



ULTIMATE STOCK GIFTING GUIDE FOR NONPROFITS

Appreciated stock offers unparalleled benefits for donors and nonprofits. Use this guide to launch and grow your stock gifting fundraising program.



Updated February 2022

Table of Contents

- The Mission
- Benefits of stock gifting
- Challenges and solutions
- Criteria for selecting a stock gifting platform
- Aligning your organization
- Promoting stock gifting
- About DonateStock
- Examples of stock gifting communications

The Mission

Our mission is to democratize stock gifting, making it accessible and easy for all nonprofits to educate and enable all nonprofits to unlock stock gifting and expand their fundraising programs. This guide seeks to illuminate the benefits of stock gifting, the challenges nonprofits face in implementing stock gifting programs, and introduce proven solutions and best practices for maximizing stock donations.

Stock offers the highest tax savings to donors and results in larger gifts to nonprofits. We believe it's time for every nonprofit to make the most of this vast untapped source of funding.

We hope this toolkit empowers you to transform your charitable giving programs and that together we can democratize stock gifting for all.

Your feedback is greatly appreciated! If you have any comments or questions please contact us at nonprofits@donatestock.com.

Sincerely,

The DonateStock Team



Benefits of Stock Gifting

Why appreciated stock?

Appreciated stock is an underutilized source of charitable giving, offering compelling tax benefits to donors.

Since 2009 the stock market has increased 550%, creating trillions in value for more than 50 million households. Appreciated stock represents \$100 billion in potential funding for nonprofits. Through this guide we'll help you discover how to capitalize on stock gifting as a means of diversifying and bolstering your strategic fundraising program.

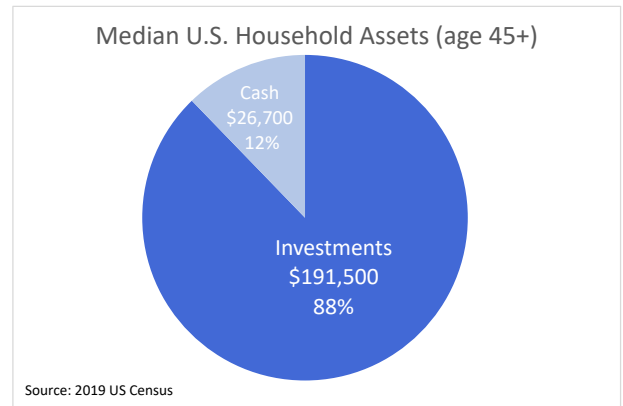
Why is stock gifting advantageous to my nonprofit?

Stock gifts are generally much larger than cash gifts for several reasons:

1. Stock offers unparalleled tax advantages for donors. As illustrated below donors can avoid taxes worth 40-60% of the value of the gift.
2. For donors, stock represents discretionary assets that are invested for the long-term, whereas cash is needed today.
3. Stock is a pre-tax gift whereas cash gifts are after-tax. Donating stock allows the nonprofit to keep the proceeds that would otherwise go to the IRS.
4. Donating appreciated stock feels good - donors are sharing their winnings with a cause they love.

Financial Advantages of Donating Stock

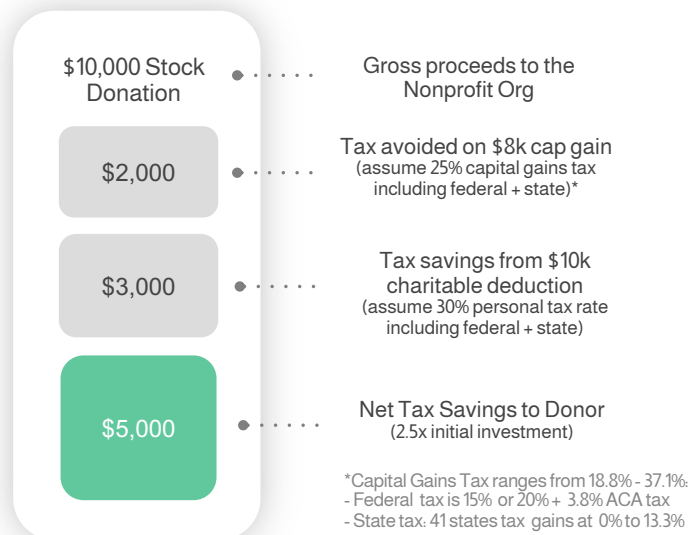
Stock is a simply a much more attractive source of donations for numerous reasons. For starters, investment accounts comprise 88% of household financial assets. On average, donors have \$7.50 in stock for every \$1 in cash.



Second, the tax savings to the donor are unparalleled. When donors give stock, they can avoid capital gains tax and deduct the full value of the stock. The impact is substantial. As illustrated below, a typical \$10,000 stock gift will save the donor \$5,000 in taxes.

- Assume a donor owns \$10,000 worth of Apple (AAPL) stock with a cost basis of \$2,000. That's a gain or \$8,000 or 400%!
- If they sell the stock and donate after-tax proceeds, 25% of the gain (\$2,000) would go to pay capital gains tax.
- If instead, they donate stock directly to your organization, they can avoid the capital gains tax and you would receive the full \$10,000.
 - The donor deducts the full \$10,000, saving another \$3,000 in taxes.

Example: Save \$5k in taxes on a \$10k stock gift
(assume \$2,000 cost basis)



Safeguarding your fundraising program

As many organizations learned in 2020, reliance on annual fundraisers is not without risk. The inability to have live in-person events has debilitating effects on many organizations.

According to the [2020 Giving Tuesday study](#)* the pandemic also impacted how individuals give. Among the findings, average cash gifts decreased 20% while average stock gifts grew 30%.

*https://www.givingtuesday.org/wp-content/uploads/2021/05/GT_2020LookBack_Report-FINAL.pdf

Appreciated stock offers an opportunity to diversify giving programs while receiving larger gifts that benefit both donors and nonprofits. It's time to make stock gifting central to your fundraising strategy.

Learn more: watch a 2-minute explainer video <https://vimeo.com/533828920>

Stock Gifting Challenges

Despite the advantages of donating stock, less than 0.5% of investors have donated stock to date for two reasons:

- Few are aware of the tax advantages of donating stock
- The old way of stock gifting is tedious and time-consuming

* The IRS reports that only 151,000 2018 tax returns included stock donations. Even if that number doubled by 2021, it constitutes 0.5% of the 60 million active investors.

<https://www.irs.gov/statistics/soi-tax-stats-individual-noncash-charitable-contributions>

Stock gifting has also been challenging for nonprofits to implement at scale due to the following issues:

- Requires a brokerage account: If they don't have one already, it is difficult to obtain one.
- Few are good at educating donors: people join nonprofits to serve, not be financial advisors. They could use some help with explaining the benefits of donating stock to supporters.

- Lack of transparency in the process: when gifted stock hits a nonprofit's brokerage account, there's no information about the donor. They rely on the donor to contact them to claim the gift.
- Reconciling donations is difficult: because no information is transferred with the gift, it requires time and effort to reconcile gifts and notify donors that the gift was received.
- If a stock never arrives, no one (other than the donor) will know it's lost. It often takes weeks or months to surface.
- Poor donor experience - It's a lot of work for the donor, and most expect to be notified as soon as the stock transfer is complete. As noted above, this is not easily done, which negatively impacts the donor's experience and willingness to donate stock again in the future.

The Solution: Stock Gifting Platforms

The good news is there are now platform solutions that enable nonprofits to solicit and accept stock gifts with ease and efficiency - even if your organization doesn't have a brokerage account.

The right partner can help a nonprofit overcome the challenges of educating supporters, streamlining the donation process, reconciling gifts and enhancing the donor experience.

When selecting a stock gifting platform, consider the following:

- **Donor Education:** you'll need educational content and imagery to inform and motivate donors to give stock. The right partner can arm you with the assets you need.
- **Donor experience:** the donor's experience is critical. Your platform should enable them to take action with ease in minutes.

- **Converting stock gifts to cash:** if your nonprofit does not have a brokerage account, you'll need a partner than can sell the stock and send you the cash.
- **Reconciling donations:** as the donor's info does not travel with the stock gift, reconciling donations is challenging. The right partner can do this for you.
- **Notifications and reporting:** you'll need to know who, what and when a donation occurs. Notifications and dashboard reporting can provide the transparency you need to scale stock gifting.
- **Ease of use:** your platform should be intuitive and easy to use for donors and your team. It should be flexible yet comprehensive in providing the information you need.
- **Security:** the platform should be designed, built and monitored with security in mind. Ask for a security statement that explains how they are protecting your data.
- **Privacy policy:** ask your partner how data obtained from donors and nonprofits is used and if it is sold or shared with third parties.
- **Pricing and commercial terms:** does your partner charge a fixed license or subscription fee, or a variable transaction-based fee? Does it require a long-term contract? Unless you are expecting massive volume, variable transaction-based pricing wis a much lower risk way to start.

As stock gifting challenges are being resolved, charitable stock gifting is poised to grow dramatically due to several macro reasons:

- Giving by Boomers (43% of total giving) is accelerating.
- A massive influx of younger, socially conscious investors
- Growing awareness of the benefits of stock gifting, both among donors and nonprofits.

Aligning Your Organization

Think of stock gifting as a strategic initiative rather than a one-off effort. Develop and share an overview of the opportunity with key stakeholders in your organization, which may include:

- Board of directors
- Executive Leadership
- Development and Donor Relations
- Finance/Accounting
- I.T. / Web development
- Marketing

Promoting Stock Gifting

Once you are set up to receive stock gifts, it's time to start marketing. Changing donor behavior takes time and repetition so think of it as a process rather than event.

Make it easy for your donors to understand the benefits of donating stock instead of cash:

- Avoid capital gains tax on stock held more than one year
- Deduct the 100% of the fair market value of stock gift
- Have greater impact by making a pre-tax stock gift

Engage and educate donors across all touchpoints. While there are many ways to educate donors on the benefits of donating stock, here are some key steps:

- **Update your website:** educate and motivate donors to make tax-advantaged stock gifts throughout your website: Home page footer, Donate, Ways to Give, News, Blog and others. See examples in the Appendix.

- **Optimize your Donate page:** the Donate button on most sites defaults to cash or credit donations. Create a “Ways to Give” page to illustrate various ways in which donors can support you. See the examples in the Appendix.
- **Engage your board:** ask them to lead by example by making a stock donation. Once they see the benefits firsthand, they will become advocates for smarter gifting.
- **Make it newsworthy:** Issue a press release that you can now receive tax-advantaged stock gifts. This may result in local or national media exposure for your organization.
- **Email your donors:** send an email to educate donors on the benefits and ease of donating stock. Examples are included in the Appendix.
- **Make it social:** include stock gifting in your social media posts. See examples in the Appendix.
- **Integrate stock gifting language in all communications:** add stock gifting language to all fundraising communications and include a link to “donate stock.”

About DonateStock

[Donatestock.com](https://donatestock.com) is transforming charitable giving by making stock gifting easy and accessible to all nonprofits and donors. We make it easy to donate appreciated stock to more than 1.2 million nonprofits at no cost to the donor.

We also fill a critical gap by enabling all nonprofits to receive stock while streamlining the process of educating donors and receiving, reconciling and reporting stock gifts. We remove the friction in the stock gifting process while arming you with educational materials, email notifications and dashboard reporting. We can even convert stock gifts to cash payments and reconcile the donations for you.

When you partner with DonateStock, you receive the following:

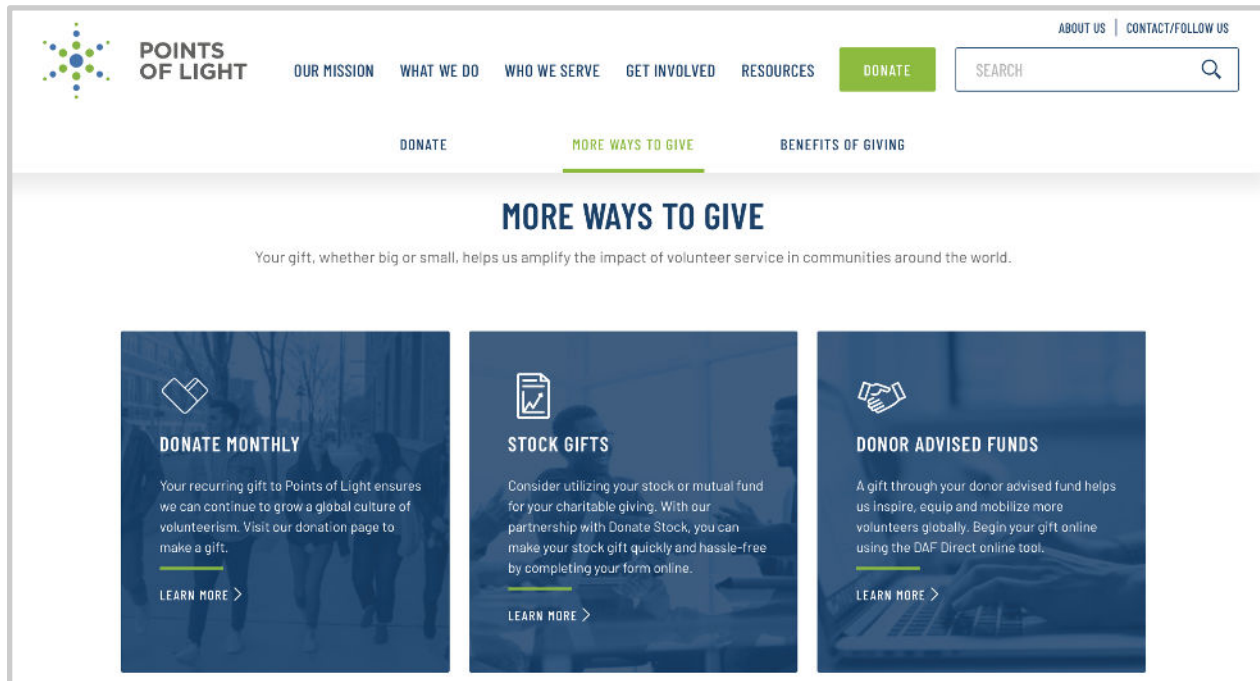
- ✓ **Branded Donation Page:** claim your free page and personalize your content, images, and messaging to increase donations. There is no cost to register and manage your page.
- ✓ **Marketing Playbook:** we'll arm you with our proven playbook for educating donors and soliciting stock gifts.
- ✓ **Marketing content Library:** download your web, email and social copy and images to engage donors.
- ✓ **Dashboard Reporting and Notifications:** Receive notifications when donations are initiated. View the status and export reports in your Nonprofit Dashboard.
- ✓ **Dedicated Support:** With onboarding sessions and ongoing support our team will help you make the most of this new opportunity.
- ✓ **Peace of Mind:** security and data privacy come first. Your data (and that of your donors) is secure and will not be shared or sold.

Visit DonateStock.com to learn more today.



Examples of Donor Education

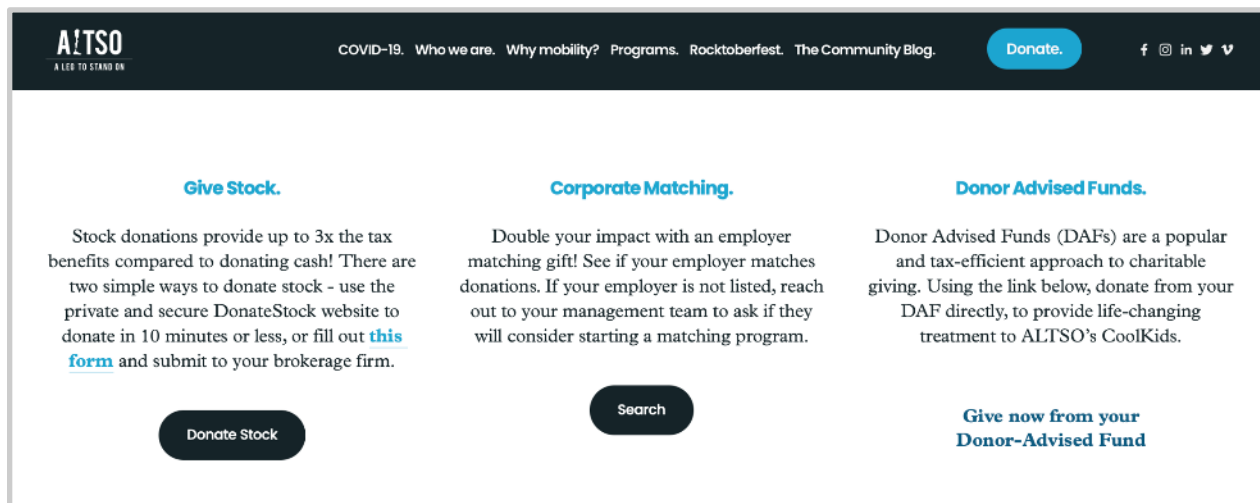
PointsofLight.org (Ways to Give)



The screenshot shows the 'More Ways to Give' section of the PointsofLight.org website. The navigation bar includes 'POINTS OF LIGHT', 'OUR MISSION', 'WHAT WE DO', 'WHO WE SERVE', 'GET INVOLVED', 'RESOURCES', 'DONATE', and a search bar. Below the navigation, there are three main cards:

- DONATE MONTHLY:** Your recurring gift to Points of Light ensures we can continue to grow a global culture of volunteerism. Visit our donation page to make a gift. [LEARN MORE >](#)
- STOCK GIFTS:** Consider utilizing your stock or mutual fund for your charitable giving. With our partnership with Donate Stock, you can make your stock gift quickly and hassle-free by completing your form online. [LEARN MORE >](#)
- DONOR ADVISED FUNDS:** A gift through your donor advised fund helps us inspire, equip and mobilize more volunteers globally. Begin your gift online using the DAF Direct online tool. [LEARN MORE >](#)

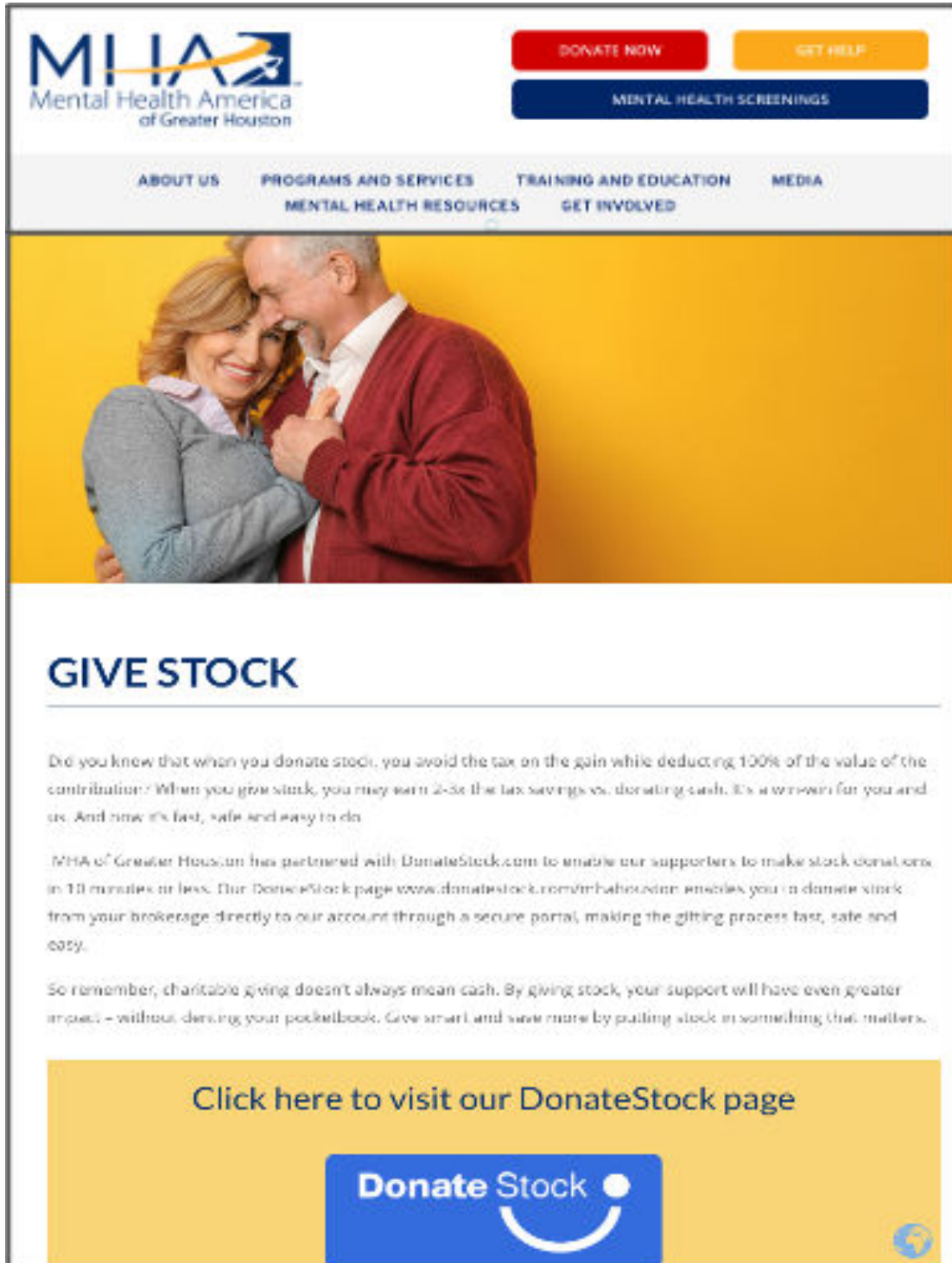
ALTSO.org (Ways to Give)



The screenshot shows the 'Ways to Give' section of the ALTSO.org website. The navigation bar includes 'ALTSO A LEAD TO STAND ON', 'COVID-19', 'Who we are', 'Why mobility?', 'Programs', 'Rocktoberfest', 'The Community Blog', 'Donate.', and social media icons. Below the navigation, there are three main cards:

- Give Stock.** Stock donations provide up to 3x the tax benefits compared to donating cash! There are two simple ways to donate stock - use the private and secure DonateStock website to donate in 10 minutes or less, or fill out [this form](#) and submit to your brokerage firm. [Donate Stock](#)
- Corporate Matching.** Double your impact with an employer matching gift! See if your employer matches donations. If your employer is not listed, reach out to your management team to ask if they will consider starting a matching program. [Search](#)
- Donor Advised Funds.** Donor Advised Funds (DAFs) are a popular and tax-efficient approach to charitable giving. Using the link below, donate from your DAF directly, to provide life-changing treatment to ALTSO's CoolKids. [Give now from your Donor-Advised Fund](#)

MHAhouston.org (Give Stock)



The screenshot shows the top portion of the MHA Houston website. At the top left is the MHA logo with the text "Mental Health America of Greater Houston". To the right are three buttons: "DONATE NOW" (red), "GET HELP" (orange), and "MENTAL HEALTH SCREENINGS" (dark blue). Below these is a navigation menu with links for "ABOUT US", "PROGRAMS AND SERVICES", "TRAINING AND EDUCATION", "MEDIA", "MENTAL HEALTH RESOURCES", and "GET INVOLVED". The main content area features a large photo of a smiling couple embracing. Below the photo is the heading "GIVE STOCK" followed by three paragraphs of text explaining the benefits of donating stock. At the bottom is a yellow call-to-action box with the text "Click here to visit our DonateStock page" and a blue "Donate Stock" button with the logo. A small globe icon is in the bottom right corner of the call-to-action box.

MHA
Mental Health America
of Greater Houston

[DONATE NOW](#) [GET HELP](#)
[MENTAL HEALTH SCREENINGS](#)

[ABOUT US](#) [PROGRAMS AND SERVICES](#) [TRAINING AND EDUCATION](#) [MEDIA](#)
[MENTAL HEALTH RESOURCES](#) [GET INVOLVED](#)


GIVE STOCK


Did you know that when you donate stock, you avoid the tax on the gain while deducting 100% of the value of the contribution? When you give stock, you may earn 2-3x the tax savings vs. donating cash. It's a winner for you and us. And now it's fast, safe and easy to do.

MHA of Greater Houston has partnered with DonateStock.com to enable our supporters to make stock donations in 10 minutes or less. Our DonateStock page www.donatestock.com/mhahouston enables you to donate stock from your brokerage directly to our account through a secure portal, making the gifting process fast, safe and easy.

So remember, charitable giving doesn't always mean cash. By giving stock, your support will have even greater impact - without denting your pocketbook. Give smart and save more by putting stock in something that matters.

[Click here to visit our DonateStock page](#)

Donate Stock 



TheWomensHome.org (Donor Email)



We are excited to announce a new way for you to make a significant impact while saving money when you support The Women's Home!



*Did you know that when you donate stock, you avoid the tax on the gain while deducting 100% of the value of the contribution? With the market at an all-time high, it's the perfect time to lock in 2 - 3x the tax savings vs. donating cash. It's a win-win for you and us. **And if you donate stock next Tuesday, August 17 aka National Nonprofit Day, our new partner, DonateStock, will match each gift up to \$500 per donor!***

Donating stock is fast, safe and easy to do. The Women's Home has partnered with [DonateStock.com](https://www.donatestock.com) to enable our supporters to make stock donations in 10 minutes or less. [Our DonateStock page](#) enables you to donate stock from your brokerage directly to our account through a secure portal, making the gifting process fast, safe and easy.


So remember, charitable giving doesn't always mean cash. By giving stock, your support will make a huge impact. And if you donate stock on Tuesday, your gift goes even further thanks to the match from DonateStock!

To learn more please [visit our page](#) or click below.



Social Post Examples

 **Bradley Angle**
314 followers
1w · 


Donating stock is the latest trend in charitable giving! Learn how to make tax-advantaged donations to Bradley Angle and support underserved survivors of domestic violence at https://lnkd.in/ea_FW5xa **DonateStock**



Bradley Angle | DonateStock
donatestock.com · 1 min read

 **Dementia Society of America with DonateStock.** 
Paid Partnership · 

We are partnering with @DonateStock to educate donors on the benefits of stock gifting in 2021. Take advantage of big tax savings by donating stock! Learn more at <https://donatestock.com/dementia-society> #donatestock



DONATESTOCK.COM
Dementia Society of America® | DonateStock

← **Tweet**

 **Bradley Angle** @BradleyAngle

Get the IRS to donate along with you @DonateStock donatestock.com/bradley-angle mailchi.mp/d7340bb5a250/w...



← **Tweet**

 **The Broach Foundation for Brain Ca...** @broachfdn

We are excited to announce our new partnership w/ @Donate_Stock With markets at all-time highs, it's the perfect time to donate stock! Learn how to make tax-advantaged donations in 10 in or less at donatestock.com/the-broach-fou... #NoOneFightsAlone #endcancer #ResearchIsHope

