

Donating long-term appreciated securities directly to UUCF — rather than selling the assets and donating the cash proceeds — can be one of the best and easiest ways to give.

Why donating securities is tax-efficient

A charitable contribution of long-term appreciated securities — i.e. stocks, bonds and/or mutual funds that have realized significant appreciation over time — is one of the most tax-efficient of all ways to give. This method of giving has become increasingly popular in recent years because

- Any long-term appreciated securities with unrealized gains (meaning they were purchased over a year ago, and have a current value greater than their original cost) may be donated to a public charity and a tax deduction taken for the *full fair market value of the securities* — up to 30% of the donor's adjusted gross income.
- Since the securities are donated rather than sold, *capital gains taxes from selling the securities no longer apply*. The more appreciation the securities have, the greater the tax savings will be.

Two types of gifts

Are your stocks or other securities in a retirement account, or a non-retirement account? This is important because donations from a retirement account are considered distributions, with tax rules that are different from what is described above. Please talk to your financial advisor about these differences and why they might matter to you.

How to donate securities held in a non-retirement account

Securities can be given to UUCF in two ways:

- By electronic transfer (the most common method). Your broker transfers shares using our Congregation's account number and our broker's DTC number. You begin by contacting your own broker to initiate the transfer.
- By delivering paper certificates (this is less common but also acceptable). Again, start with your broker for guidance on how to transfer certificates appropriately and safely.

Where to send an electronic transfer

UUCF has a brokerage account with SEI Private Trust Company to receive stock transfers. We set it up through a Frederick firm, Turning Point Financial, where we have the advantage of extremely low transaction fees.

Information you will give your broker

- SEI Private Trust Company (through Turning Point Financial)
- DCT# 2663
- Account Number 742842 - Unitarian Universalist Congregation of Frederick

Also, ***at the same time***, contact UUCF

We ask you to communicate with the Congregation's treasurer, by email treasurer@frederickuu.org, in person or by phone. This is an important step because an electronic transfer to SEI doesn't identify who is making the transfer. It shows how many shares of what stock from what broker, but not your name.

Let us know too the timing of your transfer and how you want your gift to be used. The options are:

- Operating Fund (*money for the current year's approved budget; the funds can be for a current or future pledge, or a gift without a pledge.*)
- Mortgage Reduction Fund (*money to pay down what we owe to the bank for building construction, including amount added in 2019 for HVAC replacement*)
- Capital Reserve Fund (*money for future building maintenance tasks that will cost more than can be paid for in annual budget*)
- New Initiatives Fund (*money for unique special projects that are designated by the Board of Trustees, in consultation with Rev. Carl and the donor.*)
- Endowment Fund (*money to be invested once the balance is over \$10,000; investment proceeds will become revenue for operations.*)

If you are unsure of what option to choose, please discuss with Rev. Carl. It is a UUCF policy that all gifts other than to the Operating Fund are subject to approval by the Board of Trustees, which oversees all our financial affairs and assures that gifts are used to support the mission of the Congregation.

What happens after your transfer?

UUCF's policy is to convert donated stock or other security to cash as soon as it is received. We have a standing order with SEI to do that, then to transfer the funds immediately to our local bank, Frederick County Bank.

SEI's statement of the security's value on the day of transfer is the amount we will acknowledge as your gift. The Treasurer will send you a written acknowledgement, with notes on how you've requested it be used. The Board of Trustees as well will thank you for your generosity.