

Stocks - Procedure for Fulfilling United Way Pledges via Appreciated Stock

Fulfilling one's pledge to United Way of Knox County through the transfer of appreciated securities could allow the donor to enjoy tax benefits while investing in United Way's work in our community. In addition to the charitable deduction, donors who make their gifts through the direct transfer of stock may avoid capital gains taxes. Please consult your tax professional to discuss your personal situation.

Persons wishing to use appreciated stock as settlement of their United Way pledge should check the box labeled "Stocks and Securities" on their pledge card and make sure to fill out the Home Address section of the form. The pledge will be logged as a Direct Bill pledge payable before the end of the following calendar year (i.e. – a pledge made in the fall of 2009 is due prior to December 31, 2010.)

When donating appreciated stock, the individual should transfer the stock(s) as described below before selling it. By doing this, the individual may be able to claim a charitable contribution in the amount of the average of the high and low stock price on the day of transfer to the United Way. He/she may also not have to pay any capital gains tax on the disposition of the stock.

Note: Only stock which has appreciated in value should be contributed directly to the United Way. If you are considering stock whose current selling price is below the purchase price, it would be advantageous for tax purposes to sell the stock first and contribute the proceeds after receiving the cash settlement, so that the individual may be entitled to the capital loss on the sale as well as the charitable donation for the cash paid to the United Way.

PLEASE CONSULT YOUR PERSONAL TAX ADVISOR BEFORE MAKING STOCK TRANSFER DONATION(S).

To transfer stock(s) to United Way:

- 1.) Please contact United Way of Knox County (740) 397-5721 and inform us of the transfer. We can also answer any questions that you may have.
 - If your shares of stock are being held in a brokerage account they can be transferred electronically from your brokerage account to the United Way account. To transfer shares electronically, please provide your broker/brokerage firm with the following United Way account Information:

**United Way Account: 486-40-413 United Way of Knox County Inc.
Brokerage Firm: Raymond James Financial Services, Inc.
Branch #: 4WP
Federal Tax ID: 31-4411236**

- If you have stock certificates in your possession, please call the above numbers and we will guide you on how to proceed. ***It is important that you not endorse the stock certificate itself.*** We will supply you with a separate stock power to use which will expedite the transaction and remove the need for you to have your endorsement certified before sending. You will need to send us the original stock certificate and the

separate stock power for our processing. We recommend that these documents be sent separately by certified or registered mail for your protection. We will then sell the stock and give you credit for the average of the high and low stock price on the day you mailed or delivered the certificate.

Our policy is to sell donated stock as quickly as possible after receiving the transfer. Once we receive the proceeds we will post the contribution to your account and send you an acknowledgment letter to serve as evidence of the value of your contribution for tax purposes. Because of privacy laws enacted after September 11th, brokerage firms do not always provide complete donor information when transferring shares of stock. To ensure proper posting of stock payments, please ask your broker to provide your full name and address when funds are transferred.