

## **Gifting Mutual Funds to Christ United Methodist Church (CUMC) (11/2019)**

Members of the congregation may gift shares of mutual funds to CUMC. The member needs to work with their existing brokerage firm to fill out paperwork that will authorize the transaction. The typical paperwork is a letter of instruction. Your firm probably has a form to use. Search the broker's web site using "gifting" or "gifting shares."

Such a donation can result in a double tax benefit, avoiding the Capital Gains tax and counts as an itemized charitable deduction. If you donate a security you avoid paying the capital gains tax on the increased value since purchase. If you itemize deductions, the value of the charitable donation is equal to the security's current fair market value not what you originally paid.

Reasons to donate securities:

- The security has a significant gain and you want to lower your portfolio's stock market risk without causing a tax impact.
- The security has been held a long time and you cannot easily determine the tax basis. Example: You invested in your company stock for 25 years and reinvested dividends.
- Budget or Cash flow: At this time it is preferable to donate a security instead of writing a check.

The security has to have been held for at least 12 months. It has to be in an Individual or Joint account, not a retirement account, i.e. IRA or 401(k) or 403(b).

Discuss this with your tax professional prior to making the gift so that you understand the benefits in your particular situation. Phil Woodruff or Joe Miller can answer questions.

Instructions on the reverse.

## HOW TO:

The information needed in the letter of instruction (suggested format attached) will typically be:

- Your information:
  - Name as it appears on the existing account registration
  - Address
  - Account number (Individual or Joint not IRA)
  - Signature(s) if Joint both have to sign.
- Your firm's information (delivering)
  - Name
  - Address
  - Contact/department name and phone number
- Identify the mutual fund you want to donate:
  - Name of mutual fund
  - Number of shares
  - The Symbol or CUSIP number
- The church information
- The church brokerage information (receiving)
  - TOA Department
  - Commonwealth Financial Network
  - 29 Sawyer Road
  - Waltham, MA 02453-3483
  - (800)251-0800
  - NFS/CFN clearing number 0226 (DTC)
  - Account number H2Y245618

Then give the letter of instruction to the church office. The CUMC Broker/Advisor will process the request.

***THANK YOU!***

***NOTIFY THE CHURCH OFFICE USING THE ATTACHED.***

Date:

Christ United Methodist Church  
Attn: Office and Financial Secretary  
1020 S. Valley Forge Road  
Lansdale, PA 19446

Please be advised that I/we have initiated a Gift transaction to donate to Christ United Methodist Church:

Number of shares \_\_\_\_\_

Mutual Fund name \_\_\_\_\_

Symbol or CUSIP \_\_\_\_\_

From Broker/Financial Institution \_\_\_\_\_

We want the proceeds to go to (check one or show percentages):

\_\_\_ Mortgage

\_\_\_ Church discretion

\_\_\_ Operating Budget

\_\_\_ Other \_\_\_\_\_

Print name \_\_\_\_\_ Sign \_\_\_\_\_ Date \_\_\_\_\_

Print name \_\_\_\_\_ Sign \_\_\_\_\_ Date \_\_\_\_\_

ATTACHMENT FOR THE ABOVE LETTER SUGGESTED FORMAT (**ASK THE COMPANY HOLDING YOUR SHARES IF THEY HAVE A FORM TO BE USED. IF SO, ATTACH THEIR COMPLETED FORM INSTEAD**):

Date: \_\_\_\_\_

**TO:**

Your Broker/Financial institution \_\_\_\_\_

Address \_\_\_\_\_

Contact/Phone number \_\_\_\_\_

This is my/our letter of instruction to GIFT the following mutual fund holdings:

Name of mutual fund \_\_\_\_\_

Number of shares \_\_\_\_\_

The Symbol or CUSIP number \_\_\_\_\_

**TO:**

Christ United Methodist Church

1020 S. Valley Forge Road

Lansdale, PA 19446

Account Number H2Y245618

**THROUGH:**

Commonwealth Financial Network

29 Sawyer Road

Waltham, MA 02453-3483

NFS/Commonwealth DTC 0226

Please gift these shares.

Print name \_\_\_\_\_ Sign \_\_\_\_\_ Date \_\_\_\_\_

Print name \_\_\_\_\_ Sign \_\_\_\_\_ Date \_\_\_\_\_

**Name(s) should be exactly as they appear on your account. If Joint both owners have to sign this letter of instruction.**