



CASE STUDY:

APPRECIATED SECURITIES

THE SITUATION

- Individual is philanthropically inclined, but does not have a long-term charitable plan.
- Individual owns appreciated securities with long-term unrealized gains and needs to decide on a giving strategy that will be most beneficial.
- Individual could benefit from a charitable tax deduction.

THE CONSIDERATIONS

- Transferring ownership of the appreciated securities directly to a charity generally involves required paperwork.
- Contributing long-term appreciated securities directly to a charity with a donor-advised fund program, rather than selling the assets and then donating the proceeds directly to a charity, is often a more tax-efficient way of giving.

THE SOLUTION

- After speaking with an Advisor or Charitable Planning Specialist, Individual chooses to establish a Giving Account® at the Fidelity® Charitable Gift Fund™.
- Individual contributes securities directly to the Gift Fund rather than selling them first and contributing the proceeds.

THE BENEFITS

- By donating the appreciated securities to the Gift Fund rather than selling the securities and then donating the cash, Individual avoids paying capital gains tax on the sale of the stock.
- Proceeds of the Gift Fund's sale of the securities are used to fund the Giving Account, from which the individual can support IRS-qualified public charities during lifetime and beyond.
- Individual is eligible to take a tax deduction, according to IRS regulations, for the FMV of the long-term appreciated securities, up to 30% of their Adjusted Gross Income ("AGI").¹
- Charitable Planning Specialist or Advisor provides an innovative way for Individual to meet their philanthropic goals and minimize their tax burden.
- The Giving Account can provide the opportunity to support charities during one's lifetime and beyond. Charities potentially receive more support because of the tax benefits realized by giving appreciated securities directly to the Gift Fund. (*See reverse side for hypothetical example.) Moreover, assets in the Giving Account have the potential to grow over time in the Gift Fund's investment programs.

¹ Other deductibility limits may apply depending on the taxpayer's individual situation and the type of asset donated to charity. Please consult your tax advisor.

	Sell securities & donate net cash proceeds to charity	Contribute securities to the Gift Fund
Current Fair Market Value of Securities	\$100,000	\$100,000
Federal Long-Term Capital Gains Tax Paid* (15%) Assumes cost basis of \$40,000, and long-term capital gains of \$60,000	\$9,000	\$0
Charitable Contribution/Charitable Deduction*	\$91,000	\$100,000
Value of Charitable Deduction Less Capital Gain Taxes Paid** Assumes donor was in the 35% federal income tax bracket	\$22,850	\$35,000
With a direct donation to the Gift Fund, the donor's federal income taxes are reduced by an additional \$12,150 and the charity receives \$9,000 more		

*Availability of certain federal income tax deductions may depend on whether you itemize deductions. Charitable contributions of capital gain property held for more than one year are usually deductible at fair market value. Deductions for capital gain property held for one year or less are usually limited to cost basis.

** Assumes all realized gains are subject to the maximum federal long-term capital gain tax rate of 15%. Does not take into account any state or local taxes.

This is a hypothetical example for illustrative purposes only. State and local taxes, the federal alternative minimum-tax and limitations to itemized deductions applicable to taxpayers in higher-income brackets are not taken into account.

**For more information,
please call a Charitable Planning Specialist at 800.682.4438
or visit CharitableGift.org**

Information provided is general and educational in nature. It is not intended to be, and should not be construed as, legal or tax advice. The Gift Fund does not provide legal or tax advice. Content provided relates to taxation at the federal level only. Rules and regulations regarding tax deductions for charitable giving vary at the state level, and laws of a specific state or laws relevant to a particular situation may affect the applicability, accuracy, or completeness of the information provided. Consult an attorney or tax advisor regarding your specific legal or tax situation.

The Fidelity® Charitable Gift FundSM ("Gift Fund") is an independent public charity with a donor-advised fund program. Various Fidelity companies provide non-discretionary investment management and administrative services to the Gift Fund. Charitable Gift Fund and the Charitable Gift Fund logo are service marks, and Giving Account is a registered service mark, of the Trustees of the Fidelity Investments® Charitable Gift Fund. Fidelity and Fidelity Investments are registered service marks of FMR LLC, used by the Gift Fund under license.