FINE ARTS ASSOCIATION OF ARIZONA

Give More. Save More.
Support FAAA Smarter.

A simple guide to making tax-smart donation using appreciated stocks

A stock gift can create more impact to FAAA

Your investment growth can become lasting contribution.

FINE ARTS ASSOCIATION OF ARIZONA
A 501 C3 Non-Profit organization
www.arizonafinearts.org

Why appreciated stock can be better than cash

Donating the stock directly may avoid the “sell first, pay tax, donate what is left” path.

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Sell Stock & then Donate Cash to FAAA

1. Sell appreciated stock
2. Pay capital gains tax
3. Donate remaining cash

Donate Stock Directly to FAAA

1. Transfer stock to FAAA brokerage Account
2. FAAA receives full current value

Simple idea: same asset, larger charitable impact.

Simple example: a $20,000 stock gift

You bought stock for $10,000. Today it is worth $20,000.

Original Cost		Current Value		Growth in Value
$10,000	→	$20,000	→	$10,000
what you paid		what it is worth now		increase in value

The question: should you sell the stock first, or donate it directly?

Cash vs Stock donation: who receives what?

Illustrative numbers using 15% long-term capital gains tax on the $10,000 growth.

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Sell first, then donate cash

Stock value: $20,000
Capital gains tax: -$1,500

FAAA receives: $18,500

You can claim tax deductions for $18,500 only

Donate stock directly

Stock value: $20,000
Capital gains tax on donated stock: $0

FAAA receives: $20,000

You can claim tax deductions for the entire $20,000 ☺

Potential added impact to FAAA: $1,500

Educational only — not tax or financial advice. Please consult your tax advisor.

When this giving method may be useful

This works best when donors can quickly recognize themselves in the situation.

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1. You own stocks, ETFs, or mutual funds that have increased in value
2. You want to make a meaningful contribution to FAAA
3. You prefer not to sell first and pay capital gains tax
4. You are planning year-end giving or legacy giving
5. You want to explore employer matching, DAF, Benevity, or IRA options

Tip: keep appreciated stock, retirement giving, and employer matching as separate options.

How to donate stocks to FAAA?

A simple donor-friendly process.

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1
Open your brokerage or retirement account

→

2
Add FAAA as the charitable recipient

→

3
Transfer the shares directly to FAAA

Find instructions at www.arizonafinearts.org/donate.html

Questions? We are happy to help: 480-278-1450

Your investment growth can become lasting contribution.

How to donate stocks to FAAA?

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The next two slides walk you through a simple, donor-friendly process for donating stocks directly from your brokerage account.

Although this example uses E*TRADE , many leading brokerage platforms follow a similar process.

Your investment growth can become lasting contribution.

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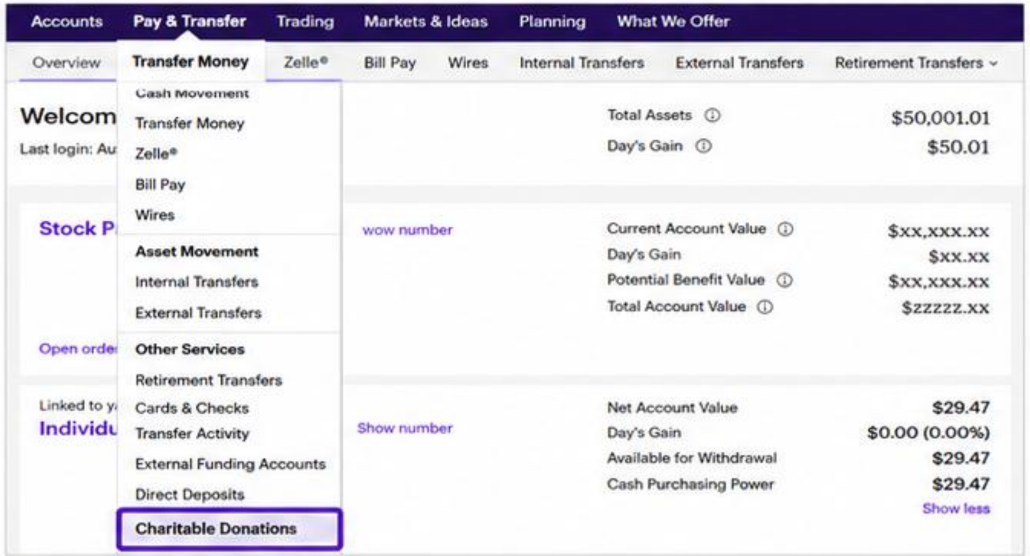
E*TRADE from Morgan Stanley

How to Add a Charity in E*TRADE

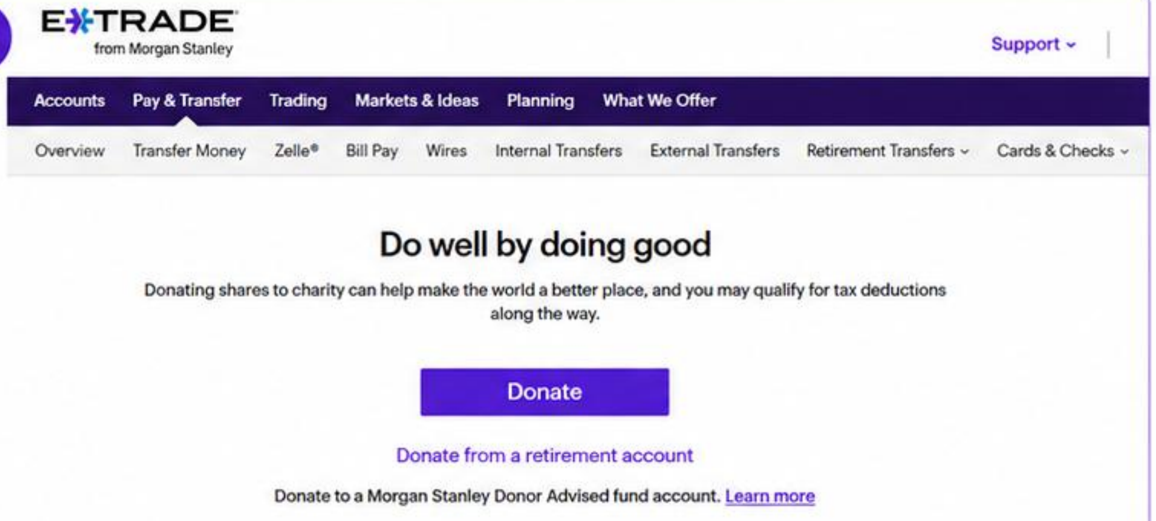
Steps 1–4

1



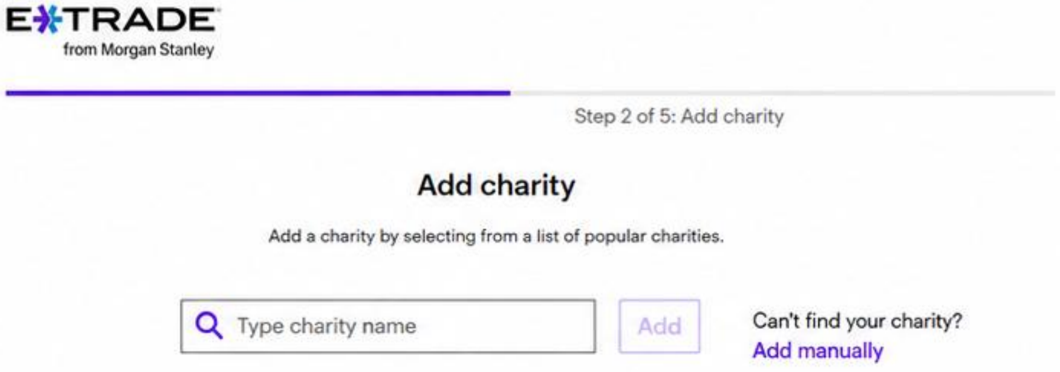
Step 1: Go to **Pay & Transfer** and select **Charitable Donations**.

2



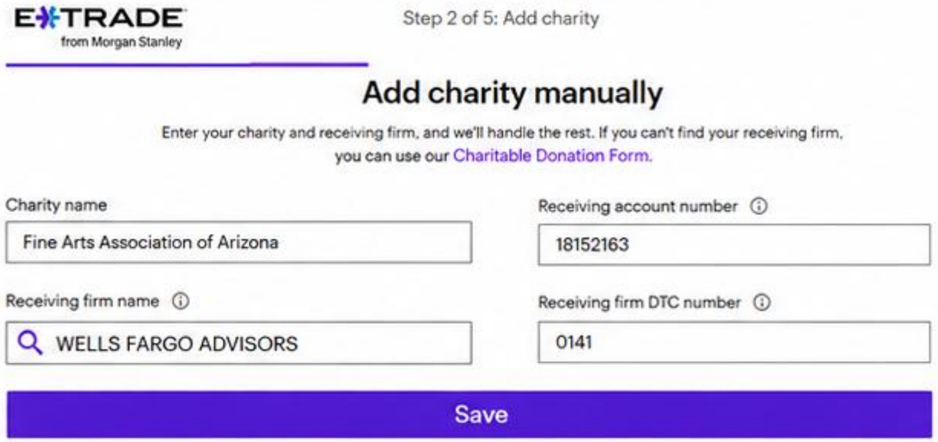
Step 2: On the Charitable Donations page, click **Donate**.

3



Step 3: Search for your charity, or choose **Add manually.**

4



Step 4: Enter the charity details manually and click **Save.**

E*TRADE from Morgan Stanley

How to Donate Shares in E*TRADE

Steps 5–7

5 Under **My charities**, select **Fine Arts Association of Arizona** and click **Donate**.

E*TRADE from Morgan Stanley

Step 2 of 5: Add charity

Add charity

Add a charity by selecting from a list of popular charities.

Type charity name | Add

Can't find your charity? Add manually

My charities

FINE ARTS ASSOCIATION OF ARIZONA
(Account #: XXXXXXXX)

Donate

6 Choose the **Apple** position and enter the number of shares to donate.

E*TRADE from Morgan Stanley

Step 3 of 5: Donate

Refresh as of MM/DD/YY at XX:XXAM/PM ET

Apple Inc. - AAPL	Account value	Available to donate (shares)
	$XX,XXX.xx	$XX,XXX.xx (XX)
Last AAPL Price	Today's Change	Volume
$XX.yy	+$X.xx (X.XX%)	XX.XXM

Transferable shares

Donate To: FINE ARTS ASSOCIATION OF ARIZONA (Account #: XXXXXXXX)

	Date acquired	Benefit type	Transferable qty.	# of shares to donate	Est. donation	Est. cost basis	Est. market value
☐	MM/DD/YYYY	Restricted Stock	XX	Enter shares	$XX.xx	$XX.xx	$XX.xx

7 Review the donation details and click **Confirm**.

E*TRADE from Morgan Stanley

Step 4 of 5: Review

Review your donation

From: Apple Inc. - AAPL

To: FINE ARTS ASSOCIATION OF ARIZONA (Account #: XXXXXXXX)

Type	Symbol	# of shares	Est. cost basis	Est. donation
Restricted Stock	AAPL	X	$XX.xx	$XX.xx
Total donation		X	$XX.xx	$XX.xx

You may be able to deduct your charitable donation from your taxable income. However, the amount you can deduct (if any) depends on the recipient organization's status as a tax-exempt organization, your income during the donation year, the state you live in, whether you itemize deductions, and how long you've owned the shares you're donating. Make sure you speak to an attorney or tax professional about your specific situation.

Donated shares are transferred in-kind and the final value of a donation will depend, among other things, on the time it takes the charity's broker-dealer to process a deposit.

By clicking on "Confirm", I authorize Morgan Stanley Smith Barney LLC to irrevocably transfer the above listed security(ies) from my E*TRADE account to the designated individual or charitable organization listed above. Shares will be transferred in-kind and are not to be liquidated. I hereby release and dischargg E*TRADE and its affiliates from any liability or claims in connection with the aforementionnal instructions and agree to indemnify and hold E*TRADE harmless against any losses from any action, claim, or demand of any person based upon E*TRADE acting under these instructions.

Confirm