



FIRST UNITED

METHODIST CHURCH

Direct IRA Distributions and Transfers of Stocks to the Stillwater United Methodist Church

When planning your giving to support the work of the church, you may want to consider the tax advantages of direct donation of stock/bonds/mutual funds or a direct charitable distribution from an Individual Retirement Account (IRA) (for those over 70 ½).

Gifts of appreciated long-term held stocks, bonds or other securities (called Capital Gain Property by the IRS) could allow you to make a gift to the church while avoiding the tax on long term capital gains while allowing you to claim an income tax deduction for the full fair market value of the securities.

Gifts through a qualified charitable distribution from an IRA can be used to satisfy the required minimum distributions of these plans without having to pay the usual tax on the distribution. The actual tax treatment of these qualified charitable distributions varies so see your tax advisor or IRS Publication 590B.

For more information about the tax rules of direct stock transfers and IRA qualified charitable distributions, see: (Available on the <https://www.irs.gov> website)

IRS Publication 526 – Charitable Contributions: <https://IRS.gov/Pub526>

IRS Publication 590B – Distributions from IRAs: <https://IRS.gov/Pub590B>

IRS Publication 561 – Determining the Value of Donated Property: <https://IRS.gov/Pub561>

You should discuss these transfers with your tax advisor as there are exceptions to these general rules that may apply to your particular situation.

Direct Transfers of Stock or other Securities

You should contact your stockbroker to understand their specific procedures and forms needed to initiate a direct charitable transfer of stock or other securities.

The Stillwater United Methodist (UM) Church has made arrangements with the Minnesota United Methodist Foundation to receive and process the direct transfer of stock through Wespeth Institutional Investments. Wespeth Institutional Investments is a not-for-profit subsidiary of Wespeth Benefits and Investments, a general agency of The United Methodist Church. The Mn UM Foundation will sell the securities without fees to us and transfer the proceeds to the Stillwater UM Church.

The general procedure for making a direct stock transfer is as follows:

1. Submit a Wespeth Stock Transfer Form (also called Securities Transfer Donor Information Form) to the Mn United Methodist Foundation. The forms are directly available from:

Minnesota United Methodist Foundation
122 W. Franklin Ave. Suite 210
Minneapolis, MN 55404
Website: <https://www.mnumf.org>

You can directly download the forms, see the “Forms” link at the top of the web-page. Download the “Wespeth Stock Transfer Form”.

You can also get the forms from the church treasurer.

Fill out the the Wespeth Stock Transfer Form/Securities Transfer Donor Information Form .

- 1) Provide the stock information and your name and contact information
- 2) Under “Credit Proceeds To”, list:

“First United Methodist Church, Stillwater MN
Attn: Treasurer
813 W. Myrtle Street
Stillwater, MN 55082”

You may also designate a specific church fund (such as the General Fund or Capital Fund) if desired.

- 3) Provide your transferring brokerage information.
- 4) Provide your broker with the information in the “WESPATH SECURITY TRANSFER INSTRUCTIONS:”

2. Return the form to Diane Weller at the Mn United Methodist Foundation:

diane.weller@dkmnmf.org (ph: 612-230-3337) or at the above address.

Emailed scans or pdf's are acceptable. Please submit these forms at least 3 days before the expected date of the transfer.

3. Submit the appropriate forms to your Stock Broker to initiate the transfer.

For a direct stock transfer, you will need to provide to your broker:

1. Name of the stock/bond/mutual fund that you wish to donate
2. Stock or Ticker Symbol or the CUSIP number
3. Number of Shares to transfer. Usually, this will need to be a whole number of shares. Check with your broker. The number of shares does not need to be a full lot. Odd lot transfers are usually allowed without additional fees.
4. There may be other information required by your broker to identify particular shares, if needed.

Your broker will require the following information designating the brokerage to receive the securities:

Charitable Organization: Wespeth Funds Trust
Receiving Institution Name: Pershing, LLC
Receiving Institution Account Number: N7M002242
DTC Number: 0443

The gift should NOT be anonymous. Most broker's forms will have this as an option. If the gift is anonymous, then we cannot issue the receipt necessary for your tax records. Most brokers will require 3-4 days for the transfer to complete.

4. Alert the church treasurer of the transfer and provide how you would like your gift applied to the General fund, the Capital fund or other distribution.

You will receive a receipt from the Minnesota United Methodist Foundation for the fair market value of the securities. Note that, by law, the fair market value of the gift is the average of the high and low price of the stock on the day of the transfer. The Church will receive a different amount from the actual sale of the securities.

IRA qualified charitable distributions

The procedure for a direct qualified charitable distribution from an IRA will be specific to the administrator/trustee of your particular IRA. In most cases, you can direct your IRA administrator to transfer the distribution directly to the Stillwater Methodist Church:

Stillwater United Methodist Church

Attn: Treasurer

813 W. Myrtle Street

Stillwater, MN 55082

Federal Tax ID: 41-0848762

Please alert the church treasurer and provide how you would like your gift applied to the General fund, the Capital fund or other distribution. The Stillwater UM Church will provide a receipt for the gift for your records.

Additional Questions?

If you have additional question, you can contact the Church Treasurer or the Finance Committee Chair.