



Giving Stock

If you are considering a major gift to Friendly House, making your donation with appreciated stocks or mutual fund shares offers tremendous tax advantages. It's simple, efficient and can allow you to give more than you thought possible.

If you donate your securities directly to Friendly House, you avoid paying capital gains on the profit you've gained - and you receive a full tax deduction for the value of your gift.

| Tax Savings Comparisons | Option A GIVE \$10,000 in Cash | Option B SELL Securities & Give Cash | Option C GIVE Securities Outright |
|----------------------------------|---|---|--|
| Gift value | \$10,000 | \$10,000 | \$10,000 |
| Ordinary income tax savings | \$3,960 | \$3,960 | \$3,960 |
| Capital gains tax saved or paid* | N/A | \$1,600 Paid | \$1,600 Saved |
| Net tax savings | \$3,960 | \$2,360 | \$5,560 |

*assuming 20% tax rate

This makes a stock gift much more tax-wise than a cash gift (see chart). Many donors find they can make much larger gifts than they thought possible.

Making the gift is easy. Just use the information below to transfer the funds to our brokerage account.

If you have any questions, please call our **Development Director at (503) 228-4391**.

How to Donate Shares to Friendly House

Stock donations to Friendly House need to go through our broker, Betty Jo Lee of Sanstrum & Associates, Inc. Her address is 11104 SE Stark St., Portland OR 97216; her phone number is (503) 241-7430.

1. If your stock is currently with your broker in street name:

- Tell your broker to transfer the stock electronically to Sanstrum & Associates, Clearing

Number DTC 235.

- Place a call, or have your broker place a call, to Betty Jo Lee, Friendly House's broker, at 503-241-7430. Give her the following information: your name, the name and number of your broker, the name of the stock you are donating, the number of shares that you are donating to Friendly House, and the date of transfer.

2. If you currently hold the stock certificates:

- Write a short "letter of authority" to Betty Jo Lee at Sanstrum & Associates, authorizing Sanstrum to sell the stock, and indicating that you want the money from sale of the stock to be donated to Friendly House as a charitable contribution.
- Bring the letter of authority and the stock certificates themselves to Sanstrum & Associates, 11104 SE Stark St., Portland OR 97216. The stock must be brought to Sanstrum by 12:30 p.m. to ensure that Sanstrum is able to sell the shares before the markets close on the East Coast.
- Be sure to endorse the stock certificates and the letter of authority exactly as your name is shown on the stock certificates.

Some important facts to remember about donating stock to Friendly House:

Please make sure to call our broker, Betty Jo Lee of Sanstrum & Associates, and let her know about the stock transfer. If she is not available, Larry Santrum or Diana Wilkins of Sanstrum & Associates will be able to help you out. If you don't call and let our broker know, then Friendly House will have no way to know who donated the stock.

To figure out the amount of your contribution for tax purposes, multiply the number of shares you are donating times the average of the high and low price that the stock was trading at on the day that you donated it. However, this may not exactly match the total amount that Friendly House receives. A short period of time elapses between when you donate the stock and when Friendly House's broker sells the stock. During this time, the price of the stock may go up or down. It is important to transfer the stock to Sanstrum & Associates early in the day so that they can sell the stock before the East Coast markets are closed.

It is Friendly House's policy to sell shares of stock as soon as it receives them, rather than to hold on to them. Therefore, when you donate stock to Friendly House, you can expect that it will be liquidated as soon as possible.

Any information that you provide to Friendly House's broker is private, privileged communication and will not be shared with anyone other than Friendly House.