Get More From Good Performers
Maybe you own a stock whose performance has been outstanding. You would rather not give it away because you expect its future performance will continue to outstrip many other equities. And yet, this stock has produced large capital gains and would make a wise tax-saving charitable gift.

There’s an easy solution. Go ahead and contribute the shares to us. Then, buy the same number of replacement shares on the market. This way, you’ll wipe out your past capital gains tax liability and still maintain your position in a favorite investment. To provide funds for the purchase, sell an investment that has lost money and take advantage of a potential capital loss deduction.

Put Mutual Fund Shares to Good Work
A donation of mutual fund shares results in the same income tax savings as with individual stocks. You can instruct your broker or other investment custodian to transfer mutual fund shares to our account.

Contact Us
We would be glad to provide you with illustrations of the tax and financial benefits you would have with any of these four strategies. Just give us a call.

Example: Funding a Charitable Remainder Trust With Stocks
After consulting with her financial advisor, Janet, 70, decides to give stocks worth $150,000 to a charitable remainder unitrust that will pay her 5 percent of the trust’s value each year for life. This is equal to a payout of $7,500 the first year, compared with only 1 percent, or $1,500, in current annual dividends from the stocks she originally bought for $50,000. And with a unitrust, Janet’s payments can grow over time if the value of the trust increases—the payments can also be reduced, however, if the trust value decreases.

Had Janet sold the stocks, she would have paid a tax of $15,000 on her $100,000 in capital gains. Because Janet would have needed to spend $15,000 of her $150,000 proceeds on capital gains taxes, she would have only $135,000 left to invest for future income. Now, however, she’s entitled to an income tax charitable deduction of $78,957,* saving her $26,056 in taxes based on a 33 percent marginal tax bracket.

3. Get More From Good Performers
4. Put Mutual Fund Shares to Good Work

Carolina changes everything.
Your support helps inspire a new generation who will go on to make a positive impact on our communities.

Deferred or life income gifts may be designated to the University of South Carolina or one of its affiliated foundations to benefit the following:

USC Aiken
USC Beaufort
USC Columbia
USC Lancaster
Palmetto College
USC Salkehatchie
USC Sumter
USC Union
USC Upstate
USC School of Law
USC School of Medicine Columbia
USC School of Medicine Greenville

Office of Gift Planning
University Development
1600 Hampton Street, Suite 818
Columbia, SC 29208
Phone: 803-777-1601
Fax: 803-576-6191
Email: giftplan@mailbox.sc.edu

Visit sc.edu/giftplanning or contact our office today!
Wall Street has not always been kind to shareholders. Stock appreciation may not be what it once was, causing you to wonder whether now is a good time to donate stock. If you are among those who have owned stocks for many years, in all likelihood you hold a few low-cost stocks in your portfolio. If you would like to dispose of some stocks and want to support our mission, we hope you'll consider donating them to us.

To make your decision easier, review these four gift planning strategies for your stocks before meeting with your professional advisor.

1. **Eliminate Capital Gains Tax**
   Do you want to dispose of a highly appreciated stock but hesitate because of the capital gains tax you would owe? With the maximum capital gains rate for stock at 20 percent, this is an obstacle that undermines an otherwise sensible financial move.
   Fortunately, there is a way to earn an income tax write-off for a stock's current market value and eliminate the tax on the appreciation that has built up while you have owned it. How? A charitable gift of appreciated stocks entitles you to both tax benefits while also enabling you to support our mission.

2. **Remedy Disappointing Dividends**
   Yields on some stocks will shrink from time to time. If you depend on dividends to pay your bills, you could be squeezed by rising living expenses and an investment income that no longer keeps up with inflation.
   One way to improve your bottom line is to put some of your low-dividend holdings into a charitable remainder trust. This trust will pay you, and other people if you wish, income for life. Then, when the trust ends, the balance will support our vital needs.

When considering a donation of appreciated stock, remember to use shares you’ve owned for more than one year in order to qualify for the fair market value deduction. If you have acquired shares of the stock at different times, you can maximize your tax savings by donating the shares that have the lowest cost basis. You can also benefit from giving stocks that have depreciated in value. For maximum tax savings, sell them, take any allowable loss, and then donate the cash proceeds to us. This way, you'll obtain a charitable deduction for the cash gift, and you can offset the losses against any gains this year. If your overall losses exceed your gains, you can deduct up to $3,000 of the excess loss from ordinary income—and carry over excess losses to future years.

To further capitalize on the benefits of a charitable remainder trust and boost your income substantially, contribute long-term highly appreciated stocks that pay you only meager dividends. You will unlock the appreciation without paying a penny of up-front tax on their capital gains—and you’ll receive a partial income tax deduction. See an example of this type of giving on the following page.

When you choose to establish a charitable remainder trust, you will have two options:
- **Charitable remainder unitrust:** Income from the trust is variable, meaning the payments you’ll receive are based on the annual value of the trust.
- **Charitable remainder annuity trust:** Income from the trust is fixed and isn’t affected by fluctuations in the trust’s value.

Fit Your Gift to Your Needs

When you use stock to fulfill your philanthropic goals, you can:
- Eliminate capital gains tax on the appreciation.
- Time your gift to maximize your income tax savings.
- Reduce your investment risk.
- Boost your income by creating a plan that pays you income for life.
- Preserve cash on hand for personal needs.

Our Charitable Organization

You Give securities

Our Charity: Eliminate capital gains tax and receive a charitable income tax deduction

Our Benefit: The proceeds from your gift support our mission

Sells the securities

Your Benefit: Eliminate capital gains tax and receive a charitable income tax deduction