



In response to a number of inquiries around gifts of stock, volunteers for the PVSF Annual campaign have created the following helpful information for illustration purposes only. If your plans involve donating securities, we urge you to discuss your individual situation with your professional advisor.

You can make a big impact by donating appreciated securities directly to the Portola Valley Schools Foundation at <https://www.pvschoolsfoundation.org/donate> Compared with donating cash, or selling appreciated securities and contributing the after-tax proceeds, you may be able to automatically increase your gift and your tax deduction.

Fun fact #1 - Giving appreciated stock you've held for more than a year is better than giving cash. If you donate stock that has increased in value since you bought it more than a year ago – and if you itemize deductions – you can take a charitable deduction for the stock's fair market value on the day you give it away. You'll also avoid capital-gains taxes on the increase in value over time, which you would have had to pay if you sold the stock then gave the charity the cash proceeds. You can deduct the fair market value only if you hold the stock for more than a year before giving it away. If you've held it for less than a year, your deduction is limited to your cost basis – what you paid for the stock – not the current value.

Fun fact #2 - If it's a losing stock (and we hope you have very few of these), it's better to sell it and give the cash. If the stock has lost value, it's better to sell the stock first and make your contribution to the PSVF using cash. You'll still be able to deduct your charitable donation if you itemize, but you'll also be able to take a capital loss when you sell the investment.

Fun fact #3 - Giving appreciated securities is an investment in our District! What better way to support our kids and their schools than with a smart, well-planned gift that maximizes the benefit to everyone? The illustration below comes directly from one of our generous District families who has chosen to support the PVSF by making a gift of stock, kindly sharing their own experience:

“During this pandemic there are so many worthy charities who desperately need our help. Many of us have given generously and used most, if not all, of our company's charitable matching funds. At the same time, the stock market has seen incredible growth over the last seven months. The S&P Index is up 45% during this time. Below is a table showing the dramatic increase in stock value for a few of our local companies and employers.

Company	Ticker	Price on March 16	Price on October 14	% Increase in Value
Apple	AAPL*	\$ 60.55	\$121.19	100%
FaceBook	FB	146.01	271.82	86%
Google	GOOG	1,084.33	1,568.08	45%
Tesla	TSLA*	89.01	461.30	418%

* Post split

It made a lot of sense for us to give appreciated securities, rather than cash. By way of example, if you purchased 50 shares of Apple stock five years ago at \$27.55 and sold today, you would receive proceeds of \$4,935 after capital gains taxes[1]. By contrast, if you gifted 50 shares of AAPL to PVSF, the Foundation would receive \$6,060, you would pay no capital gains taxes, and you receive a charitable tax deduction equal to the value of the gift. Here are a few other examples to illustrate.”

Company	Ticker	# of shares gifted to PVSF	\$ amount PVSF will receive	\$ amount received if sold	Tax savings and add'l funds for PVSF
Apple	AAPL	50	\$6,060	\$4,935	\$1,125
FaceBook	FB	25	\$6,796	\$5,147	\$1,649
Google	GOOG	5	\$7,840	\$6,140	\$1,701
Tesla	TSLA	15	\$6,920	\$4,594	\$2,326

[1] Assumes closing price as of October 14, 2020 and the highest long-term capital gains rates; 20% federal, 13.3% California and 3.8% Affordable Care Act