Accepting Stock Donations

March 16, 2023
Advantages to Donors

- Receive deduction for full donation amount
- Do not pay capital gains tax on appreciation
Getting Set Up to Receive Stock Gifts

- Open a brokerage account
- Create a letter of instruction
  - Name of brokerage
  - DTC Number
  - Account Number
  - Contact information
- Update appropriate policy to include handling of gift of securities
- Set up standing order with broker to sell gifts as soon as received
- Set up transfers between brokerage account and bank account
- Develop internal procedures for stock gifts: track, record and acknowledge
Receiving Gifts of Stock

- Let donors know you have this capability
- Require donors to contact you before transferring
- Collect information from the donor about the transfer
  - Name of security
  - Number of shares
  - Originating brokerage
  - Gift designation, if any
  - Name, address and contact info for donor (if not in database)
Valuing Gifts of Stock

- Average of the high/low price on day received
  - Use historical quotes on any website with stock quotes

- Gifts of privately held shares worth over $10,000 requires an appraisal
Recording Gifts of Stock

- Record receipt of stock at valuation amount

- Record sale of stock at amount received with any difference going to Realized Gain/(Loss)
Acknowledging Gifts of Stock

- Include date received, name of security, and quantity of shares
- May also include high/low pricing on day received as a courtesy
- Do not include a valuation amount
- Also include standard “no goods or services received” language
Situations to Avoid

- Avoid accepting securities that do not have an active marketplace for sale
  - Securities not traded on a major exchange
  - Foreign securities
  - Privately held companies
  - Preferred shares or similar
- Do not give financial/tax/investment advice to your donors
- Do not try to time the market
- Do not forget about your brokerage account, make sure to monitor it
- Be sure to rely on experts, like financial advisors and accountants
Other Options for Accepting Stock Gifts

- Whitefish Community Foundation can accept gifts on your behalf
- We process the gifts and pay to you as a grant
- We charge a 10% fee for the processing
- Stock gifts to your endowment fund held with us are not charged a fee
- Have your donors give during the Great Fish Community Challenge, we do not charge any fees during the campaign
Questions?

- Contact us if you have questions
  - Daria Perez, dariawhitefishcommunityfoundation.org
  - Liz Scholten, lizwhitefishcommunityfoundation.org