Monmouth Medical Center Foundation

Giving Appreciated Securities The Last, Best Tax Break?

Buy low, Give high.

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Don’t write a check.

You don’t have to write a check to make a gift to Monmouth Medical Center Foundation. This is a must-read if you are deciding whether to give cash, stock or other appreciated assets.

Take advantage of a notable double incentive offered by the IRS, and use appreciated securities to make your gift. You’ll be able to claim a charitable tax deduction for the full, fair market value of the securities, and you’ll pay no capital gains tax on the transfer. Result? The “cost” of your gift is less than the deduction you’ll receive for it — and less than the cost of making the identical gift in cash.

Example:

Dr. McNamara owns stock with a fair market value of $20,000 that she purchased for $7,500. If she contributes the stock to Monmouth Medical Center Foundation, she will be able to claim a tax deduction for the full $20,000 that her stock is worth today. In addition, she will not be liable for tax on the $12,500 capital gains upon transfer of her stock. By using stock instead of cash, she has delivered $20,000 to Monmouth Medical Center Foundation and secured a tax deduction in that amount, at a “cost” to her of only $7,500.

Keep these planning points in mind when you consider using securities for your gift:

- You can give us publicly traded stock, bonds, or mutual fund shares.

- To take full advantage of the tax benefits, give securities you have owned for longer than one year. The IRS sets that as the holding period for long-term capital gain property. If you donate securities that you have held for less than a year, your charitable deduction will be limited to your cost basis in the securities.

- Don’t sell the stock first! Even though you give us the proceeds as a gift, the IRS will impose capital gains tax on your sale, wiping out the benefits of this arrangement.

- How will your gift of stock be valued? As the average of the high and low per-share price for the stock on the day you transfer it to us. If the high was $75 and the low $72 on the day you made your gift, your deduction will be $73.50 per share. If you give us shares in a mutual fund, they will be valued at the closing price of the shares on the day of transfer.

- The IRS holds that donors can deduct gifts of appreciated securities up to 30 percent of their adjusted gross income (your gross taxable income). So, if your adjusted gross income will be $100,000 this year you will be able to deduct up to $30,000 in gifts of stock. A gift in excess of the 30 percent amount is not wasted, however, because the IRS allows you to carry forward excess deductions through the five tax years following the year of your gift. (The IRS allows donors of

cash gifts to deduct them up to 50 percent of adjusted gross income.)

How to Give Securities

1. **Securities held by your bank or broker**

   Tell your banker or broker the number of shares of each security you wish to give, and instruct them to telephone us at (973) 322-4292 for transfer instructions. Please do not instruct your broker to sell on Monmouth Medical Center Foundation's behalf, and please do not send the securities to a transfer agent for transfer into our name. The date of your gift for valuation purposes will be the date on which the securities actually pass from your control, regardless of when you instructed your broker to transfer them.

   Note: For security reasons, we do not publish our brokerage account information. To obtain Monmouth Medical Center Foundation's DTC number and Account Number, you or your banker or broker may contact us.

2. **Securities held by you:**

   Deliver your certificates, or send them by first class mail to us along with a letter of transmittal giving your name, address, and the purpose of your gift.

   Please do not endorse or sign the certificates.

   In a separate envelope, deliver or mail to the same address a stock or bond power for the same security, left blank except for your signature. Be sure to sign the power exactly as your name appears on the stock certificate or bond. Please do not fill in our name as transferee on either the stock certificate or stock power, and please do not send the certificates to a transfer agent for re-registration in our name.

   The date of your gift for valuation purposes will be the later of the two postmarks on the envelopes you mail us.

3. **Shares in a mutual fund:**

   Contact your account representative at the Fund and instruct them to telephone us at (973) 322-4292 for transfer instructions.

The Next Step

Let us show you how you can take advantage of this great giving incentive.

Contact Information

Planning your estate and legacy for future generations including your charitable interests takes careful evaluation. Consulting with the appropriate professionals can assist you. Discussing your charitable intentions with us can lead to a much better result than going it alone — and will ensure that your gift is used just as you wish. We can provide valuable information about any of the creative giving techniques mentioned in these planned giving pages.

Act now to take the steps that you need to do to be a good steward of the resources you intend to leave behind. You can contact us below, or use our request for information form on our website to get more information.

Greg Ellmer, Vice President, Gift Planning, 973.322.4302,
gregory.ellmer@rwjbh.org

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