
2203 GIFT VALUATION FOR PUBLICLY-TRADED SECURITIES

Effective: July, 2003
Revised: March, 2006
Last Reviewed: April, 2018
Resp. Office: Treasurer
Approval: Treasurer

PURPOSE

To appropriately record and receipt gifts of publicly-traded securities to the University and to comply with IRS requirements and University stewardship guidelines.

POLICY

The valuation of a security gift is derived from the mean of the high and low price transactions per share on the date of the gift. These prices are typically recorded in trade publications, such as *The Wall Street Journal* or through electronic pricing services, such as Bloomberg.

For example:

100 shares of General Electric

Gift Date: February 19, 2002

High Price for the Day: \$37

Low Price for the Day \$36.32

$(\text{High} + \text{Low}) / 2 = \text{Mean Value per share}$

$\text{Mean Value per share} \times \text{Number of Shares} = \text{Value of Gift}$

Or

$[(37.00) + (36.32) / 2] * 100 = \$3,666.00$

Note: for bonds donated, accrued interest is also included in the gift amount. In addition, bond prices may be derived from a dealer(s) if pricing is not readily accessible from other published sources.

Privately held or restricted securities:

Because values are not readily accessible and there is an indeterminable discount for illiquidity, no valuation is included on the donor's receipt. The donor should consult his/her tax advisor to determine an appropriate deduction to take for such gifts. Gift credit for privately held or restricted securities is applied to the donor's record based on proceeds realized upon sale.

It is the fiduciary responsibility of the Office of the Treasurer to accept, sell and receipt gifts of securities.