

Donations of Securities to Asbury

If you have securities (stocks, bonds, or mutual funds) that have accumulated long-term capital gains, you may want to consider donating some of them to Asbury instead of writing a check on your bank account. There are two tax advantages in doing so. First, assuming you itemize deductions on your IRS Form 1040, you may deduct the full market value on the date of the donation, and, second, you avoid paying any tax on the long-term capital gain. These advantages do not apply to U.S. savings bonds or to short-term (less than one year) gains.

There is an IRS deduction ceiling of 60% of adjusted gross income for donated long-term securities in any one tax year (you can carry any excess over for next year's return). Also, if your total non-cash donations exceed \$500 for the year, you must fill out and file Section A of IRS Form 8283 with your tax return. Asbury cannot offer individual tax and legal advice, so you should consult your tax or legal advisor before making any decision regarding these items.

If you decide to make such a donation, you will fall into one of the following categories:

1. You are currently a client of Morgan Stanley, as is Asbury. Sign a Morgan Stanley journal form to authorize your broker to move your shares to the Asbury account.
2. You have shares of stock, mutual funds, or bonds held at another brokerage firm. Contact your broker there to sign the appropriate forms. Some firms may require you to take possession of the security's certificate; if so, go to 3.
3. You have possession of the stock certificate or bond. Take it to Morgan Stanley Smith Barney and sign a security waiver to deposit it into Asbury's account.

Asbury's Financial Advisor at Morgan Stanley Smith Barney is Don Friedman, telephone (505)889-2885 or 1-800-776-5973, and fax (505) 889-2858. They are located just south of Coronado at 6565 Americas Parkway, Suite 400, Albuquerque, 87110.

You also need to contact Asbury's Office Manager, Linda Brady, to get the security sold from Asbury's account, designate the use of the proceeds, and obtain the proper IRS documentation from the church.

**Consider an IRA Charitable Rollover
(If you are 70 ½ or more and must take a Minimum Required Distribution)**

The budget legislation passed and signed into law in December 2015 resurrected permanently the IRA Charitable Rollover that was in effect 2006-2011 and 2013. This provision allows taxpayers who are 70½ or older to directly transfer any amount up to as much as \$100,000 directly from a Traditional IRA to a qualified charity (like Asbury) each year without having any of the transferred amount counted as part of their adjusted gross income. The transfer also can count toward the taxpayer's annual Required Minimum Distribution (RMD), which starts at age 72. If you do this, the transferred amount will not be taxed, whereas if you simply take your RMD for yourself, it will be taxed along with all your other income. By lowering your adjusted gross income, you may even pay less tax on your Social Security income. You don't have to itemize deductions to get the tax savings; in fact, you cannot deduct the donated amount because it does not count as income. All it takes is a request to your IRA custodian to make a transfer directly to Asbury. Why not donate your annual MRD (or more if you can afford it) to Asbury under this provision and avoid paying income tax on it?