

Center for Technology & Innovation, Inc.
321 Water Street, Binghamton, NY 13901
607-723-8600 www.ctandi.org
Future home of Tech Works!
Experience Innovation – Past, Present, & Future

Donation of Securities

Make a gift of publicly-traded securities to Center for Technology & Innovation, Inc. (Center) and potentially save income tax and capital gains tax, too.

A gift of securities offers two tax advantages: The donor avoids capital gains tax on the appreciated value of the securities and may take a charitable deduction on her federal income taxes for the full market value of the security as of the date of transfer to the Center. Securities that have been held for one year or more are deductible up to 30 percent of the donor's adjusted gross income; the balance may be carried forward within the same limitation for up to five years.

Please follow these simple steps to ensure that your gift is properly credited.

If securities are held with a bank or broker:

You or your broker should get in touch with Alan Jablon or Matt Adler at Cheevers, Hand, & Angeline Investments, 607-754-7550 with the following information:

- name of the stock
- number of shares
- designation of the gift
- broker's name and phone number (if you are calling)

They will give you (or your broker) instructions on how to transfer the shares electronically by DTC wire the Center for Technology & Innovation's account.

If securities are held by the donor:

If your stock is in certificate form, please mail the following:

- unsigned certificates
- a letter stating what is being given and its designation
- a copy of the letter with an endorsed stock power, signed but left blank (the Center will complete it) to:

Center for Technology & Innovation, Inc. 321 Water St, Binghamton, NY 13901

Thank you for considering support for the Center with a gift of securities. See below on how the process can work and if it is right for you.

A gift of *publicly-traded securities* could be right for you if:

- You own publicly-traded securities that you have owned for at least one year.
- Some of these securities have increased in value since you bought them.
- Some of these securities may provide you with little or no income.
- You would like to make a gift to the Center for Technology & Innovation, Inc.

How it works

- You transfer shares of one or more publicly-traded securities, such as stock, bonds, and mutual funds to the Center for Technology & Innovation, Inc.
- The two most common ways to give publicly-traded securities are to make an outright gift of your securities or to make a gift of your securities and receive payments for life.

What are publicly-traded securities?

Publicly-traded securities are stocks, bonds, and other investment vehicles whose values are readily available from an established securities market. For example, stocks listed on the New York or NASDAQ stock exchanges are publicly-traded securities.

Are mutual fund shares publicly-traded securities?

Although mutual funds are sold by individual mutual fund companies rather than on an exchange, the same charitable contribution rules apply to mutual fund shares as to shares of publicly-traded securities. Gifts of mutual funds have the same tax benefits as gifts of individual securities.

Tax benefits of contributing publicly-traded securities

You can save income tax *and* capital gains tax when you give shares of a publicly-traded security that you have owned for a year or more.

Income tax benefit

If you have held your securities for more than one year, and provided you itemize, you may deduct from your taxable income the full fair market value of your shares as of the date of your donation, regardless of what you paid for them. Your deduction is limited to 30% of your adjusted gross income. You may, however, carry forward any unused portion of your deduction for up to five additional years.

Capital gains tax benefit

When you donate publicly-traded securities that have increased in value, and

you have owned the securities for more than one year, you do not have to report any of your capital gain in the securities. If you were to sell these securities yourself, you would owe capital gains tax on the difference between the sale price and the amount you paid for them.

Should I give my securities or sell them and give the proceeds?

You should give your securities directly to the Center for Technology & Innovation, Inc. if you have held them for more than one year and they have appreciated in value. This way, you will avoid paying tax on any capital gain you have in your securities. If you sell your securities first and then give us the proceeds, you will have to pay capital gains tax on all of your capital gain, an unnecessary and potentially substantial cost to you.

What is the advantage of giving appreciated stock instead of cash?

When you make a charitable gift of cash, you get an income tax charitable deduction only. When you make a charitable gift of the same value with appreciated stock, you get the same income tax charitable deduction and you avoid capital gains tax on all of your capital gain. The more highly appreciated your security, the more capital gains tax you will avoid.

Should I make a gift of securities that have lost value?

No! If you sell securities that have lost value, you can net that capital loss against capital gains. Even if you cannot take a deduction for loss securities this year, there is a five-year carry forward. If you want to make a gift of loss securities, sell the securities and take the capital loss. You can then donate the proceeds of your sale to the Center for Technology & Innovation, Inc. and use the capital loss to offset future capital gain.

What happens if I give securities that I bought less than one year ago?

The charitable deduction available for property you have owned for 12 months or less, so-called "short-term capital gain" property, is limited to either its current full value or what you paid for it, whichever is less. For example, if you give stock worth \$10,000 that you purchased nine months ago for \$1,000, your charitable deduction will be \$1,000, not \$10,000.

When you give short term gain property, your deduction is limited to 60% of your adjusted gross income rather than the usual 30%.

Is it easy to make a gift of publicly-traded securities?

Yes. Whether you plan to give one share or one thousand shares, it is easy to give your publicly-traded securities to us.

Give securities and receive payments for life

Another option for giving securities is through a life income plan. Giving securities through a life income plan such as a charitable gift annuity, charitable

remainder trust, or pooled income fund allows you to provide income for yourself or others you care about and then provide support to the Center for Technology & Innovation, Inc.. Here's how it works:

1. You transfer securities to the life income plan.
2. A gift of appreciated securities to a charitable gift annuity, charitable remainder trust, or pooled income fund will typically defer or in some cases completely avoid capital gain from your gift of securities.
3. During the term of the life income plan, you receive payments from the plan each year, typically for life.
4. When the life income plan ends, its remaining principal goes to support the Center.

Using securities to fund a life income plan typically will reduce your income taxes, providing tax savings if you itemize, and reduce or eliminate your capital gains taxes. Please let us know if you would like to learn more.

Thank you for considering a gift in support the Center – where questions lead to ideas for the future.