



## The Benefits of Contributing Appreciated Property

A vast majority of gifts to The Chapel are in the form of checks or cash. However, an alternative gift method is to donate “appreciated property.” This property can be stocks, corporate or treasury bonds, mutual fund shares, real estate, or other items of value. There are many benefits to this form of giving. This letter will review the benefits of donating appreciated financial assets such as stocks.

### Contributing Appreciated Property:

Property is considered “*appreciated*” when the sale price is higher than the purchase price. To maximize your financial gift, you can choose to transfer the property to The Chapel rather than selling the property and donating the proceeds. Furthermore, you can decrease your income tax burden in the process!

In order to qualify, you must have owned the appreciated asset for more than 12 months. If you have held the property for 12 months or less, you may qualify for a lower deduction. Please contact your tax advisor or The Chapel for more information.

### An Example:

Let’s assume you purchased 500 shares of stock over 12 months ago at \$10 a share. These are stock shares that are available for you to sell, such as those in an employee stock purchase plan from your employer. Instead of giving cash, you’d like to consider donating the stock. Today, the stock is trading at \$20 a share. Here is the difference between selling the shares and donating the proceeds versus donating the shares to The Chapel:

<i>Financial Components</i>	<i>Sell the shares and Donate Proceeds</i>	<i>Donate the shares</i>
Original Purchase Price (500 Shares x \$10 = \$5,000)	\$5,000	\$5,000
Current Value (500 Shares x \$20 = \$10,000)	\$10,000	\$10,000
Capital Gains Tax Paid (18% of Current Value *)	-\$1,800	N/A
Gift Amount to The Chapel	\$8,200	<u>\$10,000</u>
Income Tax Deduction (28% of Gift Amount *)	\$2,296	<u>\$2,800</u>

*\* Note: 18% and 28% are estimates; your actual tax rates will apply.*

## Summary:

The above example highlights how giving an appreciated financial asset to The Chapel can maximize both the gift and the amount of the tax deduction to the giver. Donated property is a powerful tool for investing in the kingdom!

If you would like to donate appreciated property to The Chapel, we have provided a form on the next page that contains instructions and the necessary transfer accounts for The Chapel. If you have any questions regarding a transfer, or about donating appreciated property in general, please contact Ryan Chevrier in our Finance Department at (847) 201-2777 or [rchevrier@chapel.org](mailto:rchevrier@chapel.org).

***Please remember: this document is not intended as tax advice since each person's situation can vary. We recommend that you contact a tax advisor to assess the impact such a gift might have on your financial situation.***

## Common Questions:

### 1. How long does it take to process a stock or mutual fund donation?

There is no precise timeframe since there are many factors that could create delays in the process: broker paperwork processing, clarifications, or system delays. In our experience it can take as little as two weeks and sometimes has taken over a month.

### 2. Will my donation be recorded by The Chapel on the date I send my transfer request to my broker?

Unfortunately, NO! For tax purposes, The Chapel is required to report the contribution date as ***the date when the shares are received in our account***. This date could be several days after the transfer request is made – and is often a few days after your broker actually issues the transfer. ***If you are making a donation in December that you want reported in the current tax year, we strongly recommend that you initiate the process early in the month to avoid end of year delays.***

### 3. When does The Chapel sell the shares that I donate?

We sell the shares as soon as possible and do not hold any shares on account.

### 4. What if the stock value changes between the time I donate it and the time The Chapel sells it? Which amount shows up on my contribution statement?

The Chapel doesn't report a dollar amount on your contribution statement for donated shares. The IRS process for an asset donation is slightly different than for a cash donation. In an asset donation, the donor is responsible for reporting the value of the donated asset and the receiver is responsible for providing a confirmation that the asset was received. The transfer confirmation from your broker should include the stock (or mutual fund) that was transferred, the number of shares, and the average selling price on the date of transfer. Your contribution statement from The Chapel will list the stock (or mutual fund) that was received, the number of shares, and the date they were received.



## Transfer Instruction for Securities & Mutual Funds

Thank you for your appreciated property donation! Please note that due to privacy rules the account owner's name will not be included on any transfers that we receive. It is therefore **extremely important that you fax this form to Ryan Chevrier at (847) 201-2778**, so that we can properly identify your donation and include it on your contribution statement.

### 1. Donor Information

Owner/Co-Owner	
Address	
City/State/Zip	
Daytime Phone	
Chapel Home Campus	

### 2. Broker Information

Broker's Name	
Address	
City/State/Zip	
Phone	

### 3. Broker Instructions

Please gift shares from my account per the following:

Account Number	
Fund Name/Symbol	
Quantity of Shares	

Please transfer the shares to:  
The Chapel – Account Number 165093063  
Held at Ameritrade – DTC#0188  
Tax ID: 36-3963071

Please apply contribution to (check one):

- The Chapel General Fund  
 Capital Campaign (please specify): \_\_\_\_\_

To ensure a successful fund transfer, **please fax this form to Ryan Chevrier at (847) 201-2778**. We also recommend that you provide the original form to your broker for their records.

***Thank you for your financial support of The Chapel!***