

Why Donate Securities?

What are securities?

Securities are stocks, bonds or mutual funds registered on a recognized security exchange (e.g., New York Stock Exchange, NASDAQ)

Why donate securities?

Receive a charitable tax deduction

- When you donate a security, the fair market value of the security is tax-deductible as a charitable contribution. The IRS dictates that the fair market value is calculated as the average of the highest and lowest quoted selling prices for that security on the date it is donated.
- **Example:** You donate 100 shares of Company XYZ to Solana Center on December 20, 2021. The highest quoted selling price on that day for Company XYZ was \$71 and the lowest price was \$69, with an average of \$70. Thus, your tax-deductible donation is valued at \$7,000 (100 shares * avg. price of \$70).

Avoid paying capital gains taxes

- If you donate the security, you do NOT pay capital gains tax for that security. Whereas if you sell a security that has appreciated, you will pay capital gains tax on the gains you realize (the difference between the cost of the security when you bought/acquired it and the proceeds you receive when you sell the security).
- **Example:** You bought 100 shares of Company XYZ 10 years ago for a total cost of \$500. Let's say those 100 shares are currently valued at \$7,000. If you sold the stock, you would pay capital gains tax on the \$6,500 gain you realize. If you donate these shares to Solana Center instead, you would not have to pay any capital gains taxes (and you still get the tax-deductible donation of \$7,000!)

How to donate securities?

- 1) Notify your broker that you would like to donate securities to Solana Center for Environmental Innovation. They will tell you the procedures their firm follows to make this type of donation. They may require a signed letter via mail authorizing them to make the gift.
- 2) To transfer the securities, your broker will need information about Solana Center's brokerage account. Please contact Sue Ruiz, Accountant at Sue.Ruiz@solanacenter.org to get the necessary account information.
- 3) Please notify Sue after you have initiated the transfer of securities so we can verify that the transfer has happened

After the securities are transferred, you will receive a letter from Solana Center acknowledging the receipt of your donation. This letter serves as your tax receipt and includes the calculation of the fair market value for the securities donated.

Please contact Sue Ruiz if you have any questions about donating securities.