

News Release

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STILL TIME FOR TAX-SMART YEAR-END GIVING, ACCORDING TO SCHWAB CHARITABLE

Higher Markets Boost Value of Last Minute 2009 Contributions

SAN FRANCISCO, Dec. 16, 2009 – For Americans who've waited for higher stock prices before making donations of securities to their favorite charities, there are a number of ways to make charitable contributions and still beat year-end tax deadlines, according to Schwab Charitable.

Recent [data](#) indicates that charitable giving remains a high priority in most American households and has weathered the recession far better than other discretionary expenditures, including the purchase of appliances, furniture, vehicles, and apparel. Charitable giving could benefit from the substantial recovery in stock prices over the last 12 months, including very large gains in widely-held issues like Amazon.com, Apple, Google, and IBM over the past year.

“Charitable giving is relatively resilient during recessions and may bounce back a little more quickly than other spending because of the improvement in the stock market,” says Kim Wright-Violich president of Schwab Charitable. “Americans who've chosen to wait until the last minute this year may actually benefit from procrastination.”

For donors looking to make last-minute donations, the key is to find ways to simplify the giving season. While individual tax circumstances may vary and donors should consult with their advisors, Ms. Wright-Violich offers these tips for consideration:

- **Start stock transfers now:** Securities transferred from a bank or brokerage account directly to a charity generally must be deposited into the charity's brokerage account by Dec 31st to qualify for a tax deduction. Check with your broker for the firm's specific deadlines, and drive the process to ensure the transfer is there on time.
- **Open a Charitable Gift Account:** Open and fund a Charitable Gift Account--also known as a donor-advised fund--with an irrevocable contribution of cash or securities by December 31st to be eligible for a potential 2009 tax deduction. The minimum contribution amount for most Charitable Gift Accounts is \$5,000 and the minimum grant amount is typically \$100. Charitable Gift Accounts cost nothing to set up and can often be opened in one day.
- **Give appreciated stock:** Donating appreciated stock that's been held for more than a year to a public charity provides a two-fold benefit: any deduction is based on the appreciated fair market value of the stock and potential capital gains taxes are avoided. The deduction generally is limited to 30% of adjusted gross income (AGI), but any excess contribution can be carried forward for five years.
- **Make a quick trip to the post office:** All donations—whether a check or physical securities (in the form of stock certificates)—qualify as long as they are placed in the mail or hand delivered by December 31.

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- **Keep track of cash contributions:** Hang on to written receipts from the charity and bank records for cash gifts to substantiate a deduction. Always obtain a receipt from the charity for donations (cash and non-cash) of \$250 or more. Cash contributions to public charities may be deductible up to 50% of AGI, and excess contributions can be carried forward for five years.
- **Utilize Individual Retirement Accounts:** Individuals 70-1/2 or older can transfer up to \$100,000 from their IRA to qualified charities in 2009 without incurring income tax on the transfer. While most public charities are eligible to receive such distributions from an IRA, this 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," said Ms. Wright-Violich. "There's still time this year to make a meaningful difference in a way that makes sense for a family's finances."

About Schwab Charitable

Schwab Charitable is the country's 10th largest charity and fastest growing national donor-advised fund organization with over 12,000 donors and more than \$2 billion in assets. Created with a mission to increase charitable giving nationwide, Schwab Charitable has raised over \$3.8 billion and has facilitated more than \$1.6 billion grants to over 33,000 charities since inception. For more information about Schwab Charitable, visit schwabcharitable.org.

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