

Donating complex assets

Non-publicly traded stock

Though non-publicly traded stock can be a highly complex asset to liquidate, contributing this stock to a donor-advised fund can be an effective method for supporting your charitable goals.

Why donate complex assets to a donor-advised fund?

- Receive a tax deduction based on an asset's fair market value.
- Avoid recognition of capital gains on highly appreciated assets.
- Rebalance your portfolio in a tax-efficient way.
- Avoid tedious paperwork required to donate the asset to multiple organizations.
- Support many charities over time with the proceeds from one donation to Vanguard Charitable.

Benefits of gifting non-publicly traded stock:

- Rebalance an overall financial portfolio.
- Avoid paying substantial capital gains tax.
- Ease the processing burden for charities by providing them with grant checks rather than the complex asset.

How to give: A donor story

A donor had been a long-time employee of a privately held company and, over time, purchased numerous shares of company stock. Approaching retirement, he wanted to make a large contribution to his philanthropic account so he would be able to recommend grants for the rest of his lifetime without making additional contributions. Due to the complexity of the asset, he called Vanguard Charitable to discuss the contribution process—which includes prequalification, a higher contribution minimum, extended processing timeframes and, possibly, additional fees.¹

After receiving approval, the donor initiated the transfer process, as he is the owner of the asset. After this paperwork was completed, Vanguard Charitable set about liquidating the asset through the company buy-back program, allowing the company to buy back the shares for cash. Depending on the buyer of the shares, the liquidation process and timeframe can vary. Once the shares were sold, the cash value of the sale was contributed to the donor's philanthropic account—allowing him to recommend grants to his favorite charities.²

Apply to your giving

When would be the most effective time to reallocate my financial portfolio, specifically non-publicly traded stock?	
Is there a company buy-back program or an outside buyer who may be interested in purchasing the shares?	
How will this large gift affect my contribution and grant recommendation patterns?	

For more information about contributing complex assets, visit vanguardcharitable.org/complexassets

¹ Contributing non-publicly traded stock is a complex and nuanced process due to numerous federal regulations. Vanguard Charitable must consider many factors before accepting a donation of non-publicly traded stock. Please contact Vanguard Charitable before beginning the contribution process.

² Due to IRS regulations, donors contributing non-publicly traded stock may not be permitted to receive a tax deduction for the full fair market value of the contribution. Please contact a tax professional to discuss this possibility before beginning the contribution process.