

Appreciated Securities

Donating Appreciated Stock to Lacawac Sanctuary

We have received a number of inquiries about donating appreciated stock to Lacawac Sanctuary. The following is a summary of the tax benefits of making such a stock contribution and some timing and process considerations. Individual circumstances vary and those interested in donating appreciated securities to charity should consult with a tax advisor about their particular situation.



Charitable Tax Planning Opportunity

Donate Shares of Appreciated Stock to Lacawac

What is Appreciated Stock?

Appreciated securities are investments that have increased in value from the time they were purchased, and can take the form of publicly-traded stock, closely-held stock or mutual funds. For example, if a stock was purchased for \$30 per share and sold for \$50 per share, the stock has appreciated by \$20 per share. When appreciated stock is sold, the owner generally realizes capital gains equal to the appreciated portion and may be liable for either short-term or long-term capital gains taxes, depending on the length of time the investment was held.

Charitable Tax Planning Opportunity: Donate Shares of Appreciated Stock to Lacawac

Taxpayers who are considering current year charitable contributions and are also facing long-term capital gains taxes on appreciated stock that they have held for more than a year can realize a much more favorable income tax result and charitable impact by making a timely donation of the appreciated stock directly to charity. If a donor sells the stock first and then donates the cash proceeds to charity, the donor may be subject to capital gains taxes on the proceeds from the sale of the stock. But if a donor contributes appreciated stock held for more than one year to Lacawac, the donor can usually deduct the fair market value of the donation without realizing any capital gain.

Timing of Your Donation and Other Considerations

- In order to realize the significant tax savings from the charitable donation of appreciated stock, donors must transfer the appreciated stock held for more than one year directly to Lacawac Sanctuary Foundation and **SHOULD NOT SELL THE STOCK**.
- Upon receipt of the stock, Lacawac's Finance Committee controls the sale process. Lacawac's policy is generally to sell contributed securities promptly, but Lacawac reserves the right to sell at any time.
- Donating appreciated stock held for one year or less or depreciated stock does not have the same tax advantages as donating appreciated stock held for more than one year. Donors who hold such stock should consult their tax advisors prior to contributing it to charity.