GIFTS OF NON-CASH ASSETS

THE CHICAGO COMMUNITY TRUST
AND AFFILIATES

PUBLICLY TRADED SECURITIES

Donors all too often think about making a gift of cash before they think about other assets to give to charity. A donor may be able to gift appreciated securities — including **stock, mutual funds and ETFs** — to make a greater impact with greater tax advantages.

HOW IT WORKS

Donating publicly traded securities to the Trust is often just as easy as writing a check or processing a wire. Typically, the donor will alert her financial advisor that she would like to contribute shares of stocks, mutual funds or ETFs to the Trust. The advisor will then transfer the applicable shares using the Trust's transfer and broker account information. In some instances, the transfer can happen the same day that the donor makes the request to her financial advisor.

The value of the deduction for a contribution of publicly traded securities is the average of the high and the low value of the security on the day of the contribution. If the contribution is intended to fund a new or existing donor advised fund, the shares will be sold upon receipt by the Trust and the proceeds added to the donor advised fund.

BENEFITS OF DONATING PUBLICLY TRADED SECURITIES

There is essentially a double tax benefit to contributing long-term appreciated securities to the Trust instead of selling the securities and contributing the proceeds. First, the donor can claim a deduction on federal income taxes for the full value of the contributed securities, subject to IRS limitations. Second, the donor avoids recognizing and paying federal long-term capital gain taxes on the contributed securities.

It is important to remember that the deduction available to a donor of appreciated securities is limited to 30% of the donor's adjusted gross income in the year of the contribution. Donors who are not able to use all of their deduction in the year they donate appreciated securities can carry unused deduction forward for up to five years.

Donors who are holding publicly traded securities with built-in losses may be better off selling those securities and taking the capital loss for tax purposes, and then contributing the proceeds from the sale to the Trust.

If the publicly traded security has been held for less than one year, there may be little incentive for contributing the security from a deductibility standpoint. Potential donors should always consult their wealth advisor, accountant and other professional advisors to determine which assets are most advantageous for giving.

For more information about gifts of publicly traded securities, contact Tim Bresnahan, Senior Director of Gift Planning, at tbresnahan@cct.org or 312.565.2832.

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