CHILDREN'S DAY SCHOOL

GIFTS OF SECURITIES

AVOID CAPITAL GAINS TAX AND RECEIVE A CHARITABLE DEDUCTION

Thank you for considering a gift of securities to Children's Day School! Gifts of publicly traded securities that have appreciated in value allow you to avoid capital gains taxes while also receiving a tax deduction for your gift.* Capital gains taxes on the stock are avoided, and you will be eligible to receive an income tax charitable deduction for the full fair market value of the stock at the time of the gift. CDS benefits by selling the stock without paying taxes on the gain, and you benefit from making a contribution that would be larger than what you might have been able to donate in cash. To qualify for these tax advantages, the security must have been held for at least one year.

Here are the benefits:

- You receive credit and an immediate tax deduction for the fair market value of your stock gift on the date it was transferred to Children's Day School. (Consult your tax advisor regarding limitations on deductions for gifts of securities held for less than one year.)
- You pay no capital gains tax on the donated stock.
- If you own stock that is now worth less than when you bought it, consult your tax advisor about the possible advantages of selling the stock yourself, donating the proceeds to CDS, and claiming a capital loss on your tax return.
- You will make an impact at CDS and help us further our mission today!

For detailed instructions on how to make a gift of appreciated stocks, contact Scott Hunt, Director of Advancement at 415-861-5432 x323 or scotth@cds-sf.org.

Advantages of a gift of appreciated stock versus cash:

Key donor benefits of a $10,000 gift of stock with a cost basis of $2,000		
	CASH GIFT	**STOCK GIFT**
Current fair market value of stock	$10,000	$10,000
Income taxes saved	$0	$3,960
Capital gains taxes saved*	$3,960	$1,904
Total tax savings	$3,960	$5,864
**Assumes 20% capital gains tax and 3.8% surtax on net investment income.*		

*Children's Day School is a 501(c)(3) organization; donations to CDS are tax-deductible to the fullest extent allowed by law. Our tax ID number is 94-3248631. Please speak with your financial adviser about the deductibility of your gift.

The following instructions will affect a transfer to our account:
Deliver to: Charles Schwab & Co., Inc
Account: Children's Day School
Acct. No.: 5573-7808
DTC No.: 0164 Code: 40

Prior to the transfer, please notify the Advancement Office of the following:

- The name of the securities being transferred
- The number of shares
- The name of the institution transferring the securities
- The date of the transfer.

Once the transfer is complete, we will confirm the transaction and provide a receipt of your gift for your tax files.

Charitable Swap:

A charitable swap allows a donor to keep publicly-traded stock that has appreciated and make a gift of stock. Donors can donate appreciated stock and receive a full charitable contribution deduction without paying capital gains taxes. Following this stock gift, donors can immediately purchase identical stock using the cash they would have donated, allowing donors to maintain their portfolio, receive a fair-market value contribution, and secure a step-up basis in the stock. This is especially powerful if the stock is later sold by the taxpayer, waiting at least one year for capital gains rates.