

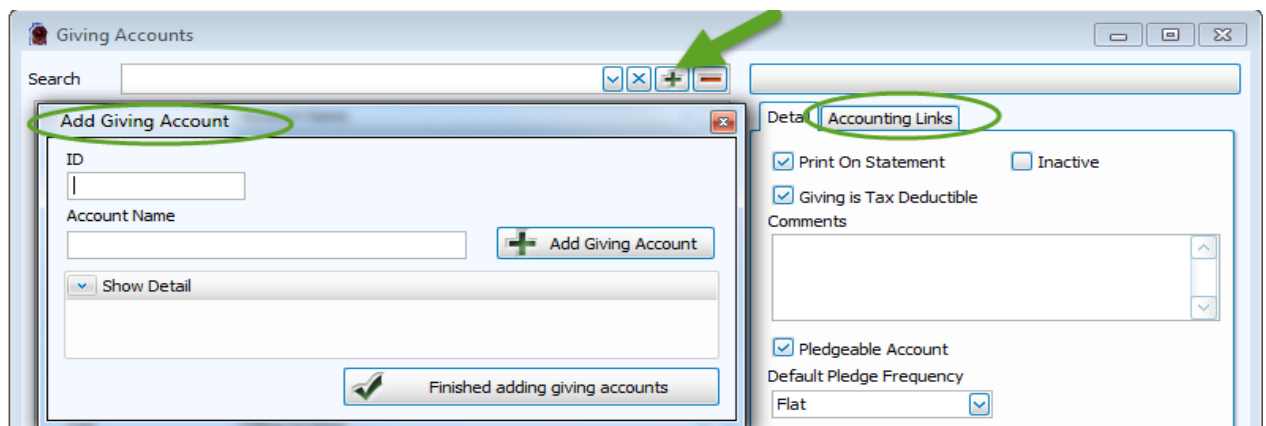
Because of the tax advantages involved, people often choose to contribute stock directly to the church instead of selling it first and contributing the cash. The steps outlined below assume you are using both the Donations and the Accounting modules of Church Windows:

In Accounting

- Set up a Stock #1 Asset account.
- Set up a separate Fund for the Income and Expense accounts, if needed.
- Set up a #4 Income account for gain/loss on the stock when you sell. Be sure to link this account to its appropriate fund.
- A #5 Expense account can be set up to record the commission costs. Be sure to link this to its appropriate fund.

In Donations

If this gift of stock is **not** to be attributed to an existing giving account:



- To set up a new giving account for this gift click on *Accounts & Pledges > Manage Accounts*
 - Click on the plus (+), *Add Giving Account* screen appears
 - Enter the ID (Giving Account number) and Account Name and click *Add Giving Account* and *Finished adding giving accounts*.
 - Click on *Accounting Links* (at the top right) to set up the linkage of the new giving account to the Stock Asset (#1) and the Stock Income (#4) Account
- Click on *Enter Donations* to enter the gift for that person for the value of the stock on the date received.
- Enter this as a separate batch by using a date different from any other batch date.
- This is not necessarily the amount the contributor can take for tax purposes so it is a good idea to identify the giving as a donation of stock, by entering "Gift of Stock" in the description box.
- Click *Post & Transfer* to *Post* the gift and *Transfer* to Accounting.

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- Click on *Enter Donations* to enter the gift for that person for the value of the stock on the date received.
- Enter this as a separate batch by using a date different from any other batch date.
- This is not necessarily the amount the contributor can take for tax purposes so it is a good idea to identify the giving as a donation of stock, by entering "Gift of Stock" in the description box.
- Click *Post & Transfer* to post the gift.
- On the *Transfer Donations to Accounting* screen change the Asset (#1) and Income (#4) accounts to the Stock Asset and the Stock Income Account. This is a temporary change for this transfer only. This change is necessary because normal giving to this account is posted to a different income and asset account than the stock will be posted to.

In Accounting - When the Stock is sold

To post a loss in value:

- Use *Transactions>Other>Asset Adjustment*
- Choose the Stock Asset (#1) account, click to *Decrease*, enter the amount of the loss and the date, select the #4 Income account for Net Gain/Loss.

To post a gain in value:

- Use *Transactions>Other>Asset Adjustment*
- Choose the Stock Asset (#1) account, click to *Increase*, enter the amount of the gain and the date, select the #4 Income account for Net Gain/Loss.

To post commission costs:

- Use *Transactions>Other>Asset Adjustment*
- Choose the Stock Asset (#1) account, click to *Decrease*, enter the amount of the Commission Costs and the date, then select the #5 Expense account for Commission/Fees.

To transfer proceeds of the stock sale:

- Use *Transactions>Transfer* to transfer the balance of the Stock Asset (From) to the Asset (To) to which the final proceeds of the sale were deposited.

*May need to post another Transfer from the Stock Income to Income it should be in or if in the next year, may need a Fund to Fund Transfer.

See your tax advisor if you have further questions about handling gifts of stock.