

***A WIN-WIN WAY TO MAKE DONATIONS
To
LIGHTHOUSE FARM SANCTUARY***

Can I donate securities that have appreciated in value to Lighthouse Farm Sanctuary and not have to pay capital gains taxes of the value of the gift? What are the benefits of this type of donation?

Yes, we are now set up to receive these types of donations. The win-win part is that you do not sell the security, thereby avoiding a taxable event. By giving the farm the security directly, your tax return simply will reflect a charitable deduction in the amount of the total market value of the security on the date it was given. “The Farm” will simply sell the security and then receive 100% of the net proceeds. “The Farm” pays no taxes because of its non-profit status.

Another benefit of this type of gift is that you do not have to drain your pool of cash to make a gift. This strategy is especially effective when the securities donated have a very low cost basis, in other words, securities that cause you to pay taxes on a very large percentage of the proceeds if you were to sell them. People have held securities for many years because of the potential for taxation on the gain and intend to hold them until they die so their heirs can get a stepped up basis as of the date of death. Yet, these very same people struggle with having cash assets to accomplish the many things they wish to do while they are living. Donation of these securities is a great way to accomplish charitable giving goals.

Lighthouse Farm Sanctuary has an active brokerage account with Scottrade. The account number is 52052887. You can go to any Scottrade office nationwide and deposit your securities directly into that account and they should give you a written receipt. Or, if you don't hold the certificates, you can direct your broker to deliver the securities electronically to the Scottrade account by giving them the account number above and also including in the directions DTC# 0705.

If you have questions regarding taxation and/or estate planning, please consult with your tax and financial professionals.