

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

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 will typically be:

- Your information:
  - Name as it appears on the existing account registration
  - Address
  - Account number (Individual or Joint not IRA)
  - Signature, 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  
Christ United Methodist Church  
1020 S. Valley Forge Road  
Lansdale, PA 19446
- 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 mail the form to the TOA Department at the Commonwealth address shown above. Commonwealth Financial Network will manage the transfer to CUMC.

**NOTIFY** Phil Woodruff or the office before submitting.

***THANK YOU!***