



RULES FOR GIFTS OF SECURITIES

Stock may be given by either of the following procedures:

- A. If stock is being held for transfer at a brokerage firm
 - 1. Advise the broker to transfer shares to the following account for the VMI Foundation, Incorporated:

DTC 702
Scott & Stringfellow
Account Number 858 63 093
Broker: William F. Sowers, Jr.
Staunton, Virginia 24401
Phone Number (800) 541-3851
Name of Donor
(Broker will need written instructions from the donor.)
 - 2. Call the Foundation office at 800-444-1839 to inform us of the transfer.
- B. If stock is in certificate form
 - 1. Send to the Foundation in one envelope the **unsigned certificate(s)** with a brief cover letter describing the stock to be donated, including number of shares and certificate numbers. Letter should indicate donor's intention to make this gift of stock and any designation for its use.
 - 2. Send in a separate envelope a signed stock power form for each certificate. (Certificate(s) are not negotiable until joined with the signed stock power(s).)

Valuation of the gift for the charitable deduction is based on the average of the high and low sale prices for the day or the average of the bid and asked prices for over-the-counter stocks.

The effective date of delivery for valuation purposes depends on the method used. If mailed, the postmark determines the effective date. If hand delivered, the Foundation provides a dated receipt. If transferred through the broker, the effective date is that of the transfer to the Foundation's account from that of the donor.

It is not usually advisable to request the issuer to transfer shares to the name of the Foundation, if it can be avoided. The procedure takes time, and the donor loses control of the effective date of gift and valuation -- which is the date of issuing the new certificate.

A stock gift in excess of \$500 requires the completion of IRS Form 8283 by the donor. A gift of closely held stock in excess of \$10,000 requires a signature on IRS Form 8283 by an officer of the Foundation acknowledging receipt of the securities. If the closely held stock is sold within two years, IRS Form 8282 must be filed by the Foundation.

Any questions, call the VMI Foundation's Chief Financial Officer, David Prasnicki (1-800-444-1839 ext.223) or its Assistant Secretary-Treasurer Crissy Elliott (1-800-444-1839 ext.252)