

Advancing KING UNIVERSITY

A planning guide for thoughtful, resourceful, responsible giving

This is a new communication of the Advancement Office designed for alumni and friends of King University. Through *Advancing King*, we hope to inform and inspire our alumni and friends to volunteer, to participate, and to give in support of our mission.

IN THIS ISSUE

A thoughtful, resourceful and responsible way to give Gifts of Appreciated Stock

With recent gains in the stock market over the last 5 years, gifts of appreciated securities (stocks, mutual funds, etc.) are an attractive and affordable option for donors to consider. Oftentimes, those interested in making a charitable gift consider selling stock and donating the proceeds. However, direct gifts of appreciated securities actually could provide a higher return for King at a lower cost to the donor. Our experienced staff welcomes the opportunity to work with you and your broker to plan a stock transfer that will provide the maximum benefit to King and result in a tax savings to you.

HERE IS HOW IT WORKS

To better understand this giving option, consider these scenarios with appreciated stock:

You would like to make a \$5,000 gift from your stock portfolio to King University. In 2011, you bought 100 shares of stock purchased in 2011 for \$5,000 (\$50/share) and that 100 shares is now worth \$9,000 (\$90/share).

Sell Stock and Gift the Cash		Transfer Appreciated Stock as Gift
56	Shares Sold/Gifted	56
\$5,040	Cash from Sale	\$5,040
\$ 40	Less Brokerage Fee	\$ 40
<u>\$5,000</u>	GIFT TO KING	<u>\$5,000</u>
\$2,800	Original Investment in 56 Shares	\$2,800
\$ 336	Donor Pays Capital Gain Tax	\$ 0
<u>\$3,136</u>	NET GIFT COST TO DONOR	<u>\$2,800</u>

In both scenarios, King receives a gift of \$5,000. However, the donor avoids capital gains tax in the Stock Transfer and, therefore, incurs a lower cost for a charitable gift to King.

The example also demonstrates how a donor can provide a gift worth more - in this case, **worth 43% more** - than his or her total investment by transferring appreciated stock rather than making a cash donation.

For the donor, the advantages are clear.

1. Provide a gift that is worth more than your total investment
2. Avoid capital gain tax
3. Make a larger donation than might otherwise be possible

As an alum or friend of King University, we know that you have a vested interest in the future of this wonderful place. We know that you believe in our mission. It is a shared mission; one that we all have a role to play.

If you have appreciated stock and would like to make a year-end gift, please contact Brent Davison at the King University Advancement Office at bedavison@king.edu or call 423.652.483 or 254.760.9399 (cell).

Together, We Are King University!

King University's Mission

We prepare students in our Christian academic community to excel as thoughtful, resourceful, responsible citizens with a passion for serving God, the Church and the world.

