



News Release

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SCHWAB CHARITABLE OFFERS PROCRASTINATOR TIPS FOR TAX-SMART YEAR-END GIVING

From donating securities to opening a donor-advised fund account, there are last-minute ways to help your favorite charity—and beat the December 31 tax deadline.

SAN FRANCISCO, Dec. 17, 2008 — With stock prices as unpredictable as winter weather, many Americans are choosing to wait until the last minute to make charitable decisions, hoping for a recovery in the stock market. Fortunately, there are several ways to make contributions on the cusp of the New Year and still beat tax deadlines.

“The holidays are a time to give back to community and causes, but it can also be busy and stressful,” said Kim Wright-Violich, president of Schwab Charitable, one of the country’s largest and fastest growing national donor-advised fund organizations with 12,000 donors and nearly \$2 billion in assets. “The key is to find ways to simplify the giving season.”

For donors looking to make last-minute donations, here are some things to consider:

- **Mr. Postman, please:** Before humming the first bars of “Auld Lang Syne,” make a quick trip to the post office. All donations—whether a check, physical securities (in the form of stock certificates) or cash—qualify as long as they are postmarked or hand delivered by Dec 31.
- **Keep track of your cash contributions:** Cash contributions to public charities are deductible up to 50% of your adjusted gross income (AGI) if you itemize deductions on your federal tax return. If you give more, you can carry the excess contributions forward up to five more years. Keep a bank record (such as a cancelled check) or a written receipt from the charity for cash gifts to claim a deduction. In addition, obtain a receipt from the charity for all donations (cash and noncash) of \$250 or more.
- **Give appreciated stock:** If you give to a public charity appreciated stock that you have held for more than a year, you gain in two ways—your deduction is based on the appreciated fair market value of the donated stock on the date of gift, and you avoid capital gains tax that would be due if you sold the stock. Your deduction is limited to 30% of your AGI, but any excess contribution can be carried forward up to five more years. If you want to give to charity using depreciated stock, sell the stock first to take the capital loss, and then give the cash proceeds to charity. Your cash donation is deductible under the rules described above.
- **Start stock transfers, now:** Transferring securities from your bank or brokerage account directly to a charity is a great way to give. But those securities must be deposited into the charity’s brokerage account by Dec 31 to qualify for a tax deduction, so you need to move quickly. Your broker will likely be more responsive to you than to the charity, so you should do the legwork and drive the process to ensure you get your transfer there on time. Check with your broker for their specific deadlines.

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- **Open a Charitable Gift Account by Dec 31:** If you, like most other Americans, find yourself rushing to make charitable gifts around this time every year, Charitable Gift Accounts (also known as donor-advised funds) are a terrific solution. They are the fastest growing charitable giving vehicle in the United States due to their low cost, ease of use, flexibility and privacy. Simply open and fund a Charitable Gift Account with an irrevocable contribution of cash or securities by December 31st to secure your 2008 tax deduction. Charitable Gift Accounts cost nothing to set-up and can often be opened in one day. Later, you can recommend grants to public charities after the holiday dust settles or even over multiple years. The minimum contribution amount for most Charitable Gift Accounts is \$5,000 and the minimum grant amount is typically \$100. In a year such as this, when you are monitoring the market and making even more last minute decisions than usual, Charitable Gift Accounts can be a god-send.
- **Don't forget your IRA:** If you are age 70-1/2 or older, you can transfer up to \$100,000 per year in 2008 and 2009 from your individual retirement account (IRA) to qualified charities without incurring income tax on the withdrawal. The transfer can even count toward your minimum required distribution. This provision originally expired at the end of 2007, but recently was renewed through the end of 2009 as part of the Emergency Economic Stabilization Act of 2008. While most public charities are eligible to receive distributions from an IRA, this new rule does not apply to transfers to donor-advised funds, supporting organizations, or private foundations.

"Americans are among the most generous people in the world, even in difficult economic times, and will often make other discretionary spending cuts before they reduce their giving," said Ms. Wright-Violich. "Making tax-smart decisions is one way to maximize the money we are able to give to charity. Thankfully, there is still time to make a difference in a way that makes sense for our own finances."

About Schwab Charitable

Created as a national donor-advised fund organization with a mission to increase charitable giving nationwide, Schwab Charitable has raised over \$3 billion and has facilitated more than \$1 billion grants to charity since inception. In 2007, the Fund received more than \$1 billion in donations, which placed Schwab Charitable among the top ten fundraising charities in the United States and the largest in the State of California. For more information about Schwab Charitable or the Schwab Charitable microfinance program, visit www.schwabcharitable.org.

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