

Blacksmith Annual Fund

Gifts of Appreciated Stock

HOW IT WORKS

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1. Identify a stock, bond, or other security where you have a capital gain. (i.e. the current price is higher than when you bought it)
2. Donate enough shares of the security -- instead of cash -- for your donation amount. (see specific instructions below)
3. Westlake Academy Foundation sells the security but pays no tax as a non-profit entity.
4. If you want, repurchase the security donated with the cash you would have used for your donation.

WHY DO IT

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- Avoid the capital gain you would have paid if you had sold the security and donated the cash.
- Increase the tax basis in the security you donated to the repurchase price if you repurchase it.
- Also allows you to divest an appreciated security, without paying capital gain, and buy something else.

HOW TO DO THIS *(it's easy!)*

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1. Call your account representative and tell them what you want to do.
2. Supply a signed letter with your request to donate shares of XYZ stock to the WA Foundation.
 - You want to donate the lowest cost basis shares (i.e. where you have the largest tax liability)
3. Supply the following information to your account representative in your letter.

DTC #0015 (Morgan Stanley)
Account #048-016151-040
Contact: Kyle Clift @ 214-661-7102

** Please consult your own accountant, tax advisor or account representative for specific advice based on your situation.

SIMPLE EXAMPLE

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XYZ stock current price (\$/share) \$2,000.00
XYZ stock purchase price (\$/share) \$1,000.00
Capital gain \$1,000.00

Long term capital gain tax rate 15%

Long term capital gain (in \$) \$150.00

XYZ stock repurchase price (\$/share) \$2,000.00
XYZ stock current price (\$/share) \$2,000.00
Capital gain \$0.00



WESTLAKE
ACADEMY FOUNDATION