



Middlebury

Office of Gift Planning  
giftplanning@middlebury.edu

700 Exchange Street  
Middlebury, VT 05753  
866.496.6433  
middlebury.edu

## Donating Closely-Held Stock

**If you hold stock in a closely-held business, you may be able to use those shares to make a meaningful and significant gift to Middlebury.**

**This charitable giving option may be right for you if:**

- › You are a majority shareholder in a closely held corporation.
- › You'd like to remove retained earnings from the corporation, without having them taxed again.
- › You'd like to maintain a controlling position in the corporation's outstanding stock.
- › You want to avoid capital gains taxes on the shares you donate to Middlebury.
- › You'd like to receive a federal income tax deduction for the full appraised value of the shares.

### What are the benefits?

- › You'll eliminate capital gains tax liability on the sale of the assets.
- › If you itemize, you'll enjoy a current year tax deduction.
- › Your company may also benefit from your gift. Since there is often no resale market for these shares, the College may be willing to sell the shares back to your company. If your company uses either retained earnings or an employee stock option plan to redeem the shares, it may be able to reduce or avoid taxes.

### What are the gift options?

- › An outright gift that gives you a charitable deduction for the fair market value of the property while potentially avoiding capital gains taxes.
- › A gift that pays you income for life, gives you an immediate tax deduction and leaves any remaining assets to Middlebury after your death.
- › A gift that pays income to Middlebury for a set period of years, then is passed on to your heirs with considerable estate and gift tax savings.

### Planning Tips:

- › If your wealth is concentrated in the stock of one company, donating some of that stock to Middlebury to create a life income gift (such as a charitable gift annuity or charitable remainder trust) can help you reduce market risk and diversify your income sources.
- › Although incentive stock options cannot be donated while you are alive, consider giving them to Middlebury as part of a bequest (if your plan allows it). You'll be able to create a personal legacy at the College and potentially save on estate taxes.
- › **Keep in mind:** gifts of closely held stock may require a qualified appraisal, which can take some time to complete—contact Middlebury early in your decision-making process.



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## Gifts of Stock

One of the biggest tax advantages in charitable giving continues to be the double benefit donors get when donating appreciated assets to Middlebury instead of cash. By giving appreciated assets (like stocks held for more than one year), you'll get a charitable tax deduction for the full value of the asset and avoid any capital gains tax that would have applied if you had sold the stock and made your gift in cash.

**Please provide the following information in your request when directing your broker to transfer your shares to Middlebury College:**

Middlebury College  
700 Exchange Street  
Middlebury, VT 05753  
EIN #: 03-0179298

Middlebury's DTC # \_\_\_\_\_

Middlebury's Account Name \_\_\_\_\_

Middlebury's FBO Account # \_\_\_\_\_

Be sure to notify us when your gift is made so that we can properly identify it and credit you when the shares are transferred. Contact us at (866) 496-6433 or [giftplanning@middlebury.edu](mailto:giftplanning@middlebury.edu).