

From: Evangelical Chinese Church of Seattle (ECC) Finance Committee
Subject: Donation of Appreciated Stock to ECC (revised 04/2024)

If you have appreciated stock, you should consider donating it from your investment portfolio instead of cash. You can increase your tax benefits from the donation, and ECC will be just as happy to receive the stock.

This tax-planning tool is derived from the general rule that the deduction for a donation of property to charity is equal to the ***fair market value*** (FMV) of the donated property. Where the donated property is the ***"gain" on the property you owned for more than 1 year***, the donor ***does not have to recognize the gain*** on the donated property, but rather can claim a charitable deduction on the current market value of the donated property.

Example

Tim and Tina are twins, each of whom attended Y University. Each plan to donate \$10,000 to the school. Each also owns \$10,000 worth of stock in ABC, Inc., which they each bought for just \$2,000 several years ago.

Tim sells his stock and donates the \$10,000 cash. He gets a \$10,000 charitable deduction, but must report his \$8,000 capital gain on the stock.

Tina donates the stock directly to the school. She gets the same \$10,000 charitable deduction and does not have to report any tax on the \$8,000 capital gain. The school is just as happy to receive the stock, which it can immediately sell for its \$10,000 value upon receipt of the stock.

Caution: While this plan works for Tina in the above example, it will not work if the stock has not been held for more than one year. It would be treated as "ordinary income property" for these purposes and the charitable deduction would be limited to the stock's \$2,000 cost. Check with your tax advisor if the stock you intend to donate comes from an Employee Stock Purchase Plan (ESPP), which may require a longer holding period.

Finally, depending on the amounts involved and the rest of your tax picture for the year, taking advantage of these tax benefits may trigger alternative minimum tax concerns.

If you have any other questions, please do not hesitate to contact the ECC Finance Team (finance@eccseattle.org). Make sure that you pray and consult your tax advisor and/or [IRS Publication 526](#) before you make any contribution of your appreciated assets. God, through the Bible, is our guidance. May God bless you all.

Disclosure

ECC does not provide investment or tax advice. Please consult your personal investment or tax advisor for specific questions. The examples in this memo are for educational purposes only.

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 info@eccseattle.org

Instructions

1. Evangelical Chinese Church of Seattle's stock donation account is held at Morgan Stanley. Our contact is Karlie LeClair (206-628-4881).

2. Here is ECC's Morgan Stanley account information:

DTC Number:	0015
Account Number:	144-030095
Account Name:	Evangelical Chinese Church of Seattle
Tax ID Number:	23-7005497

3. Call your investment advisor or investment firm and indicate that you would like to make a stock donation.

4. If you have not already informed us of your gift, please email (finance@eccseattle.org), or call Evangelical Chinese Church of Seattle with the information below:

- your name
- your current mailing address
- the name of the stock
- number of shares donated
- your offering designation (e.g. General Offering, Missions Fund, Building Fund, Good Samaritan Fund, etc.).

5. **Donor names may not transfer along with stock shares, so it is important for you to notify us in advance of your transfer.** You may email us a copy of the request letter you sent to your broker. To ensure your gift is used to support the area you wish, we need confirmation of the number and kind of shares you have given, as well as the designation.

6. The ECC Finance Committee will issue a receipt for your donation indicating the date the shares of stock were received. [IRS Publication 526](#) provides instructions on how to value your donation for charitable contribution deduction purposes or speak with your tax advisor.

Thank you for your gift!

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