

From the Finance Committee

Donating Appreciated Stock to St. Timothy's

An excellent way to provide financial support to St. Timothy's is to donate appreciated stock (stock that has increased in value) which has been held for at least a year. Donating the stock directly to St. Timothy's creates two benefits for the donor:

- Since the stock was not sold by the donor, the donor avoids paying capital gains tax on the increase in value.
- The donor is allowed a charitable tax deduction for the full market value of the stock on the date it was donated.

How to Donate Stock to St. Timothy's

Go to the Colorado Episcopal Foundation (COEF) website at <http://www.coef.org>. Select the Investment Services tab and click on "Make A Gift Of Stock". Click on "STOCK GIFT INSTRUCTIONS" to display the form titled "Stock Gift Instructions & Designation Letter" (the Stock Gift Letter). Print a copy of the Stock Gift Letter.

Complete the Stock Gift Letter by hand and make two copies. You will need to provide the following information:

- Donor contact information (name, address, phone number, & e-mail address)
- Organization who is to receive the donation
- Purpose of the donation
- Name of stock and the number of shares being donated
- Broker or transfer agent who will be transferring the shares to the COEF
- Phone number for the broker or transfer agent

Send a copy of the Stock Gift Letter to the COEF at 1300 Washington St., Denver, CO 80203. This lets the COEF know to look for an incoming donation.

Send a letter to your broker or transfer agent requesting the transfer of the shares of stock to the COEF for benefit of St. Timothy's Episcopal Church. Include a copy of the Stock Gift Letter because it has the account and routing numbers your broker needs to complete the transfer.

Send a letter to the Rector at St. Timothy's to let the Rector know a donation is coming and the approximate size of the donation.

The broker or transfer agent should send you a confirmation showing the name of the stock and how many shares were transferred. The confirmation may have only the account number of St. Timothy's and not the name.

The COEF should send you a letter confirming that the shares of stock were received, sold, and the proceeds distributed as you requested. The confirmation

sent by your broker or transfer agent and the letter from the COEF, taken together, confirm that you have donated to St. Timothy's.

The value of the stock for charitable tax deduction purposes is the average of the high and low prices on the day the donor relinquished control of the stock. It is NOT necessarily the value of the stock when it was sold by the COEF.

The advantage of using the COEF is that the COEF does not charge St. Timothy's for selling the stock. The COEF sells the stock as soon as it is received. Mutual funds and paper stock certificates require special handling. The point of contact at COEF is Scott Asper at (303) 534-6778.

Donating a Minimum Required Distribution from an IRA to St. Timothy's

Those of us who have reached the age of 70½ must take a minimum required distribution (MRD) from our IRAs each year. The MRD can be received as taxable income or contributed to a charity. The amount of the MRD which you contribute to a charity counts towards the MRD. You have a choice of how you receive the MRD.

1. Receive all of the MRD as a taxable distribution. In this case, all of the distribution is added to your taxable income.
2. Donate all of the MRD directly to one or more charities. In this case, the donation is not added to your taxable income. However, since the donation did not come to you as income, you cannot claim the donation as a charitable deduction.
3. Receive part of the MRD as a taxable distribution and donate the remainder of the MRD directly to one or more charities.

How to Donate a MRD to St. Timothy's

Send a letter to your IRA Administrator/Custodian specifying how much of your MRD you want to donate to a charity and how much you want to receive as taxable income. For the charitable donation, you must provide the organization and the organization's address (St. Timothy's Episcopal Church, 1401 E. Dry Creek Road, Centennial, CO 80122). Your IRA Administrator/Custodian will send the donation directly to St. Timothy's.

Send a letter to the Rector at St. Timothy's to let the Rector know a donation is coming and the size of the donation.

If you have questions about either type of donation, please call me at (303) 697-6649 or e-mail me at dickloyd43@gmail.com.

Thanks,
Dick Loyd