

DONATING STOCK via Broker Wire Transfer

Donating securities held long term (more than one year) continues to be an effective way to give. You can avoid capital gains tax on the appreciation and receive a charitable deduction for the full fair market value of your donation.

If you regularly make cash gifts, consider making a stock gift instead. Then use the cash you would have given to us to replace your stock gift. That way you avoid capital gains on the “old” stock and acquire the “new” stock at a higher basis.

Please contact our office of Planned Giving at 800-333-2373 or e-mail us at PlannedGiving@CBN.org for transfer instructions on donating stock or a mutual fund from your broker to CBN’s brokerage account.

In order for us to properly match the gift with the donor please provide the following:

1. Donor name, phone number and address
2. Broker name and contact information
3. Donated stock or mutual fund
4. Number of donated shares
5. Date you plan to schedule the transfer

When the security transfer is received into CBN’s brokerage account we will mail a gift receipt letter to you.

Your gift of securities is valued as of the day it reaches our account if your broker transfers them electronically. Your gift value on that date is the average of the high and the low prices for the stock or the closing price if mutual fund shares are donated.

Consult with your broker for the optimum time for executing the wire transfer. It is suggested that year-end stock gifts be coordinated with your broker early in December to meet their year end transfer cut-off dates.

Frequently Asked Questions about Donating Securities

Following are some frequently asked questions and answers that apply to gifts of securities. While every effort has been made to ensure their accuracy, the answers are of general application and are not intended to be a substitute for legal, tax, or investment advice.

What types of securities can I donate?

We accept publicly-traded stocks, mutual funds, bonds, and publicly-traded stock certificates that you hold personally.

What general tax guidelines should I follow?

First, consider giving securities from your portfolio that have the greatest appreciation. That way, you'll avoid the greatest amount of capital gain.

Second, never sell appreciated stock when you intend to give the proceeds to charity or you may lose many of the tax benefits. Always transfer; never sell appreciated stock before making a gift to a nonprofit organization.

Third, consider giving securities such as stocks or mutual funds you have owned for at least one year. Because they will be considered long-term capital property, you can claim an income tax charitable deduction for their full fair market value.

If you donate stocks or mutual funds you have owned less than one year, they will be considered short-term capital gain property. If you sell these securities, your gains are subject to tax at ordinary income tax rates. If you donate them, you will avoid this tax; however, your deduction will be limited to the lesser of their fair market value and the amount you paid for them.

If your stocks or mutual funds have depreciated in value, you may want to consider selling the shares and gift the cash to CBN. By doing this you can take the loss on your tax return and also deduct the cash gift.

We recommend you consult your tax advisors to determine the best assets to donate.

Other Questions?

If you have any other questions and for further assistance, please contact our office of Planned Giving at 800-333-2373 or e-mail us at PlannedGiving@CBN.org.