







# GIVING APPRECIATED SECURITIES



When it comes to charitable giving, it's time to think beyond cash gifts. While cash is by far the most popular way to give, it may not be the best method. If you own appreciated securities (stocks, mutual funds, bonds), you may be surprised to know they make excellent gifts. As the value of your securities grows, so does the amount of capital gains tax you will pay when you decide to sell. By using appreciated securities to make a gift, you will avoid the capital gains tax AND receive an income tax deduction. It is truly a win-win situation!

## KEY INFORMATION

It is important to give appreciated securities you have held for over one year. It is also important to give the securities *in kind*. If you sell the security and simply give the proceeds, you will not avoid the capital gains tax. Simply follow these steps:

-  Contact an FM Financial representative to get started. We will help guide you through the process and give you the specific FM Financial account information your broker will need.
-  Contact your broker to initiate the gift. There will likely be some paperwork for you to submit, including the account information from FM Financial.
-  FM Financial will receive the securities *in kind* from your broker; FM Financial will then sell the securities, typically within 1-3 business days of receipt.
-  FM Financial will distribute the proceeds of the gift on your behalf to the ministry or ministries you designate, without cost. This can be done anonymously, if desired.
-  FM Financial will issue you a receipt and the information you will need to claim the tax benefits.
-  If you are giving a year-end gift, please initiate your gift as early as possible; extra processing time may be necessary during this busy time of year.

## TAX ADVANTAGES OF GIVING APPRECIATED SECURITIES

-  Income tax deduction for the fair market value of the securities
-  Avoidance of the capital gains tax you would have incurred upon liquidating the security

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## FREQUENTLY ASKED QUESTIONS



### **Is gifting appreciated securities difficult?**

No! The process of gifting appreciated securities is quite simple ... almost as easy as a cash gift. FM Financial will guide you every step of the way.



### **What are the tax benefits of giving appreciated securities?**

You will receive an income tax deduction for the fair market value of the securities AND avoid the capital gains tax.



### **Can I split my gift among several ministries?**

Yes, you can split one gift of appreciated securities among several ministries, if desired. FM Financial will distribute the gift according to the percentages you provide.



### **Does FM Financial charge a fee for processing the gift?**

No, FM Financial does not charge any processing fees at this time. All proceeds will go directly to the ministry or ministries you have designated.



### **Can I make a gift of privately traded securities?**

In general FM Financial only accepts gifts of publicly traded securities. Please contact a representative to discuss any privately traded securities.



### **Why is the amount of my tax deduction different from the amount distributed to ministry?**

Your tax deduction is based on the fair market value of the securities on the day they are received by FM Financial. The amount distributed to ministry is the value of the securities on the day they are sold (typically within 1-3 business days of receipt).



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