



Donations of Appreciated Stock

While it is true that the easiest way to make a donation is by writing a check, there are other ways to make a donation that may result in a bigger tax break.

If, for example, you have held a stock or mutual fund for more than one year and the investment has appreciated, you can donate the investment directly.

- You still will receive an income tax deduction based upon the full value of the investment at the time of the donation and you will not have to pay any capital gains income tax like you would if you sell the investment.

To illustrate, if you make a donation by check, you receive an income tax deduction for the amount of the check. The net cost of the deduction is the amount of the gift, less the value of the income tax deduction.

- So, the net cost of a \$10,000 gift to a charity for someone in the twenty-five percent is \$7,500 (\$10,000 less the value of the deduction).
- On the other hand, what if you own stock with a value of \$10,000, which you bought several years ago for \$2,000. If you donate the stock, you still receive an income tax deduction in the amount of \$10,000 since that is the value of the stock but you avoid the long-term capital gains tax that you would have paid if you sold the stock.
- If we assume that the capital gains tax is imposed at the rate of fifteen percent of the gain, this means that you avoid tax of \$1,200 (15% of the \$8,000 of what would be long-term gains). This further reduces the net cost of the gift to AFE.
- Either way, AFE gets the full benefit of the \$10,000 gift since AFE does not pay tax when it sells the stock.

If you would like additional information, please call the Angel Flight East office at 215-358-1900.

If you are ready to make a gift of appreciated stock, please follow the instructions below.

Gift Letter FBO Angel Flight East

Transfer stock/funds from your investment account.

To:

(Your Financial Advisor/Representative) _____

Address _____

City State & Zip _____

From:

(Your Name) _____

Address _____

City State & Zip _____

Dear Representative:

I _____ Wish to gift _____ shares of
my _____ Stock or mutual fund to Angel Flight East

Please transfer the funds to Janney Montgomery Scott LLC's DTC# 0374, account # 2923-6345 in the name of:

Bryn Mawr Trust
Angel Flight East
1501 Narcissa Rd
Wings Field
Blue Bell, PA 19422-2404

Janney Montgomery Scott LLC
Attn: Jim Small
1120 Route 73, Suite 400
Mt. Laurel, NJ 08054
856-291-5023

Sincerely,

Your Signature

Joint Signature

Print Name

Print Name

Date

Date