Transfer Instructions for Making a Gift of Securities to The House FM and The House of Praise

Gifts of appreciated securities are a smart and simple way to maximize the effectiveness of your charitable giving. If stocks or mutual funds* you've held for more than a year have increased in value, you may want to consider using these assets – rather than cash – to fund your giving. By transferring ownership of your long-term stock to The House FM and The House of Praise you make a gift to support the ministry, avoid the capital gains tax you would pay if the stock were sold, and you may claim a charitable income tax deduction for the current fair market value of the asset.

*Does not apply to tax-exempt retirement plans (e.g., IRAs, 401(k)s, etc.)

Mutual Fund Transfers: These transfers can be complicated. Please call The House FM and The House of Praise's General Manager, Ted Riley at 1-800-324-8488 to find out how to transfer mutual funds.

Stock Transfers:

- ***DTC Transfer*** – If you have your shares of stock in a brokerage account this is a convenient way to transfer your securities. Simply instruct your broker to electronically transfer your securities out of your account into The House FM and The House of Praise's account and provide the appropriate account information below:

Edward Jones & Associates

FBO: The Love Station, Inc.

DTC #: 0057

Account #: 59814300

- ***Certificate Transfer –*** Transferring your certificate can be as easy as endorsing the back of the certificate and sending it by certified mail to The House FM and The House of Praise. You must sign the certificate in front of a bank officer to obtain a Medallion Signature Guarantee (notary public stamps are not an acceptable guarantor for stock certificates). Endorse the certificate exactly as your name(s) appears on the front. For example, if your certificate is listed as "John F. and Mary P. Jones," you will need to sign the certificate exactly as "John F. Jones" and "Mary P. Jones."

Next, write The House FM and The House of Praise's **tax identification number, 73-1357030**, in the box on the back requesting a social security number or other identifying number of assignee. Mail the certificate by certified mail to:

The House FM / The House of Praise
Attn: Ted Riley
PO Box 14
Ponca City, OK 74602

Employee Owned Stock in Non-Retirement Plans – If you purchased stock from your employer (e.g. non-retirement E.S.O.P.) you can instruct them to issue a certificate in The House FM and The House of Praise's name. They will need our tax identification number, and our address as mentioned above.

Appreciated Securities Transfer Form

When making a gift of appreciated securities to The House FM and The House of Praise it is **important** that you contact us in advance so that your gift will be properly credited when received and so that we may provide you with an acknowledgment letter for your tax purposes.

This form is to assist you in contacting The House FM and The House of Praise with the details of your transfer. When completed, you may either mail it to us at: The House FM and The House of Praise, Attn: Ted Riley, PO Box 14, Ponca City, OK 74602; fax to 580-765-1700; or send this information in an email to ted@klvv.com. If you have any questions or need further information, please call 800-324-8488 or 580-767-1400 to speak with Ted Riley.

Date: ____

Donor Name (s): ____

Mailing Address: ____

City / State / Zip:____

Daytime Phone:_______________________________ Email:__________________________________

Quantity / Name / Symbol of Securities being transferred:

Shares_________________of____

Stock brokerage firm:____

Broker's Name:____________________________________ Phone # _________________________________

Stock will be transferred to The Love Station's account at:

❒ Edward Jones & Associates

Let’s take a look at an example showing the advantages of stock donation:

Tom and Jerry are brothers, and each wants to make a charitable contribution to his favorite charity. Tom wants to donate to his college alma mater, while Jerry wants to give to his church. Both Tom and Jerry purchased shares in XYZ Corp. back in April 1996 for $5,000 each. Tom and Jerry's investments now have a fair market value of $20,000 each.

In order to make his charitable contribution, Tom decides to sell his shares in XYZ Corp. Tom realizes a gain of $15,000 on those shares. Tom now has to deal with Uncle Sam, and will be required to fork over $3,000 in federal taxes on this $15,000 gain (20% capital gains rate). Tom then takes the remainder of these funds in the amount of $17,000 and writes a check to his alma mater for this amount. Assuming that Tom is in the 28% tax bracket, Tom will realize a tax savings of $4,760 on the charitable contribution deduction of $17,000.

Jerry, on the other hand, has made arrangements with his church to donate his shares of XYZ Corp. directly to the church… and his church jumps at the chance to receive this donation. After the transfer, Jerry will NOT have to realize any gain or pay any tax on the $20,000 transfer of the stock to his church. In addition, Jerry will receive a charitable contribution for the full $20,000 fair market value of the stock. And, assuming that Jerry is also in the 28% tax bracket, this $20,000 charitable contribution deduction will generate tax savings of $5,600 to Jerry.

Take a closer look at the numbers: Who "made out" better in these transactions? In Jerry's case, his charity received a full $20,000 with which to carry out their charitable obligations, but Tom's charity received only $17,000... almost 18% less. Also, Jerry saved a full $5,600 in taxes on his contribution, while Tom only saved $1,760 in "net" taxes ($3,000 tax on the gain on the sale of the shares, less a $4,760 tax deduction on the charitable contribution)… a whopping difference of $3,840 in tax savings for Jerry.

So, on Tom's transaction, Uncle Sam made out. In Jerry's transaction, both Jerry AND his charity made out. Only Uncle Sam was the loser, which is quite fine. Remember that tax policy is often used to drive social action… and this is a prime example. There was nothing illegal or immoral for Jerry to arrange his affairs in order to comply with the law and keep his taxes as low as possible while providing his charity with the largest possible contribution. The Supreme Court has said as much… many times.