Using Closely Held Stock to Make a Gift

Carleton

Turn an asset into support for students and faculty

Receive a charitable income tax deduction

Avoid paying capital gains taxes

How You Benefit

- The real cost of your gift is reduced, since you'll save on capital gains taxes and possibly also income taxes by giving appreciated stock to Carleton.
- You can use closely held stock to make a variety of different types of gifts, including:
  - » An outright gift that gives you a charitable deduction for the fair market value of the property while potentially avoiding capital gains taxes.
  - » A gift that gives you income and an immediate tax deduction, while leaving the assets to Carleton.
  - » A gift that gives Carleton income for a few years, then is passed on to your heirs at the time you specify with considerable estate and gift tax savings.
- You can designate your gift to the Annual Fund, to start an endowed fund, or to support a particular project.
- Your company may also benefit from your gift. Since there is often no resale market for these shares, Carleton may be willing to sell the shares back to your company. If your company uses either retained earnings or an employee stock option plan (ESOP) to redeem the shares, it may be able to reduce or avoid taxes.

How Carleton Benefits

The full value of your gift benefits Carleton—as a tax-exempt organization, Carleton doesn't have to pay capital gains tax when it redeems the shares.

Planning Tips

- If your wealth is concentrated in the stock of just one or a few companies, giving some of that stock to Carleton to create a gift that gives you an income can help you reduce market risk and diversify your income sources.
- Although incentive stock options cannot be donated while you are alive, consider giving them to Carleton as part of a bequest, if your plan allows it. You will be able to create a legacy at the college and potentially save on estate taxes.
- Gifts of closely held stock may require a qualified appraisal and can take some time to complete—contact Carleton early in your decision-making process.
- You may need to provide the following information:

Legal name:	Carleton College
Address:	One North College Street Northfield, MN 55057
Tax ID#:	41-0694747

QUESTIONS? PLEASE CONTACT US

Phone 800-492-2275 • 507-222-4200
Email planned-giving@carleton.edu
Web carleton.edu/giving/planned

One North College Street
Northfield, MN 55057

Disclosure: This information is not intended as legal advice. Please consult your attorney or financial adviser to learn if a gift of securities is appropriate for your situation.

carleton.edu/giving/planned