

Peace Lutheran Church has established a brokerage account to receive donated stocks and other securities. This provides an additional option for giving, outside of the traditional methods of checks, cash, or credit cards. Tax laws provide favorable treatment for people donating securities with long-term capital gains to churches, and have substantially favorable impact on a church's financial position.

The following detailed explanation and guided procedure should ensure that all parties involved in the transaction of donating and receiving stocks have the tools to accomplish the intention.

1. **As a donor**, contact your financial institution or brokerage house to gather information on their process as it relates to donating appreciated stocks.
 - ***This is not a sale of stock, but a donation. The sale of stock would create a taxable event on the gain of the donor.***
 - **The donor** receives a tax deduction for the full market value of the shares as of the "gift date", and does not realize the long-term capital gains of the shares as taxable income.
 - ***Find out the time lines and potential lag times for appreciated stock donations.***
 - Gather information for understanding any additional requirements for donation, such as golden medallion's, notary public etc.: ***this is the responsibility of the donor and not of the Peace or its brokerage house.***
2. **The donor is responsible for** initiating the donating process and having the donation delivered to the church.
 - ***Contact someone on the finance committee and express the desire to donate appreciated stock (key contacts: Finance Liaison and/or Chairman, Financial Secretary, Treasurer, Council President).***
 - You will then be guided through the process of making a donation, You will need to
 - Delivery instructions
 - PLC Brokerage Account Number
 - Contact your PLC contact person after your financial institution or brokerage house has triggered the transfer, so PLC can expect its arrival.
3. **The donor is responsible for** the valuation of the donation on the gift date for tax purposes.
 - For example, the valuation of an exchange-traded stock would be the average between the high and the low exchange price on the gift date.
4. **The donor should retain** all documentation associated with a donation of an appreciated stock transaction: the gift date documentation, the value of the gift, and how it was established.
5. **PLC is responsible for sending and providing:**
 - ***Donation confirmation letter***
 - ***Reporting the gift***
 - ***And using the gift in its specified manner***

PLC provides giving statements to all of its contributors of record. In the case of a stock donation a letter will be provided to the donor that will include the number of shares, the kind of stock, the gift date, and the designations from the donor. ***PLC will determine what to do with the donated stocks after their arrival; shares will be sold as quickly as possible, unless there is a specific designation by the donor (the attached link provides additional information as outlined by the IRS for the purposes of stock donations and their deductions...<https://www.irs.gov/publications/p526/ar02.html>).***

