



# Gift of Securities to a University of Texas Institution

The University of Texas (UT) System Board of Regents' [Rule 60101](#) designates the UT System Office of External Relations as the only entity authorized to handle gifts of securities. This includes stocks, mutual funds, and bonds.

## Step 1: Contact the UT System

Please email [stock@utsystem.edu](mailto:stock@utsystem.edu) or call 512-579-5142 to begin the process of gifting securities to a UT institution. We are happy to speak directly to a donor or to a broker/financial advisor.

## Step 2: Provide Gift Details

The following information will be requested by the UT System in order to facilitate the gift:

- **Where are the shares held?**  
Please provide the name of the specific brokerage firm or custodian through which the shares will be transferred.
- **Which securities will be gifted?**  
Please provide the name and symbol of the specific securities to be transferred, including the exact number of shares. If this has not yet been determined, please provide this information prior to initiating transfer.
- **What area is the gift benefiting?**  
Please provide the name of the UT institution this gift is intended for, as well as the specific area it will benefit.

## Step 3: Receive Transfer Instructions

After the above information has been provided, the UT System will in turn provide transfer instructions for a brokerage account into which the shares may be sent.

## Step 4: Transfer and Sale

The UT System will sell the gifted shares as soon as the donor's transfer is completed and the shares have been identified, typically within one business day of the completed transfer.

## Additional Important Information

- **Gift Valuation:** The UT System uses [IRS guidelines](#) to assign a valuation to a gifted security, calculated using the average share price of the security on the date of transfer multiplied by the number of shares received. If the gift is intended as a payment on a pledge, this same valuation is applied to the pledge balance (not the net proceeds of the sale of the security).
- **Tax Receipts:** The benefiting UT institution will provide the donor with a tax receipt and gift acknowledgement. The UT System does not provide these tax receipts.
- **Charitable Deductions:** For long-term securities (held for more than one year), tax law permits a charitable deduction of the current full fair market value of the securities, up to 30% of the donor's adjusted gross income. In addition, the securities are not subject to a tax on the capital gain when sold by UT System. This is the most common situation. Short-term securities (held for one year or less) are considered ordinary income property by the IRS, and a charitable deduction may be taken only for the original cost of the securities. This happens less frequently.