

Blacksmith Annual Fund

Gifts of Appreciated Stock

HOW IT WORKS

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 it is 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

- 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!)

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 #0235 (RBC Wealth Management)
Account #321-75210 for Westlake Academy Foundation
Contact: Susanne Clift @ 214-775-6456

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

SIMPLE EXAMPLE

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



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ACADEMY FOUNDATION