

CHARITABLE STOCK INFORMATION

Did you know... gifts of stock can provide donors with a ***double tax benefit?*** Here's how:

1. Donors may be able to claim a charitable contribution deduction in the amount of the current market value of the donated stock. That means... they can deduct not only the original cost they paid for the donated share, but also the value of an increase in the value of those shares.
2. Donors avoid paying taxes on the appreciated value of the donated stock.

Example: Bob purchased 100 shares of ABC stock at a cost of \$1,000 in 1997, and donates these shares to his church this year when their value is \$3,000. Bob would be able to deduct the *full* \$3,000 market value, and he would *not* have to pay capital gains tax on the \$2,000 “gain” in the value of stock.

The greater the amount of appreciation, the more capital gains tax the shareholder will face if the stock is sold. But this tax can be avoided if the member donates the stock to his or her church. And remember, the church pays no capital gains tax when it sells the donated stock, so the entire amount of the gift furthers the church's mission.

3 limitations to gifts of stock...

1. The one-year rule

Capital gain property includes capital assets held more than one year. Donated stock that was held by the donor for less than one year is not capital gain property.

2. The 30% limit

Gifts of capital gain property (including stock) to a church are deductible up to 30% of a donor's AGI (Adjusted Gross Income). Donors can “carry over” their contributions that they could not deduct in the current year because they exceed the 30% AGI limit.

3. Itemized deductions

Donors claim charitable contribution deductions as itemized expenses on Schedule A of Form 1040. Donors who do not itemize their expenses cannot claim a charitable contribution deduction for a gift of stock.

Charitable Stock Contribution Instructions

Thank you for your interest in making a Charitable Stock Contribution to Northwest Assembly. Your investment in the Kingdom of God generates eternal rewards and earthly blessing.

Malachi 3:10... "Bring the whole tithe into the storehouse, that there may be food in my house. Test me in this," says the Lord Almighty, "and see if I will not throw open the floodgates of heaven and pour out so much blessing that there will not be room enough to store it."

1. Contact the company/institution where your stock is held. Most companies will allow you to make a stock transfer over the telephone up to a certain dollar amount, while others may request you submit the information in writing.
2. Provide the following information:
 - Amount of Common Stock you wish to transfer
 - Morgan Stanley DTC Clearing Number: 0015
 - For the Benefit of: Northwest Assembly
 - Acct #: 864 -010809
3. Once the transfer is received by Morgan Stanley in the Northwest Assembly Account, an email will be sent to the church providing the number of stock shares given and the value of each share. You will then receive a letter from the church detailing the Charitable Stock Contribution for tax purposes.

If you have any questions regarding this process, you may contact the church's Morgan Stanley account representative:

Pamela R. Raben

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You may also contact Melody Espinoza at the church office 479.273.5141 or MEspinoza@northwestassembly.org.