

Stock Giving

Todd & Betsy Stone

Betsy and I are so grateful for the many ways St. Michael's enriches our lives, and like everyone in our congregation, we do what we can to support it.

I'd like to share with you something that we have been doing in the past few years, an easy new way to support St. Michael's... while also helping us. Then I'm also going to talk briefly about two other creative ways to support St. Michael's.

Okay, let's talk about our experience with "appreciated stock donations." Instead of writing a check, we've directly given to St. Michael's a stock that has increased in value over time. Some stocks, like Apple, have really shot up in value, but there are lots of stocks that have appreciated.

If you own appreciate stocks, mutual funds or bonds... this may be something for you to consider. When you donate appreciated stock, you not only benefit the church...or any nonprofit you support... but you also avoid paying capital gains tax when the stock is donated. Depending on your tax situation, you may also be able to deduct your charitable gift on your annual taxes.

Here's how it works: first you get a one page instruction sheet from Michelle in the office. It will tell your broker or brokerage firm how to transfer whatever number of stocks you specify to St. Michael's brokerage account. Your broker will ask you to sign something to authorize the transfer. The stock usually transfers to St. Michael's the next day. Then the church sends you a letter with the exact market value of your donation, to support your tax filing.

I also want to mention two other creative ways of supporting St. Michael's that help out the church while easing your potential tax consequences. Of course, you should talk to whoever you trust for financial advice to see if either of these approaches might work for you.

This first one is for people who are over 70-and-a-half and feeling comfortable with their retirement nest egg. The Qualified Charitable Deduction allows you to donate directly from your Individual Retirement Account, 401k or 403b—tax free, up to a hefty maximum amount of \$111,000 per person from all accounts.

For this one, all you have to do is contact the financial institution that holds your retirement account or accounts about transferring funds directly to St. Michael's...or any qualified nonprofit of your choosing. Note that you can't take a charitable donation deduction on your taxes for this because you didn't pay taxes on that income to begin with.

The second one is for people 73 or over, which is the age the IRS requires us to start taking a minimum distribution from retirement accounts. You get taxed on that additional income, so if you don't need it right then, you can consider donating some or all of it instead. Donating the required withdrawal may avoid or reduce the tax consequence because you didn't keep it as income. Once again, you can't take a charitable tax deduction on this donation because you didn't pay taxes on it to begin with.

Just like the Qualified Charitable Deduction, you simply contact the financial institution that holds your retirement account and tell them you want to donate part or all of the required minimum distribution to St. Michael's instead of taking it as income.

Talk to whoever you trust for financial advice to see if any of these approaches might work for you. These three approaches can help St. Michael's support its mission and programs, but they also may benefit you, depending on your situation. That's a win-win! And thanks for your dedication to St. Michael's.

Your past and future support is deeply appreciated!