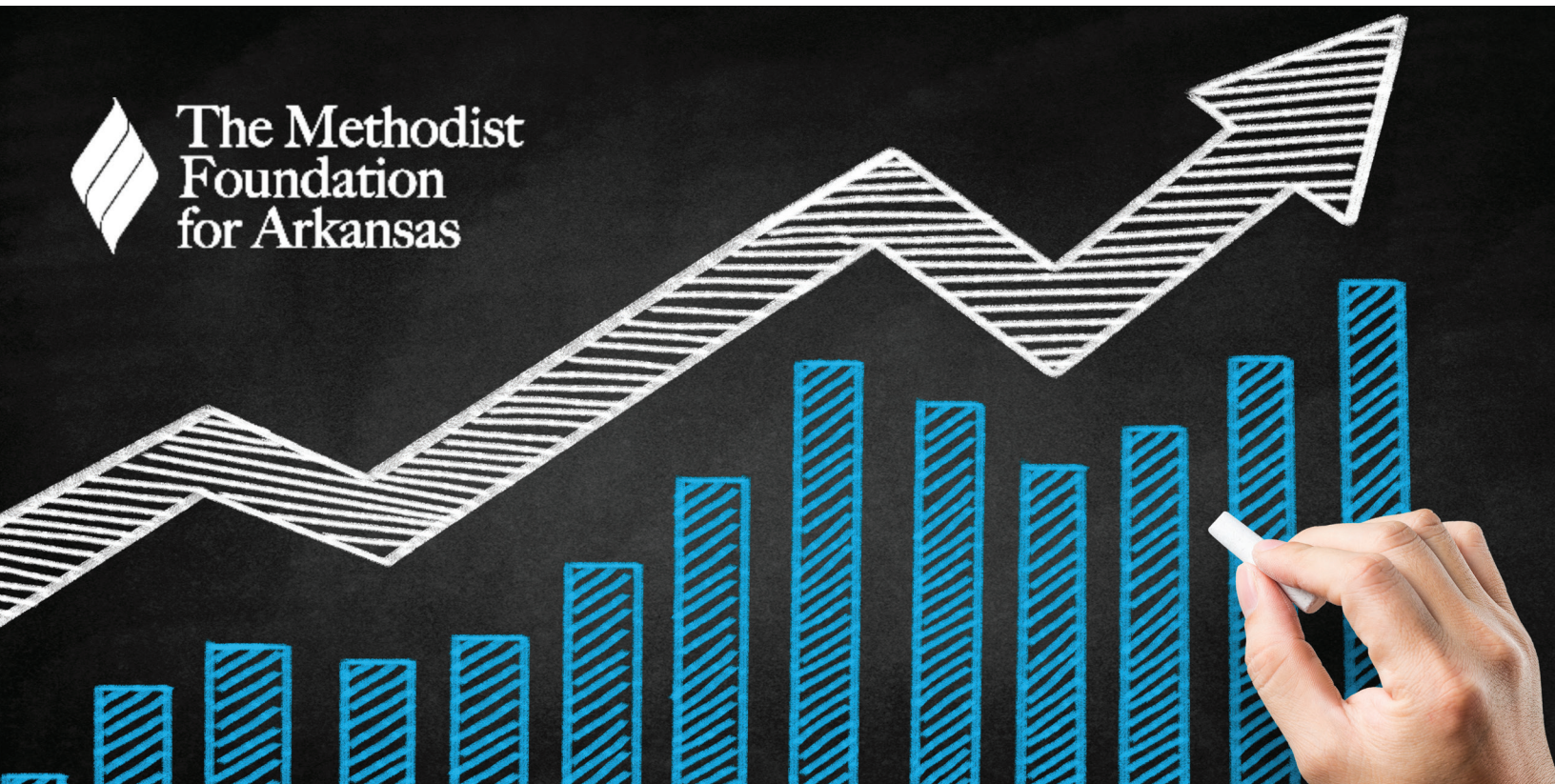


Charitable Opportunities with Stock

If your investment portfolio includes long-term highly appreciated stock, it may be your best asset to use for philanthropic giving.



The Methodist
Foundation
for Arkansas

When you support your favorite causes, you may instinctively reach for cash. But if you have stocks in your portfolio that have generated substantial gains over the past few years, using them for charitable giving may work most effectively. Donating these non-cash assets could benefit ministries you value while enabling you to realize tax savings.

How does it work?

If you were to sell your long-term appreciated stock to donate the cash, you would owe capital gains tax. But if you donate the stock directly to a public charity, such as the Methodist Foundation for Arkansas or your local church, you avoid the capital gains tax and also become eligible for an immediate income tax deduction. You save on taxes while ensuring the full amount of the stock value supports the charity of your choice.

Many congregations do not have brokerage accounts, which is where the Foundation can help: We can liquidate your donated stock through our brokerage firm, then transfer the proceeds to your congregation or to a fund here at the Foundation that benefits your congregation. This process ensures you have the flexibility to determine how your gift will make an impact.

(continued)

A hypothetical example:

Say you hold a highly appreciated security. When you purchased the stock, shares were priced around \$20 each. Since then, the stock price has risen dramatically and appreciated by 150%. Looking at the stock now, you see the price per share is \$50.

For this example, let's assume the original cost of the securities was \$20,000; they are now valued at \$50,000; and your combined Federal and state long-term capital gains rate is 23.9%.

In this scenario, donating the long-term appreciated stock directly to the Foundation means your charitable gift is almost \$7,200 more than if you sold the stock and donated after-tax proceeds. In this hypothetical example, it also means you are eligible to deduct almost \$7,200 more on your taxes.

The most appreciated stock in your portfolio is often the best to donate because it offers the greatest potential tax benefit. Your portfolio may contain powerful assets that you can tap into to make a difference while still managing your financial future wisely.

If you have held a highly appreciated stock for longer than one year and would like to make a philanthropic gift, consider donating the shares instead of cash. Ask your financial advisor to help you identify appreciated stocks in your portfolio as you consider making this move.

Want to know more? Contact one of us!



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