
2204 GIFTS OF SECURITIES (LIQUID)

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

PURPOSE

Gifts of appreciated securities offer donors an option of giving to Penn in a way that may provide tax benefits.

POLICY

Security gifts generally include stocks, bonds, limited partnerships, closely-held stock, and mutual funds.

The University of Pennsylvania accepts gifts of appreciated securities for immediate sale and does not retain securities for further appreciation.

The University will value the security as of the date the donor relinquishes control of the asset(s).

- For electronic transfers, this is the date the securities are deposited into the University's brokerage account.
- For mailed physical certificates in the donor's name, the "mailbox" rule applies. This means the postmark on the donor's envelope determines the date of the gift.
- For mailed physical certificates reissued into Penn's name, the certificate date determines the date of gift.

Stock gifts are valued by calculating the mean between the high and the low trading prices on the date of the gift.

Mutual funds are valued at their closing net asset value (closing price) on the date of the gift.

Government bonds are valued at the mean of the bid and asked prices at the end of the day, on the date of the gift, as recorded in trade publications.

Corporate bonds may be valued by an alternate source, such as dealer pricing, in writing, depending on their liquidity. Valuations for corporate or government bonds include accrued interest as of the gift date.

Broker statements are reviewed monthly to confirm the date of transfer (date of the gift).

The Office of the Treasurer is the only authorized agent to accept, appraise and sell gifts of securities for the benefit of the University.

The Office of the Treasurer will issue the appropriate gift receipt for tax purposes to the donor. The IRS requires that all charitable gifts of \$250 or more be supported by a receipt from the charity.

Upon the sale of the security, net proceeds are journaled to the appropriate gift account designated by the donor. With the exception of restricted or privately held securities, net proceeds are not booked as the gift amount (see Policy # 2206 Illiquid Gift Acceptance Policy).