Tax Deduction Information for Gifts of Securities to Samford University

The IRS offers you a notable tax break for charitable gifts of appreciated securities that you have owned for longer than a year. You may deduct the full value even though you paid less for the security. Capital gains taxes are completely avoided.

- **Date of gift**

Your gift is completed on the date the assets transfer from your account to Samford. Internal Revenue Code Section 1.170A-1(b).

- **Value of gift**

If there is an active market for the securities on a stock exchange, in an over-the-counter market, or elsewhere, the value of each share or bond is the average price between the highest and lowest quoted selling prices on gift date. If there were no sales on the valuation date, but there were sales within a reasonable period before and after the valuation date, you determine value by taking the average price between the highest and lowest sales prices on the nearest date before and on the nearest date after the valuation date. Then you weight these averages in inverse order by the respective number of trading days between the selling dates and the valuation date. IRS Publication 561.

- **Deduction of gift**

The IRS says you can deduct the value of all appreciated assets up to 30% of your adjusted gross income (AGI) A gift in excess of the 30% can be carried forward and deducted at this same level over the next five years.

- **Don't sell first!**

Even if you give Samford all the sales proceeds the IRS will still impose capital gains taxes on the appreciated value of the securities. To escape this tax, give the securities instead.

- **Don't give depreciated securities!**

If you bought securities at a higher price than current value and transfer these securities to Samford, you will be able to deduct only the lower value. Sell depreciated securities first and give the sales proceeds so you may claim the depreciation in value as a capital loss on your next tax return.

Be careful to maintain accurate records. As always, we encourage you to consult your tax advisor for guidance and to answer questions.

SAMFORD UNIVERSITY