



# Boy Scouts of America

## Greater Los Angeles Area Council

## WAYS TO GIVE

### CASH GIFTS

Gifts of cash are the most basic and important source of support for Scouting. The higher your tax bracket, the more your charitable tax deductions are worth to you. In general, a cash gift is:

- Deductible up to 50% of your adjusted gross income each year. Unused deductions may be carried over and used for five years after the gift is made.
- Completed on the date it is hand delivered or mailed. For example, a year-end gift mailed and postmarked by December 31, 2016 is deductible in 2016, even if not received until January 2017.

### PUBLICLY TRADED SECURITIES

Gifts of stocks or bonds can provide tax benefits even greater than for cash gifts—especially if they have appreciated in value. You will typically avoid paying the capital gains tax on the appreciated value – making these gifts of pre-tax dollars.

**Stocks Owned More than 12 Months:** when you donate these stocks, you will receive a charitable tax deduction for the full fair market value of the securities. You may deduct these gifts up to 30% of your adjusted gross income (AGI) every year. If you can't use the whole deduction this year, you may carry it over for five years after the year of gift.

**Stocks Owned for 12 Months or Less:** you can donate those as well, however, these will be considered short term capital gain property, deductible at cost basis (though, up to 50% of your AGI every year) also with a five-year carryover.

**Stocks Worth Less Than You Paid For Them?** If you have securities that have decreased in value, you may, of course, donate these as well. But you may receive greater tax benefits if you sell them, donate the cash proceeds, and take a loss deduction on your taxes. As with all gifts, discuss these with your advisers; they will be very helpful determining your tax situation and needs.

Here's an example of how (and why) gifts of securities may be so beneficial:

**A donor is considering a gift of \$100,000, of either stock (with a basis of \$20,000), cash, or net proceeds from sale of stock.**

	<u>Gift/Tax Ded.</u>	<u>Tax Owed by Donor</u>	<u>Capital Gains Tax Saved (20%)</u>	
Cash Gift	\$100,000	0	0	(after-tax dollars)
Stock Gift	\$100,000	0	\$16,000	(pre-tax dollars!)
Stock Sold, Net Proceeds	\$84,000	-\$16,000	0	

### TANGIBLE PERSONAL PROPERTY AND INCOME-PRODUCING GIFTS

Whether through inheritance, collecting, or investment, you've probably accumulated many things (especially Scouting collectibles!) Sometimes these are valuable, sometimes purely sentimental, sometimes costly to insure or difficult to sell. Gifts of art, collectibles (such as patches, stamps, or coins), antiques, boats or cars, or other items of personal property often make great gifts. If the item has appreciated in value, your tax deduction is usually fair market value, but it could depend on what the gift property is.

Gifts of BSA memorabilia, collectibles, patches, etc. made to the Foundation or any other Scouting entity should easily qualify for fair market value tax deductions. If your items are collectively worth more than \$5,000, you will need an appraisal for the items to document your tax deduction. See the IRS Form 8283 instructions for some very helpful information about this ([www.irs.gov](http://www.irs.gov)). And if your item has not appreciated in value? Your deduction is the lesser of its current value or what you paid for it.

Income-producing interests, such as oil and gas interests, rental property, copyrights, and others may also be contributed. They make great "pretax" gifts that also generate income to support Scouting. Your tax adviser can help you with these decisions. Gifts of property can be outstanding gifts for you and Scouting. Again, before making gifts of any property – especially if worth more than \$5,000 – get an appraisal, plus, the cost of an appraisal may also be tax deductible.

### GIFTS OF LAND, HOMES, AND PROPERTY

Your real estate holdings may be your most valuable assets. But these assets often carry a high price: property tax and maintenance costs, if held; capital gains tax, if sold. A gift to the BSA of real property—residential, rental, vacation homes, farms, commercial, or undeveloped—may offer significant benefits. Generally, outright gifts of real property entitle you to a fair market value deduction for its value (if owned more than 12 months), and you avoid capital gains tax.

Before deciding how (or if) to give real property, know: (1) the appraised value of the property and (2) your basis and any debts or liens on the property. Also, please discuss your gift with us so there is a mutual understanding about whether the property will be used, sold, or if there are any environmental concerns.

*E.g., A donor invested \$20,000 in a piece of land many years ago. It is now worth \$100,000. If he contributes it to his local council, he is entitled to a charitable tax deduction of \$100,000 on his income tax return. He also avoids the \$16,000 in capital gains tax he would owe if he sold the property.*

As with stocks, land held for more than one year is deductible at fair market value up to 30% of a donor's AGI for the year. If held less than a year, you may deduct its cost basis, up to 50% of AGI for the year. The five-year carryover rule applies here as well.

Property with a mortgage or lien usually does not make a good gift. The tax deduction is reduced by the debt amount, and the donor is treated as receiving a similar amount in taxable income, regardless of who is responsible for the debt.

### **CLOSELY HELD STOCK**

Gifts of closely held stock are often very highly appreciated in value (and expensive to sell) – but they offer the same tax advantages as a gift of common stock. In fact, some donors use these gifts as a way to indirectly transfer ownership to others such as family members, or regain control of the shares and establish a new cost basis for them. The advantages of closely held stock gifts are similar to those of publicly traded stock gifts, but an appraisal is often required to establish the market value of these shares.

### **STOCK OPTIONS**

Stock options can be valuable and often “painless” gifts to the Foundation. (You're giving away something you don't actually own yet). But gifts of stock options can pose certain challenges. For example, gifts of stock options will not produce an immediate tax deduction. The value of the gift won't be known until after the option is exercised: when it is, your deduction equals the difference between the option price and the stock value. In fact, some stock options may not be contributed, under the terms of the option. If considering such a gift, consult your governing option agreement and advisers.

***For more information about these and other types of gifts, please contact:***

Kelli Nakayama, Director of Strategic Initiatives  
Boy Scouts of America, Greater Los Angeles Area Council  
2333 Scout Way  
Los Angeles, CA 90026  
(213) 361-9466 t  
[Kelli.nakayama@scouting.org](mailto:Kelli.nakayama@scouting.org)

## GIFT TRANSFER INSTRUCTIONS

Boy Scouts of America, Greater Los Angeles Area Council (Federal Tax ID: 95-1643982)

## MAILING OF STOCK CERTIFICATES AND/OR CHECKS

Checks, money orders, and stock certificates should be sent to:

Lorena Bernal, Director of Development  
Boy Scouts of America, Greater Los Angeles Area Council  
2333 Scout Way  
Los Angeles, CA 90026  
(213) 413-4400 ext. 310 t  
(213) 483-6472 f  
[Lorena.bernal@scouting.org](mailto:Lorena.bernal@scouting.org)

For security purposes, if you are sending actual stock certificates, we suggest sending unsigned stock certificates **and** properly signed stock powers in separate envelopes. Please include in the mailing a description as to the use/purpose of the funds (e.g., "to endow a Scoutreach Director").

## ELECTRONIC TRANSFER OF CASH/SALES PROCEEDS FROM STOCK

Wire Transfers, domestic

Bank of America, 100 W 33<sup>rd</sup> Street, New York, NY 10001  
Beneficiary name: Greater Los Angeles Area Council, Boy Scouts of America  
Account: 1453632522                      Routing/Transit (ABA): 0260-0959-3

Wire Transfers, international, in U.S. Dollars

Bank of America, 222 Broadway, New York, NY 10038  
Beneficiary name: Greater Los Angeles Area Council, Boy Scouts of America  
Account: 1453632522                      Routing/Transit (ABA): 0260-0959-3  
CHIPS address: 0959                      SWIFT address: BOFAUS3N

Wire Transfers, international, in foreign currency

Bank of America, 222 Broadway, New York, NY 10038  
Beneficiary name: Greater Los Angeles Area Council, Boy Scouts of America  
Account: 1453632522                      Routing/Transit (ABA): 0260-0959-3  
CHIPS address: 0959                      SWIFT address: BOFAUS6S

Automatic Clearing House (ACH)

Bank of America, 100 W 33<sup>rd</sup> Street, New York, NY 10001  
Beneficiary name: Greater Los Angeles Area Council, Boy Scouts of America  
Account: 1453632522                      Routing/Transit (ABA): 1210-0035-8

When using electronic transfers, please notify Kelli Nakayama, describing the transfer amount, the purpose for the funds, and the expected transfer date.

Kelli Nakayama  
(213) 361-9466 t  
(213) 483-6472 f  
[Kelli.nakayama@scouting.org](mailto:Kelli.nakayama@scouting.org)

### GIFT TRANSFERS TO FUND BSA GIFT ANNUITIES

There are different transfer instructions if you are making a gift to fund a gift annuity with the Boy Scouts of America. Please contact Kelli Nakayama at (213) 361-9466 or [kelli.nakayama@scouting.org](mailto:kelli.nakayama@scouting.org).

### TRANSFERS OF REAL ESTATE

Please request our packet of information covering real estate transfers to the Boy Scouts of America. This will include a basic questionnaire about the property, including environmental issues. Contact **Kelli Nakayama** at **(213) 361-9466** or [kelli.nakayama@scouting.org](mailto:kelli.nakayama@scouting.org) .

## ELECTRONIC TRANSFERS OF STOCK (BROKER-TO-BROKER)

For direct, electronic transfers of stock, please have the broker transfer stock to:

Merrill Lynch  
Boy Scouts of America Los Angeles Area Council  
Account #: 88Q-04571  
DTC Clearing #5198

Contact: Charles A. Tharnstrom, Managing Director – Wealth Management, Financial Advisor  
Merrill Lynch, Pierce, Fenner & Smith Incorporated  
2049 Century Park East, Suite 1200  
Los Angeles, CA 90067  
(310)407-4803 t  
[Charles.tharnstrom@ml.com](mailto:Charles.tharnstrom@ml.com)

When using electronic transfers, *please* fax or email the information/form below. Due to privacy laws, it is **NOT** always apparent who is donating the stock to us. The information below will make sure it is properly credited. **Fax: Kelli Nakayama (213) 483-6472 or email [kelli.nakayama@scouting.org](mailto:kelli.nakayama@scouting.org)**

Stock Name, Security Symbol	Number of Shares	Transfer Date
_____	_____	_____
_____	_____	_____
_____	_____	_____

Total Value of Gift (approx.): \$ \_\_\_\_\_

Donor Name: \_\_\_\_\_

Donor Address: \_\_\_\_\_

City/State/Zip: \_\_\_\_\_

Donor Phone/Email: \_\_\_\_\_

If there is a specific designation or purpose of the donation, please indicate below:

\_\_\_\_\_

\_\_\_\_\_  
*Donor Signature*

\_\_\_\_\_  
*Date Signed*

Please discuss with your advisors this gift and all other types of gifts, methods, and options for gifts.