

Process for Making Gifts of Securities

Gifts of appreciated securities are an excellent way to support the Community Foundation for the Twin Tiers and the community. By giving appreciated stocks, bonds, mutual fund shares, and related assets, donors bypass capital gains taxes and receive an immediate income tax deduction for the full market value of the security, as provided by law. Depending on one's income tax bracket and capital gains rate, gifts of appreciated securities "cost" a donor much less than the value of the gift to our community foundation.

HOW TO MAKE, A GIFT OF SECURITIES

Giving securities is an easy process—once your client provides his/her Broker and the Foundation with basic information about the nature of the gift. *(If your clients wish to transfer mutual fund shares or if clients are transferring stocks/bonds that they hold in paper form, please contact us for additional information and assistance.)*

1. You or your client calls the Foundation at **(570) 888-4759** to discuss gift intentions to assure that we can accept the securities and help maximize the benefits of the donation. To facilitate the gift, we'll need to know what assets are being donated as well as the name & phone number of the client's brokerage firm.
2. Your client must send a brief letter, authorizing the gift, to his/her brokerage representative. **A Sample Gift of Securities Authorization Letter is attached as a guide.** The client's name and brokerage account number must be included in the letter *exactly as it appears on the brokerage account statement*. Additionally, your client must include the Foundation's brokerage account information *exactly as shown* on the attached sample letter.
3. Mail or fax the authorization letter to your client's broker and fax a copy to the Foundation at **(570) 888-0814** (please include your client's brokerage representative's phone number.)

SPECIAL CONSIDERATIONS

- Be sure that your client has held the securities he/she plans to donate for **at least 12 months** in order to take a charitable income tax deduction for the *full market value*. Securities held for **less than 1 year** are only deductible at their **cost basis**.
- Be sure that your client's letter indicates that he/she wishes to *transfer* securities to us. **If your client's brokerage firm sells the stock and gives us the proceeds, your client will not bypass capital gains taxes.**
- The value of your client's gift is the median of the high and low selling price of the donated securities on the date ownership is transferred to us. We will provide your client with this information when we receive the gift and send your client an acknowledgment letter.
- If your client is concerned about his/her broker losing a commission on the sale of the donated securities, the Foundation may be able to use the donor's broker when we sell the donated shares. Please discuss this issue with us **prior to** transferring the gift of securities.

If you have questions, concerns, or need assistance in any way, please call the Foundation's office, at (570) 888-4759.

Sample Gift of Securities Authorization Letter

Client's Name
Client's Mailing Address
Client's City, State, Zip Code
Client's Phone Number

Date

Name of Client's Brokerage Representative
Client's Brokerage Company
Mailing Address
City, State, Zip Code

Dear *Client's Brokerage Representative*:

I wish to transfer _____ shares of _____
from my brokerage _____ # of shares
account number _____ at _____ name of brokerage firm
show account number exactly as listed on brokerage account

name of stock

to the Community Foundation for the Twin Tiers as a charitable contribution.

The shares are to be transferred to the Community Foundation's brokerage account at Citizens & Northern Bank. The Foundation's brokerage account information is:

| | |
|---------------------------|---------------------------------------|
| Brokerage Account # | |
| Brokerage Firm: | Citizens & Northern Bank |
| Address: | 16 Main Street Wellsboro, PA 16901 |
| Phone: | 570-724-3411 |
| Brokerage Representative: | |

Please make the appropriate contact with the Foundation's brokerage firm and complete this transfer as soon as possible. If you have questions, you can reach me at the address and phone number listed above.

Sincerely,

CLIENTS NAME & SIGNATURE

cc: Marilyn A. Bok, Community Foundation for the Twin Tiers