

How Stock Donations Benefit Donors

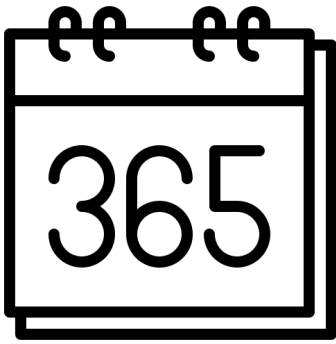
Donating Stock Is A Good Idea

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 donor.

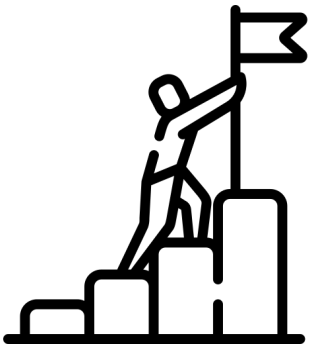
As you can see, there is a significant benefit for donors to include stock in their tax optimization strategy. There are other considerations for donors that you will want to become familiar with including:

Donate Stocks Owned For At Least One Year



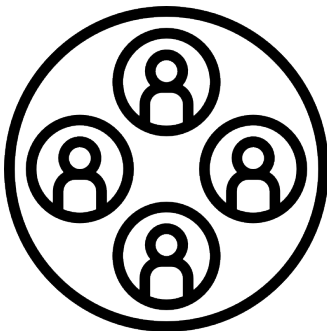
Donors will obtain a much larger tax benefit for stocks donated after the 1-year threshold. This is because stock sales are subject to capital gains taxes with different treatments based on how long the investor has held the stock. If it's been held less than a year, the tax benefits are reduced. For 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.