



STOCK DONATION PROCEDURES

The American Brain Foundation suggests that donors use one of the following methods when making donations of public securities (e.g. stock and bond certificates). It is also recommended that donors notify the American Brain Foundation as soon as possible when arranging a donation of public securities so that we can ensure complete and accurate recording of your gift. Please be sure to include the donor's name, the name of the security and the date of the transaction in your notice. All notices to the American Brain Foundation should be sent to:

American Brain Foundation
201 Chicago Avenue
Minneapolis, MN 55415
info@americanbrainfoundation.org
612-928-6300
or fax to 612-454-2744

DELIVERY METHODS

Book Entry

Securities that are held as book entry can be electronically delivered to the American Brain Foundation using the following DTC (Depository Trust Company) delivery instructions:

Charles Schwab
Attn: Operations
P.O. 52013
Phoenix, AZ 85072-9749
DTC #0164
Gift To: American Brain Foundation
In Care Of: American Academy of Neurology Institute
Account: 1205-1214
Donor Name

Physical Stock and Bond Certificates

Book entry is the preferred method to make donations of public securities, as it is the easiest, fastest, and safest. Because it is the fastest it will be less susceptible to market fluctuation between donation date and selling date. However, we understand that a donor may need to physically deliver a stock or bond certificate. Listed are the recommended methods of delivering a physical security to the American Brain Foundation.

1. *Deposit into your brokerage account.* Your broker should be able to deposit your certificate into the DTC for your brokerage account. Once your broker has deposited the physical stock or bond to the DTC on your behalf, the security can be delivered electronically to American Brain Foundation by using the Book Entry instructions listed above.
2. *By mail or hand delivery.* The method used of delivering a stock or bond by mail or hand delivery depends upon how the security is registered.



- a. **Registered in the name of the donor.** When delivering a stock or bond certificate registered in the donor's name, two additional forms will be needed: Stock/Bond Power form and Third Party release form. The Stock/Bond Power form needs to be signed and the Third Party release form needs to be signed and notarized. The Stock/Bond certificate, stock power and Third Party release form can then be sent to AANI or direct to Schwab. If the donor has signed the certificate or feels it is necessary to sign the certificate, the signature must match the name on the front of the certificate EXACTLY. The certificate should be assigned to Schwab by listing Charles Schwab & Co., Inc., on the assignee line. If a donor has endorsed the back of the certificate and forgets to restrict the transfer, it in effect is similar to signing a blank check. A signed and notarized Third Party release form is still required to deposit the donor's stock in the Foundation's brokerage account.

Registered in the name of American Brain Foundation. A donor can also contact the issuer of the stock or bond certificate and have the certificate be reissued in the name of American Brain Foundation. The reissued certificate can then be mailed to the American Brain Foundation. The downfall of using this method is that the issuer's processing time can be very long, and the American Brain Foundation may have to invest in additional research to verify the donor.

DONATION VALUATION

In determining the donation value of a stock or bond, it is recommended that the donor refer to the IRS Publication 561 "Determining the Value of Donated Property". To determine how much a donor may deduct as a charitable contribution, the donor must first determine its fair market value on the date of the contribution. Listed is a summary from the IRS publication 561 (February, 2000 version) addressing the basic process.

1. **Date of contribution.** The contribution date is the date the transfer takes place. If by Book entry then the date is when the transfer is made on the books of the brokerage firm. If by mail then it is the date of mailing. If by hand delivery then it is the date of delivery. If by having the certificate reissued in the name of the American Brain Foundation then it is the date the certificate was issued in the name of American Brain Foundation.
2. **Determining Fair Market Value (FMV).** For publicly held securities, the FMV of each stock share or bond is the average price between the highest and lowest quoted selling price on the valuation date.

The *Wall Street Journal* is a good source for obtaining quoted selling prices. For each market day, the high and low quoted selling price for publicly traded securities is published in the *Wall Street Journal* on the following day.

For example, to value 200 shares of stock donated on 6/1/99 you will use the *Wall Street Journal* dated 6/2/99 and average the high quote (noted under HI) and the low quote (noted under LO). If the HI is \$11 and the LO is \$9, then the average price is \$10. The value of the donation will be 200 shares times \$10 for a total of \$2,000.