



## Hilton Head Preparatory School

### **Gifts of Securities**

Giving long-term appreciated stock or mutual fund shares offers three-fold tax savings:

1. You avoid paying any capital gains tax on the increase in value of your stock.
2. You receive an income tax deduction for the full fair-market value of the stock on the date of the gift (regardless of what Hilton Head Preparatory School nets when it sells the stock).
3. You may deduct up to 30 percent of your adjusted gross income with an additional five-year carry forward. The carry forward provision allows you to use the deduction in future years, potentially spreading your deduction over six years.

Other benefits of making gifts or pledge payments with appreciated securities:

1. Such a gift may not impact your income stream as much as a gift of cash.
2. Using securities may allow you to maximize the gift you wish to make.
3. The gift process (electronic transfer in most cases) can be handled easily by your broker and the Hilton Head Preparatory School Development Office.

### **An example:**

If you bought stock many years ago for \$1,000 and it is now worth \$10,000, an outright gift of that stock to Hilton Head Preparatory School would result in a charitable deduction of \$10,000. In addition, you would permanently avoid capital gains taxes on the \$9,000 of appreciation.

**Important:** Before transferring your gift, please contact Hilton Head Preparatory School: Margot Brown, Director of Development and Finance at Margot Brown [mbrown@hhprep.org](mailto:mbrown@hhprep.org) or 843- 715-8506 and provide the following information:

1. Your name
2. Broker's name (individual and company) and telephone number
3. Description of security issue and number of shares
4. Gift designation (if any) (Prep Pride Fund, Endowment Fund, specific memorial fund, etc.)

It is important that you contact the Development Office before donating securities so that we can properly credit your gift.

**Electronic Transfer of Securities:**

To transfer stock electronically, please give your broker or custodian the following information:

Gifts of DTC eligible securities:

Morgan Stanley DTC # 0015

Credit account of Hilton Head Preparatory School

Account # 439 014706

For your information, Hilton Head Preparatory School's tax ID # 23-7126823

Please ask your stockbroker or custodian to provide the donor's name at the time of the transfer.

Our brokerage account at Morgan Stanley

600 Main Street

Hilton Head Island, SC 29926

843-689-7222 – Tim Majewski/Woody Mooers

Thank you for your generosity. We will be in touch with you as soon as we receive the transfer.