

Take a charitable income tax deduction

Imagine giving a gift of appreciated securities (stocks, bonds, mutual funds) that benefits our community and realizes tax savings all at the same time! Sound too good to be true? It is true. Federal law permits taxpayers who itemize to deduct the current value of charitable contributions from their adjusted gross income.

Capital gains tax savings

By contributing long-term appreciated securities through the United Way Campaign, you avoid the capital gains tax that would otherwise be due if you sold the securities for your personal benefit.

Potential Stock Gift Benefits

(Effective July 1, 2004)

	Option A:	Option B:	Option C:
	Give securities (basis of \$2000)	Cash or check	Sell securities and give cash
Value of gift	\$10,000	\$10,000	\$10,000
Income tax savings (assuming 35% tax rate)	(\$3,500)	(\$3,500)	(\$3,500)
Capital gains tax (assuming 15% tax rate)	(\$1,200)	n/a	\$1,200
Net cost to donor	\$5,300	\$6,500	\$7,700

The example above illustrates the potential benefit of gifts of long-term appreciated stock and highlights some of the maximum available benefits. We strongly advise you to contact your accountant or tax advisor to determine the exact income tax effect of your donation.

To calculate an illustration of the benefits of giving securities versus cash, visit the following Internet site:
<http://stock.unitedway.org>
Federal Tax Law as of January, 2004

Questions?

Call (123) 456-7890 or visit www.unitedway.org

Simple steps for giving a gift of securities

- If you hold securities in "street name," (you do not have physical possession of the stock certificate) please notify your broker to initiate a "broker to broker" transfer. Please tell your broker to donate the stock to United Way (it is important to use the full name as there are many other United Ways in the state.) Your broker will then transfer the securities to your United Way's account. It is important that the securities be transferred to United Way's account prior to being sold in order to avoid capital gains taxation. Please notify United Way of your intent to transfer stock.
- If you have physical possession of the actual stock certificate, you may send the unendorsed stock certificate by express registered or certified mail, return receipt requested, to United Way (see address below). At the same time, an executed stock power should be sent in a separate envelope to United Way. Copies of the required stock power may be obtained from a bank, broker or United Way.
- If you hold mutual fund shares, like stock, they can be contributed to United Way and carry the same tax benefits associated with outright gifts of stock. United Way must set up an account with your mutual fund in order for you to make a direct, tax-deductible transfer, therefore you must notify us of your intention to make such a gift before October 1 to assure that your gift is deductible in this tax year and to minimize taxes owed on distributions.

Valuation for tax purposes and date of gift

The date of the gift is the day the stock passes from your control. For gifts of securities held longer than one year, the value for income tax purposes is the mean between the high and low quoted selling price on that day. Your gift will be acknowledged by the United Way with the valuation of your gift for tax purposes.

Important: We recommend that United Way not be indicated as "transferee" on the assignment form on the back of the stock certificate or on the stock power, and that the stock not be sent to a transfer agent for registration in United Way's name. These procedures usually result in needless delay and expense.

**United
Way**



United Way
of Anytown

Questions?

Call (860) 493-6811 or visit
www.unitedway.org

United Way of Anytown

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