

How Stock Donations Benefit Donors

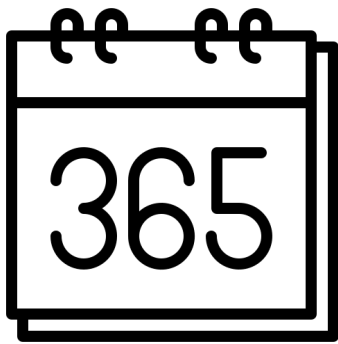
Donating Stock Is A Good Idea

Donating stock to charity is a good idea in many scenarios so first let's start with looking at the benefits to both parties. If a supporter donates a stock that has increased in value, the donor will not have to pay capital gains tax in the future and the charity will not either. What's more, the donation is tax-deductible if the donor itemizes their taxes. This will allow them to claim a tax deduction based on the value of the stock at the time of the transfer if they have owned the stock at least one year and one day.

The donor will need a written confirmation of their contribution for their tax records which is provided automatically by stock donator.

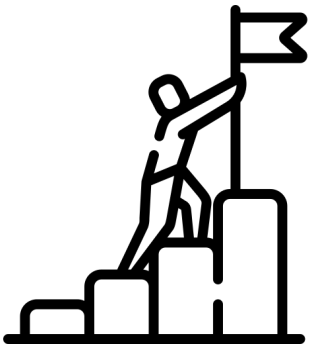
As you can see, there is a significant benefit for donors to include stock in their tax optimization strategy. There are other considerations for donors that you will want to become familiar with including:

Donate Stocks Owned For At Least One Year



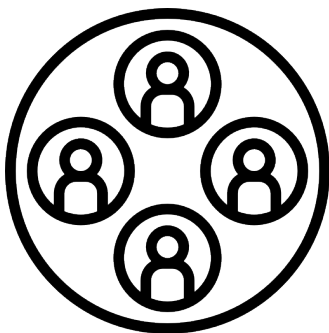
Donors will obtain a much larger tax benefit for stocks donated after the 1-year threshold. This is because stock sales are subject to capital gains taxes with different treatments based on how long the investor has held the stock. If it's been held less than a year, the tax benefits are reduced. For this reason, encourage donors to donate stocks they've had at least one year and avoid donating stock owned for less than one year.

Successful Stocks



Stocks that have appreciated significantly are great to consider for a charitable contribution because if the donor has stocks that have increased in value, they will have a large capital gain at the time of sale. Thus, these are good stocks to target for a donation as opposed to stocks that have lost value.

Publicly Traded Stocks



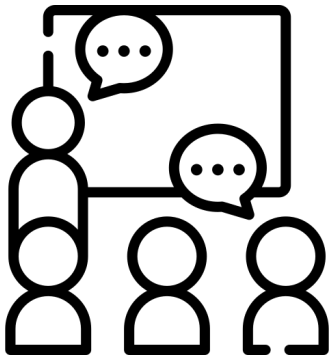
For the sake of the charitable organization, it's always best to donate a stock that trades on a public exchange because other stocks or assets are more complex security sales. Privately held stocks or restricted shares of public stocks are not ideal for charitable donations.

Frequently Asked Questions From Donors:



Which Stocks Should I Donate?

You should only donate stocks that have increased in value and that you've owned for at least one year. Stock sales are subject to capital gains tax and if the stock is less than a year old, the tax benefits are reduced. Also, if you sell a stock that has increased in value, you will have a larger capital gains tax burden at the time of sale. By donating it, you can lower your tax burden. Finally, you should donate publicly traded stocks.



I Am Interested In Hearing More About How This Can Help Me. Can You Explain A Bit More?

When you redeem a stock that has increased in value, you must pay capital gains tax on the profit you've made. This allows you to donate to us while avoiding this tax. This helps you support us while not impacting your cash flow.

Is It Easy To Give This Way?



It is very easy. You simply go to our website and click on “Donate Now”. Once there, you’ll see that you can select “Donate Stock”. The website walks you through the donation process, so it isn’t hard.

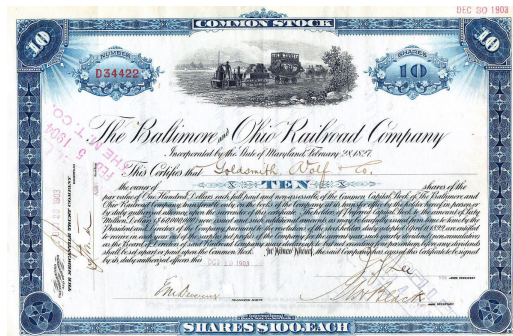
By donating this way, you quickly get a receipt you can use for your taxes. Should you decide to donate stock again, your information is saved so you only must fill out the information once.

Benefits Of Stock Gifts To Donors

Donor gives \$100k Cash = \$37k Deduction
(At highest tax bracket)



VS



Donor gives \$100k in Stock (purchased for \$10k) = \$37k Deduction
PLUS avoidance of as much as \$21k in capital gains tax (tax is based on the increase in value of \$90K) for total saving of \$58k.

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Benefits Of Stock Gifts To Your Nonprofit

Donor gives \$100k cash last year



VS



Donor may add stock to cash donation this year once they understand the benefits to them – or give a bigger gift of stock due to significant tax benefits and utility of stocks.

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Compare Stock Donator To Brokerage Accounts

Nonprofits find some challenges with opening their own brokerage account to process stock donations. See how it compares to using Stock Donator.

Brokerage Account



- You must be able to compute the average value of the stock the day the donation was made.
- You must get paperwork from you donor to process the donation.
- You must check your brokerage account daily to ensure you process the donation in a timely manner.

- Stock Donator does this for you.
- Stock Donator does this for you.
- Stock Donator will notify you when a donation is made so you get the donation quickly via check or wire transfer.

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Brokerage Account



- You will not be able to brand your “Donate Stock” page of your website.
 - You will not have to send Thank You emails sent automatically to your donor.
 - You manually must record all previous stock donations.
 - A brokerage account will not help you process paperwork.
 - Some brokerage accounts require a minimum account balance.
- Stock Donator brands the webpage so the experience is seamless for your donor.
 - Stock Donator sends a branded Thank You emails immediately.
 - Stock Donator provides easy reporting so you can track all stock donations. This allows you to follow up to ask for the donation again.
 - Stock Donator provides all the paperwork you need online. And there is a .pdf option as well.
 - Stock Donator has no minimum balance.

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