

Donating Stock to Providence – Updated 02/2024

When considering a donation to Providence, you have options on how you want to make a contribution – including stock.

You should always consult your financial advisor for how donating stock can benefit you specifically, but donating via stock has multiple benefits you might not be aware of.

- Donating stock can help you avoid capital gains for stock that has appreciated in value. (You can claim a tax deduction for the value of the stock while Providence gets the full benefit of the stock as well.)
- Donating stock can be a fruitful way to help you diversify your investment portfolio.
- Donating stock ultimately is funded in part by you but also by the government (and thus increases how much you are donating to the charity overall).

Considerations

If you are going to donate stock, be sure to hold the stock for at least one year before donating. (If you don't hold it for a year, then you only get to deduct your basis on your taxes and not the current value.)

It's generally advisable to donate the shares of stock with the greatest appreciation (i.e., lowest basis) to help avoid capital gains taxes on the growth of the stock.

If you'd like to donate a stock that has a loss (instead of a gain), it's better to sell the stock first and donate the cash proceeds instead. (Otherwise, you are wasting the capital loss that could provide you current or future tax savings.)

When considering how much to donate (especially with stock), be aware that there are limits on how much you can deduct on the Schedule A form of your annual tax returns. Specifically, you are limited to a deduction up to 30% of your adjusted gross income (AGI). You can find your AGI on your W2, last year's tax returns, or a pay stub.

Finally, for a large donation, consider whether it's best to donate all in one year or spread it out over several years. For example, if you want to donate more than 30% of your AGI in a given year, the deduction carries forward for up to 5 years after the year in which the gift is made. The tax benefit might vary depending on your annual income over the next few years and other aspects of your financial plan so be sure to talk with a financial advisor about what is best for you.

If you want to donate stock on a regular basis (i.e., monthly), there are additional strategies for building a portfolio with that in mind. For example, creating a donor-advised fund can help you donate stock more easily and with ongoing benefit to you and to Providence. Talk to your brokerage firm about this possibility if you are interested.

Comparison: Donating cashing, selling stock, and donating stock

If you want to try out examples of how donating cash vs selling stock vs donating stock can benefit you and Providence, here's a simple modelling tool that you can fill out (thanks to Robert Welch, Providence Secondary Math Teacher).

[Providence Donation Examples](#)

How to donate stock

If you decide to donate stock, you will need to contact your brokerage firm for the specific steps to take. You might be able to do this directly from the brokerage website or you might need to fill out a paper/digital form instead. Each firm is a little different so check how yours will handle this.

As part of that process, you'll need some key information about the brokerage account where Providence stores its stock so that you will know where you are donating the stock to. Here are the key details you should need:

- Financial institution: WellsTrade
- Brokerage account number: 85930086
- Social security/Taxpayer ID number: 911677725
- Account name: Providence Classical Christian School
- Account type: Online Brokerage
- DTC number: 0141

If you need any other information that is not included here to donate stock, please contact Julia Badillo (juliabadillo@pccs.org).

Thank you for contributing to Providence!