



A Guide for Donors

Gifts of Marketable Securities
&
Mutual Fund Accounts



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A Guide for Donors

Gifts of Marketable Securities And Mutual Fund Accounts

Each year, many donors choose to make gifts for the benefit of James Madison University using appreciated stock or mutual funds. Such gifts often offer donors greater tax-wise advantages than gifts of cash or other resources. There are just a few steps to follow to ensure that your wishes are met. This **Guide for Donors** is intended to assist you in making a gift of marketable securities or shares of a mutual fund account.

The **first three sections** of the Guide address each of the ways to make a gift of marketable securities (such as the common stock of a publicly traded corporation). Of the several methods presented, the method you choose will depend on the location and form of the securities you own. The **fourth section** focuses on gifts of mutual fund account shares.

The Guide also includes a **Sample Transmittal Letter** to accompany the Stock/Bond Power form, a **Sample Letter of Instruction** to your broker, and a ready-to-execute **Stock/Bond Power** form for your convenience.

Please note that all charitable gifts for the benefit of the University need to be made through the **James Madison University Foundation, Inc. (JMUF)**.



The First Step – A call to advise the JMUF of your intentions to transfer stock or mutual fund shares.

You can do this by calling the office **toll free at 888-303-9939 or local 540-568-3187**. When you call, you should be prepared to provide the following information:

- 1) A description of the gift, including the number of shares and the name of the company.
- 2) Any restrictions or designations you wish to place on the use of the gift.
- 3) The date of the transfer.

I) A Gift of Marketable Securities.

Method 1 – The Donor’s securities are held on account at a brokerage firm at which the JMUF maintains an account.

The James Madison University Foundation, Inc. (JMUF) maintains an account at several brokerage firms, and they are listed below. If your securities are located with one of these brokerage firms, then please follow the instructions below.

The brokerage firms with a JMUF Account are:

- **Davenport**
 - Toll-Free: 800-846-6666
- **Morgan Stanley Smith Barney**
 - Toll-Free: 877-942-6005
- **Scott & Stringfellow**
 - Toll-Free: 800-768-2882
- **UBS**
 - Toll-Free: 800-522-5782
- **Wells Fargo Advisors**
 - Toll-Free: 800-879-9926

Method #1 Steps To Take. . .

- 1. The First Step** - The **key** is to call and alert the JMUF **before** you initiate the transfer (see the front page). When you call, please ask for the JMUF Account Number associated with the particular brokerage firm. Then, direct your broker to transfer the securities to the JMUF account maintained by the particular firm.
- 2. Value of the Gift** - The securities will be valued at the average of the high and low prices on the date the transfer to the JMUF Account is completed.
- 3. Confirmation of the Gift** - Once the transfer is complete, you will be contacted by James Madison University to confirm that the gift was received.

II) A Gift of Marketable Securities.

Method 2 – The Donor’s securities are held on account at a brokerage firm at which the JMUF *does not* maintain an account.

If your securities are held by your brokerage firm or bank and the James Madison University Foundation, Inc. (JMUF) *does not* maintain an account with that firm or bank, then please follow these instructions:

Method #2 Steps To Take. . .

1. **The First Step** - The **key** is to alert the JMUF **before** you initiate the transfer (see the front page).
2. **The Crucial Next Step** -- Then, it is important for you to advise your broker to direct that the transfer of securities be credited to the JMUF account maintained by Wells Fargo Advisors.

- a. In your communication with your broker, please ask your broker to transfer the securities to:

Wells Fargo Advisors - DTC Account #141

Attention: Wes Graves

2011 Evelyn Byrd Avenue

Harrisonburg, VA 22801

Toll-Free – 800-879-9926

If you choose to contact your broker in writing, a *Sample Letter of Instruction* to your broker is included in the Appendix of this Guide.

- b. At the same time, alert your broker to provide *Wes Graves (or Ann Ring)* at **Wells Fargo Advisors** (800-879-9926) with the following information:
 - i. Your name (as the donor).
 - ii. Any restrictions or designations on the use of the gift.
 - iii. The expected date of the transfer.
- c. Advise your broker to direct Wells Fargo Advisors to credit the transfer to the Wells Fargo Advisors Account for:

James Madison University Foundation, Inc.

3. **Value of the Gift** - The securities will be valued at the average of the high and low prices on the date the transfer to the JMUF Account is completed.
4. **Confirmation of the Gift** - Once the transfer is complete, you will be contacted by James Madison University to confirm the gift was received.

III) A Gift of Marketable Securities.

Method 3 – The Donor is holding the actual stock certificates and plans to deliver the securities in person, or send them by mail.

If you are planning to deliver the actual stock certificates in person or by mail, please follow these instructions:

Method #3 Steps To Take. . .

- 1) Do not fill in the back of the certificates.**
- 2) Transmittal Letter** – Please prepare a brief letter to state that you intend to give the shares to the James Madison University Foundation, Inc. (JMUF), specifying the number of shares and the name of the company. Also, if there is any restriction or designation you wish to place on the use of the gift, include that information in the letter. (*A Sample Transmittal Letter is included with this Guide.*)
- 3) Stock/Bond Power form is required** – On the Stock/Bond Power form, you will need to include the date, number of shares, name of company, the certificate number(s), and your signature. (*A ready-to-execute Stock/Bond Power form is included with this Guide.*) Please note the following directions:
 - a. **Do not fill in the pair of lines at the top of the form.**
 - b. **You must sign the form only in the presence of someone who can provide a Medallion Guarantee.** At any commercial bank or brokerage company, someone is available to provide a Medallion Guarantee. It is not sufficient to have your signature witnessed by a Notary Public.
- 4) For in-person deliveries** – The Office of the JMUF is located at 1320 South Main Street, Harrisonburg, Virginia. The Office is open on weekdays from 8 a.m. to 5 p.m.
- 5) For deliveries by mail** – Please prepare **two envelopes** for the U.S. Postal Service and send both of them by **certified mail**.
 - a. **In the first envelope**, please include the unsigned certificates; and
 - b. **In the second envelope**, please include the transmittal letter (described above), and the Medallion Guaranteed Stock Power form.
 - c. The address is: **James Madison University Foundation, Inc.
1320 S. Main St. - MSC 8501
Harrisonburg, VA 22807**
- 6) Value of the Gift** – *If you hand-deliver the documents, then the securities will be valued at the average of the high and low prices on the date the documents are received at the JMUF office. If you deliver the documents by mail, the valuation day will be the date of the postmark by the U.S. Postal Service. If you use a private delivery company, the valuation day will be the date on which the JMUF receives the securities.*
- 7) Confirmation of the Gift** – *If you delivered the documents by mail or private delivery company, you will be contacted by James Madison University to confirm that the gift was received.*

IV) A Gift of Mutual Fund Account Shares.

Method 4 – The Donor intends to make a gift of shares from a mutual fund account.

This section focuses on gifts of mutual fund accounts shares. The process is slightly different from the steps needed for transfers of marketable securities. For gifts of mutual fund shares, please follow these instructions:

Method #4 Steps To Take. . .

- 1) The First Step** - The **key** is to alert the James Madison University Foundation, Inc. (JMUF) **before** you initiate the transfer (see the front page).
- 2) The Next Call To Make** – You then need to contact the mutual fund company for the particular requirements the company has for transferring shares to the JMUF.
 - a. In most cases, the JMUF will need to open an account in its own name with the particular mutual fund company so that the gift of these shares can be transferred into the JMUF account.
 - b. Since it is likely that the JMUF will need to establish an account, it is especially important that you contact the JMUF office **toll-free at 888-303-9939** to alert JMUF of your desire to make a gift of mutual fund shares.
- 3) Crucial Next Step** -- Then, it is important for you to advise your broker or the mutual fund administrator to credit the transfer to the JMUF account established with the particular fund company.
- 4) Value of the Gift** - The value of a gift of mutual funds will be the Net Asset Value (NAV) of the mutual fund as of the end of the day on the date the transfer to the JMUF is completed.
- 5) Confirmation of the Gift** - Once the transfer is complete, you will be contacted by James Madison University to confirm that the gift was received.

Appendix – Sample Letters and a Stock Power Form.

In this Appendix, you will find three documents to assist you as you prepare to make a gift for the benefit of James Madison University using either marketable securities or mutual fund account shares.

The documents are:

- 1) **A Sample Letter of Instruction for your Broker** – Please use this as a model for the letter you prepare to advise your broker of your intention to transfer stock you own to the James Madison University Foundation, Inc. (JMUF).
- 2) **A Sample Transmittal Letter** – Please use this as a model for the letter you prepare to advise the JMUF of your intention to transfer stock you own to the JMUF. This letter should be delivered to the JMUF along with the executed and signed Stock/Bond Power form, either in person or by mail.
- 3) **An Irrevocable Stock/Bond Power form** – You may copy and use this form. Please complete it according to the directions in Section III of this Guide. This form should be delivered to the JMUF along with the Transmittal Letter, either in person or by mail. Please remember that this form needs to be signed in the presence of someone who can place a **Medallion Guarantee** on the form; this can be done at any commercial bank or brokerage company.

Sample Letter of Instruction to your Broker
(See Section II – Method 2 for Gifts of Marketable Securities)

Name of Donor(s)
Address of Donor(s)

Date

Name of Your Broker
Name of Brokerage Firm
Street Address
City, State ZIP Code

Name of Donor's Brokerage Account: _____
Brokerage Account Number: _____

Dear _____:

Upon receipt of this letter, I (We—if a joint account) instruct **Name of Brokerage Firm** to transfer from my (our) above referenced account shares of common stock I (We) own. Specifically, please transfer: **Number of Shares** in **Name of Company** to **James Madison University Foundation, Inc. (JMUF)**.

Please transfer these shares electronically to the JMUF's brokerage account at **Wells Fargo Advisors** using the **DTC Account # 141 – Attention: Wes Graves (Toll-Free 800-879-9926)**. The address is **2011 Evelyn Byrd Avenue – Harrisonburg, VA 22801**.

The transfer should be credited to the account maintained by Wells Fargo Advisors for the JMUF.

Thank you for your assistance in making this transfer.

Sincerely,

Donor(s)

cc: *Thomas Schaeffer*
Executive Vice President
James Madison University Foundation, Inc.
MSC 8501
Harrisonburg, VA 22807

Sample Transmittal Letter
(See Section III – Method 3 for Gifts of Marketable Securities)

Name of Donor(s)
Address of Donor(s)

Date

Thomas Schaeffer
Executive Vice President
James Madison University Foundation, Inc.
MSC 8501
Harrisonburg, VA 22807

Dear Tom,

I am writing to advise you that I intend to make a gift to the James Madison University Foundation, Inc. (JMUF) for the benefit of James Madison University using stock that I own; specifically _____ shares of _____ [please include here the number of shares and the name of the company].

I have the actual stock certificates and will deliver them to the JMUF office in person (or, by mail – as the case may be). I understand that I will need to execute a Stock/Bond Power form, with my signature on the form Medallion Guaranteed.

I ask that this gift be directed to the JMUF for the benefit of James Madison University. I direct that this gift be used as follow:

- JMU Endowment, with no restrictions or designations.*
- JMU Endowment, with the following restrictions (or designations):*

Other:

If you have any questions, please do not hesitate to call me, at _____ (please include a telephone number at which you can be contacted during the day).

Thank you.

Sincerely,

Name of Donor(s)

Irrevocable Stock/Bond Power

For value received, the undersigned do(es) here sell, assign, and transfer to:
(please leave these lines blank)

**IF STOCK,
THEN
PLEASE
COMPLETE
THIS
SECTION**

_____ shares of the _____ stock
(number) (type of stock)
of _____
(name of company)
represented by the following Certificate(s) Number(s),
_____,
(located on the certificate(s))
inclusive, which are standing in the name of the
undersigned on the books of the above-named
Company.

**IF BONDS,
THEN
PLEASE
COMPLETE
THIS
SECTION**

_____ bonds of
[number and type of bond(s)]

[name of company/institution]
in the principal amount of \$ _____,
[fill in amount]
represented by Number(s) _____
[located on bond(s)]
inclusive, which are standing in the name of the
undersigned on the books of the above-named
Company.

The undersigned do(es) here irrevocably constitute and appoint First Clearing Corporation attorney to transfer the said stock or bond(s), as the case may be, on the books of the above-named Company, with full power of substitution in the premises.

Signature of person(s)
executing this Power

} _____

Medallion Guarantee:

all together one™



**James Madison University
Office of Development
MSC 4401
Harrisonburg, VA 22807
800-296-6162**