
MAXIMIZING TAX SAVINGS BY DONATING A SMALL QUANTITY OF HIGHLY APPRECIATED STOCK

Cash gifts are the simplest charitable contributions. The tax benefits can be maximized using the strategies below (details in [Maximizing Tax Savings with Cash Donations by Learn for Life.](#))

- ✓ A. Itemize your deductions (if beneficial)
- ✓ B. Use “Bunching” or Multi-Year Gift Planning
- ✓ C. Use Donor-Advised Funds (DAFs)
- ✓ D. Understand deduction limits for cash gifts
- ✓ E. Use Qualified Charitable Distributions (QCDs) if over age 70½

Learn for Life Foundation (LFL) is a US registered 501 (c)3 public charity, which provides you the tax benefits of “bunching” or “multi-year gifting” with \$0 fees and also matches your donation to increase the impact for our causes for less-privileged children’s education, LFL also provides you the tax benefits of a DAF, without the DAF annual admin fee (up to 1%) or DAF investment fee (up to 1%) and without the DAF transaction fee (up to \$5000) for donations made to international charities. LFL donations and accounts qualify for IRA Qualified Charitable Distributions under US IRS guidelines.

HOWEVER, DONATING APPRECIATED STOCK (HELD LONGER THAN ONE YEAR) IS THE SINGLE MOST TAX EFFICIENT CHARITABLE GIVING STRATEGY.

Here’s why:

✓ **A. You avoid capital gains tax**

When you sell appreciated stock, you pay capital gains tax on the gain.

When you donate the stock instead:

- You pay \$0 capital gains tax.
- The charity receives the full fair market value.

Example:

- You bought stock for \$10,000 (basis).
- Now it is worth \$50,000 (gain = \$40,000).
- If you sell it: you might pay up to ~\$8,000–\$9,500 in capital gains tax.
- If you donate it:
 - You pay no tax
 - Charity receives full \$50,000
 - You get a \$50,000 deduction (subject to AGI limits)
 - Representing a \$17,500 tax savings (at a 35% Fed + State Tax Rate) on your \$10,000 cost basis.

Learn for Life Fidelity Investments Account accepts Stock Transfer Gifts / Donations.

✓ **B. You still get a full fair-market-value deduction**

For stock held longer than 12 months:

- Your charitable deduction = FMV (fair market value) on the date of transfer.
- Deduction limit: up to 30% of AGI (public charities or donor-advised funds).

✓ **C. You can donate the “most appreciated” assets strategically**

By giving stock with the largest percentage gain, you:

- Avoid the highest future capital gains tax.
- Increase tax leverage (deduction is based on *FMV*, not cost basis).

This is why wealthy donors routinely give appreciated securities instead of cash.

✓ **D. Use appreciated stock to fund a Donor-Advised Fund**

DAFs accept appreciated assets easily.

Benefits:

- One transfer → immediate tax deduction.
- You avoid capital gains.
- You can grant to charities over many years.
- DAF assets can stay invested and grow tax-free.

LFL also provides you the tax benefits of a DAF, without the DAF annual admin fee (up to 1%) or DAF investment fee (up to 1%) and without the DAF transaction fee (up to \$5000) for donations made to international charities.

✓ **E. Rebalance your portfolio tax-free**

After donating appreciated stock:

- You can re-purchase the same stock immediately with cash (no wash-sale rules on gains).
- This resets your cost basis *higher*, reducing future taxable gains.
- You effectively used charity to upgrade your portfolio tax-efficiently.

Powerful Combined Strategy Example

Optimal annual plan:

1. Identify your most appreciated securities.
2. Donate them to a Learn for Life Foundation directly →
 - full FMV deduction
 - avoid capital gains
3. Repurchase the same positions using cash →
 - higher basis, future tax savings

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- 4. **In retirement (age 70½+):**
 - Use QCDs for RMD-driven giving
 - Use appreciated stock donations for additional giving above QCD limit

This approach combines income-reduction, capital-gains avoidance, and deduction maximization.

When donating appreciated stock is *better* than cash. Donate stock when:

- ✓ It has large unrealized gains
- ✓ You want maximum tax efficiency
- ✓ You itemize deductions
- ✓ You plan to give a substantial amount
- ✓ You want to avoid future or current capital gains
- ✓ You want to rebalance holdings without triggering taxes

Donations in Cash is still useful for:

- QCDs
- Donations above the 30% AGI stock limit
- When your appreciated stock has minimal gains

About Learn for Life Foundation and Sunbird Trust

Learn for Life Foundation (<https://learnforlifefoundation.org/>) was founded in 2011 as a US-registered 501(c)(3) public charity, that makes direct grants to non-profit education groups in developing countries, with special focus on India.

Sunbird Trust (<https://sunbirdtrust.com/>) is a non-religious and apolitical not for profit organization working in remote and conflict affected parts of North East India with the motto of Peace through Education. It facilitates physical and financial access to education through building schools and hostels and providing education sponsorships.

Donors can donate directly to the Sunbird Trust General Fund at Fidelity Investments in the US, which will be partially matched by Learn for Life Foundation, so your contribution will go further. There will be no deduction of any administrative or other expenses, so 100% of the funds go directly to benefit the less-privileged children in tribal and rural areas, compared to most other well-known non-profits like UNICEF who spend between 15-20% on overheads.



All funds go to partner institutions in India where 100% of the donation is spent on educational infrastructure or sponsoring underprivileged children. According to LFL's CPA all cash contributions are deductible up to 100% of Adjusted Gross Income.

Capital and Operating Expenses in 2026:

- Raising two schools (Capital Budget: USD 100,000 per school up to Class VII)
- Building five hostels (Capital Budget: USD 50,000 per hostel for 50 children)
- Sponsoring education of 5,000 school children (Operating Budget: USD 320,000 @ US\$64 per child per year)
- Sponsoring 500 children's boarding (USD \$ 160,000 @ US \$ 340 per child per year)
- Contributions or Commitments of \$50,000 or more include "Naming Rights" to schools, hostels or children's scholarships (e.g. Sunbird School/Hostel – Sponsored by Jane Doe Endowment)

Donations can be made to the Sunbird General Fund, or if you would like to get a larger tax deduction for 2025, you can request your own "Named Endowment" at Fidelity (e.g. John Smith LFL-Sunbird Endowment), which can be managed by you or your financial advisor, and make annual distributions to Sunbird from your endowment's dividends and investment returns.

Best Regards

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