

## Giving Appreciated Stock or Mutual Funds to Bowdoin

Federal and most state tax laws offer special incentives for non-cash gifts of appreciated property. For many donors, giving appreciated stock or mutual fund shares to Bowdoin may be preferable to giving cash because:

- You avoid capital gains tax. Any gain is taxable if you sell stock or mutual fund shares yourself, but not if you transfer ownership to Bowdoin.
- Your charitable deduction for federal income tax purposes is based on the full fair market value of the shares on the date the gift is made.
- You receive credit from Bowdoin for the full fair market value of the shares, but the cost to you is only your original purchase price.

## The Value of a Stock Gift

The value of a publicly traded stock is always the average of the high and low share prices on the date of the gift. For broker transfers, the gift date is defined as the date on which the stock enters Bowdoin's account. For stock gifts not made via a broker, the Office of the Treasurer (207-725-3426) can apprise you of how the gift date and value are determined.

## Gifts of Appreciated Securities vs. Gifts of Cash

Suppose that you would like to increase your annual contribution to Bowdoin from \$2,500 to \$5,000. Ten years ago, you purchased 200 shares of PolarBears, Inc. at \$5/share for \$1,000. That stock is now worth \$25/share or \$5,000. If you sell the stock outright, you will incur a taxable capital gain of \$4,000.

However, by making a gift of this stock to Bowdoin, you accomplish several things. First, you avoid having to pay a capital gain tax (usually a minimum of 15%). Second, you are able to take a charitable deduction for the full market value of the stock on the day it is transferred to Bowdoin. This means you increase your annual gift to Bowdoin by \$2,500 with an after-tax cost increase of only \$1,025 over your prior \$2,500 cash gift (\$2,650 vs. \$1,625).\*

Please note that the benefits of making such a gift may be fully realized only if you have held the shares 12 months or longer. Consult your tax advisor for assistance.

*\*This example assumes a 15% capital gains rate, a 35% income tax rate, and inclusion of income and capital gains taxes avoided by the donor.*

## Gifts of Stock Held in a Brokerage Account

Most gifts of stock are made from a donor's brokerage account. The process is simple and straightforward – just provide the following information to your broker:

The contact information for the College's account is:

State Street Bank & Trust Company  
200 Newport Avenue, 7th Floor  
North Quincy, MA 02171  
Attn: Daniel N. Sacramone  
Tel: (617) 985-3238  
Fax: (617) 537-6619

The account information your broker needs is:

Account Name: Bowdoin College  
Account #: 0810      DTC #: 0997  
Bowdoin College Tax I.D. # 01-0215213

Please ask the agent to ***include the donor's name in the comments section*** when making the stock transfer.

***The important last step in making your gift is to notify Bowdoin's Development Office at 207-725-3094 or stockgift@bowdoin.edu. Donor names are not always evident on a stock transfer, and we want to ensure that we can record your gift and acknowledge it in a timely manner.***

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*Please feel free to detach this panel and forward to your broker as part of your transfer instructions.*

Description of stock \_\_\_\_\_

Number of shares \_\_\_\_\_

Donor name \_\_\_\_\_

Signature \_\_\_\_\_

## Other Stock Gifts and Gifts of Mutual Funds

Please contact the Office of the Treasurer at 207-725-3426 for instructions on gifts of *physical stock certificates, direct registration shares, closely-held stock, stocks held on a foreign exchange, or mutual funds*. When contemplating year-end gifts, please note that gifts of mutual funds may take up to six weeks to complete.

For gifts of *restricted stock or stock subject to a corporate action*, the College requests two weeks advance notice in order to complete required paperwork and legal review.

If you wish to use securities *to fund a planned gift*, please call the Office of Planned Giving at 207-725-3263 for appropriate instructions.

## For More Information

Please feel free to contact us at any time with questions or concerns.

Regarding the *purpose and/or designation* of your gift:

Randolph H. Shaw  
Vice President for Development and  
Alumni Relations  
Tel: 207-725-3407  
Email: rshaw2@bowdoin.edu

Regarding the *procedure for making your gift*:

Katie Hoffmann Tukey  
Tel: 207-725-3094  
Email: stockgift@bowdoin.edu

# Gifts of Appreciated Stock or Mutual Funds

Bowdoin College  
4100 College Station  
Brunswick, ME 04011-8432  
Fax: 207-725-3127

**Bowdoin**