

The Well Community Church Family,

We are announcing a new way for you to partner with us in ministry. The Well Community Church is now equipped to accept stock donations. This new giving option provides a flexible and often tax-efficient way for our members to support the ongoing work of our church and further God's kingdom.

Many of you hold appreciated stocks, mutual funds, or other securities in your investment portfolios. Donating these assets directly to the church can offer tax advantages compared to selling them first and then donating the cash proceeds.

### ***Important Disclaimer***

*Please note that The Well Community Church cannot provide tax or financial advice. The information provided below is for general informational purposes only. We strongly encourage you to consult with a qualified financial advisor or tax professional to discuss your specific financial situation and determine how a stock donation may impact your personal tax strategy. They can help you understand the most beneficial way to give for your unique circumstances.*

### **Tax Benefits and Implications of Stock Donations**

Understanding the tax implications of stock donations is important. Here are some key points to consider:

\* **Avoid Capital Gains Tax:** When you sell appreciated stock, you typically incur capital gains tax on the profit. By donating appreciated stock directly to The Well Community Church, you can avoid paying these capital gains taxes, potentially allowing more of your gift to go directly to the church's mission.

\* **Charitable Deduction at Fair Market Value (for Long-Term Holdings):** If you donate stock that you have held for more than one year (long-term capital gain property), you can generally deduct the full fair market value of the stock on the date of the donation. This means your deduction includes the appreciation that would have been subject to capital gains tax if you had sold it.

\* **Deduction Limited to Cost Basis (for Short-Term Holdings):** If you donate stock that you have held for one year or less (short-term capital gain property), your charitable deduction is generally limited to your "cost basis" in the stock (the original price you paid for it). While you still avoid capital gains tax on any appreciation in that short period (less than one year), the tax benefit is less significant than with long-term holdings.

It may be more advantageous to sell the short-term holding shares and donate the cash from the sale. You will pay a capital gains tax on the short-term appreciation, but you will also receive a higher charitable deduction for the cash gift.

**\* RSUs and Multiple Lots:**

If you have multiple stock lots from RSU based compensation, it's crucial to specify which shares you'd like to donate. To maximize your tax benefits, you should prioritize giving shares held for more than one year (see above points).

**\* Publicly Traded Stock**

To avoid a formal appraisal process, we ask that all non-cash donations be limited to publicly traded stock.

**\* Adjusted Gross Income (AGI) Limits:** There are annual limits on how much you can deduct for charitable contributions based on your Adjusted Gross Income (AGI). For donations of appreciated stock held long-term, the deduction is generally limited to 30% of your AGI. Any unused deduction can typically be carried forward for up to five years.

**\* Itemizing Deductions:** To take advantage of charitable deductions for stock gifts, you must itemize your deductions on your federal income tax return.

**Our Process for Stock Donations**

Upon receipt of any stock donation, The Well Community Church will immediately sell the stock. The proceeds from the sale will then be managed within our church's finances in the same way as cash donations, allocated to support our various ministries and initiatives.

**How to Make a Stock Donation**

If you are interested in making a gift of stock, please contact [finance@thewellcc.org](mailto:finance@thewellcc.org). We will provide you with the necessary account information and instructions to facilitate the transfer of your stock.

Thank you for your continued partnership and faithful giving to support the mission of The Well Community Church. Your giving, in whatever form, enables us to continue fulfilling our mission to help people find and follow Jesus Christ.